

(Translation)

**IT City Public Company Limited**  
**Minutes of the 2014 Annual General Meeting of Shareholders**  
**1 April 2014**

The Meeting was held in the ASIC Room, 34th Floor, SVOA Tower, 900/9 Rama 3 Road, Kwaeng Bangpongpan, Khet Yannawa, Bangkok. There were 124 shareholders present in person and by proxy, representing 183,187,142 shares, which was equal to 52.43% of the Company's issued shares. Quorum was thus constituted. Mr. Kamol Juntima was the Chairman of the Meeting. Mr. Chanchai Boonyasurakul as Company Secretary recorded the minutes of this Meeting.

The Meeting began at 14.00.

The Chairman declared the Meeting duly convened. Before beginning to consider the agenda, the Chairman introduced the directors and all other attendees to the shareholders and informed all shareholders present of the procedures relating to this Meeting as follows:

1. The Company's Board of Directors consists of 10 directors and 10 directors were present at the Meeting:

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

List of Absent Directors

1. Mr. Vichit Yanamorn Independent Director and Audit Committee

(He did not join the Meeting due to his important commitment abroad. However, he had sent a prior notice to the Chairman.)

Other attendees were:

1.	Mrs. Pantipa Thirakanokvilai	Vice President, Accounting and Finance Department
2.	Mr. Chanchai Boonyasurakul	Company Secretary
3.	Mr. Wichart Lokatekrawee	Auditor from EY Office Limited
4.	Ms. Vitita Subhawatt	Legal Adviser who would supervise the vote counting procedure to ensure the compliance with the law and the Company's articles of association

2. To ensure that the Meeting would understand the voting procedures when considering each matter on the agenda, the Chairman explained the voting procedures as follows:

- 2.1 The number of votes for which each shareholder is eligible is the number of shares he or she holds.
  - 2.2 Before voting each matter, the Chairman would ask the shareholders to choose to "vote against", "abstain from voting" or "vote for" respectively.
  - 2.3 In the absence of votes against or abstentions by the shareholders present in person or by proxy (except for abstentions by shareholders with a conflict of interest), the Meeting would be considered to have approved or unanimously approved that matter.
  - 2.4 If the shareholders present in person or by proxy wish to vote against or to abstain from voting, they must vote by marking a ballot card provided by a Company official at the time of registration before the Meeting began. After marking the ballot card, the shareholder must submit it to that official for vote counting. The number of votes against and abstentions would be deducted from the total number of votes cast by the shareholders present at the Meeting. Finally, the balance would be treated as the number of votes in favour of the relevant matter. If the number of votes for was more than the votes against and abstentions for each matter as required by law, the Meeting would be deemed to have "approved" that matter.
  - 2.5 Agenda items 2. are presented to the Meeting for acknowledgement only, therefore a voting is not required.
3. The Chairman requested that each shareholder introduce himself or herself, giving his or her name and surname when asking questions or expressing opinions on any matter on the agenda, so that the relevant information could be recorded in the minutes of the Meeting.

The Chairman declared the Meeting duly convened to consider the following agenda.

**1. To certify the Minutes of the 2013 Annual General Meeting of Shareholders**

The Chairman proposed that the Meeting certify the Minutes of the 2013 Annual General Meeting of Shareholders, held on 27 March 2013, a copy of which was sent to the shareholders together with the notice of the Meeting. The minutes were posted on the Company's website ([www.itcity.co.th](http://www.itcity.co.th)).

The Meeting considered and resolved to certify the Minutes of the 2013 Annual General Meeting of Shareholders.

Approved	Percent	Disapproved	Percent	Abstained	Percent
183,187,142	100	0	-	0	-

After the resolution was approved, the shareholders were granted an opportunity to ask questions, followed by clarification by the Company's senior management as follows:

**Mr Nara Sripetch (Shareholder)**

1. I proposed that the Company show the voting results in percentage for each agenda item.
2. I proposed that the Company apply the voting process of international standards.

**Mr. Kamol Juntima ( the Chairman )**

1. Your suggestion is welcome for further action.

2. Your suggestion would be considered; however, the international standard voting process carries high costs

**2. To acknowledge the report on the Company's operating results as at Year 2013**

The Chairman summarised the Company's operating results for the year 2013 as follows:

For the financial year ended 31 December 2013, the Company had earnings of Baht 5,406.05 million, and a net loss of Baht 8.84 million. Detailed information on the Company's operating results is provided in the Annual Report which has been sent to the shareholders together with the notice of the Meeting (as detailed in Enclosure 2).

Mr. Ekachai Sirijirapatana, President, to explain the operating results for the year 2013 to the shareholders.

Mr. Ekachai Sirijirapatana summarised the 2013 operating results as follows:

Mr. Ekachai explained the Company's operating results in the previous year as follows: In a brief overview, IT equipment remained the Company's core product, followed by smartphones and tablets. In the past two years (i.e. 2012 and 2013), the global market for notebook computers grew slowly, making it essential for the Company to revise its strategy to increase sales by distributing smartphones and tablets for the first time in 2011. The sales of smartphones and tablets in 2013 increased from 2012. However, an increase in the sales of those products could not offset against the decreased sales of the IT equipment. In addition, a decrease in margin profit, which was caused by fiercer competition, constituted an additional factor that affected the Company's performance in the previous year.

From 2013 until the first quarter of 2014, the Company has continuously worked out its policy to downsize its existing stores (Right-sizing). Meanwhile, the Company opened new stores named "IT City Mobile" to sell smartphones and tablets. These new stores have a small size and are in good locations.

**Mr Thitipong Sopon-udomporn (Shareholder)**

Smartphones and tablets increasingly become the hot gadgets for consumers in these days. Competition in the market for these products is intense, while the network operators have granted a limited opportunity for the distributors to have a share in the market. Did the Company have any plan to solicit a greater share in the market from the network operators?

**Mr. Ekachai Sirijirapatana (President)**

The Company must increase its sales volume and points of distribution and maintain good business relationship with the network operators. The Company believes that many new brands of smartphones and tablets will be released into the market in the future, which will enhance its selling opportunity. However, the IT equipment is continuously believed to be the Company's main source of income in this year.

**Mr. Rittichai Yibcharoenporn (Shareholder)**

1. Could you please clarify this year's operating results of the Company?
2. Regarding the Company's priority policy to sell the hot gadgets such as smartphones and tablets, would that policy affect the profit margin?

**Mr. Ekachai Sirijirapatana (President)**

The Company viewed that this year's sales would be uncertain and unpredictable, i.e. they may increase, decrease or remain the same. The margin is expected to remain the same or increase. Profit mainly depends on the sales.

**Mr. Min Intanate (Director and Executive Chairman)**

The consumer's behaviour is volatile in the current situation. In addition to the Company's marketing strategy, another factor that may affect an increase or decrease in sales constitutes the unpredictable situation which could indicate the consumer's behaviour. Therefore, the Company has continuously implemented the cost reduction policy to prepare itself to deal with any risk which may arise. The main elements of this policy are as follows:

1. to downsize the existing large stores in order to minimise the rental fees (Right Sizing); and
2. to select an appropriate location for opening new stores in order to penetrate nationwide markets (Right Location).

The Company believes that this policy operates as a preparatory step to cope with any situation which may arise and last long in the future. The Company's financial standing remains wealthy, which indicates the Company's financial stability in the long term.

**Mr.Nara Sripetch (Shareholder)**

I noted that the selling expenses significantly increased from 2012. Could you please clarify?

**Mrs.Pantipa Thirakanokvilai (Vice President, Accounting and Finance Department)**

Mrs. Pantipa explained that the significant increase in selling expenses was due to the re-classification of the Company's expenses and, as a result, the rental fees that were previously included in the section of administrative expenses are transferred to the section of selling expenses. Therefore, the selling expenses in 2013 significantly increased from 2012, while the administrative expenses in 2013 relatively decreased.

**Mr. Rittichai Yibcharoenporn (Shareholder)**

In addition to Mr. Min's clarification, I suggested that the Company should stress the importance of establishing a strategic plan to increase the profit margin, instead of expanding new stores with an expectation for an increase in income, without considering an increase or decrease in the profit margin.

The Chairman proposed that the Meeting consider and acknowledge the Company's 2013 operating results and the Board of Director's Annual Report. Detailed information is provided in the Company's Annual Report which was sent to all shareholders together with the notice of the Meeting (as detailed in Enclosure 2).

The Meeting considered and resolved that the Company's 2013 operating results be acknowledged.

**3. To certify and approve the audited statement of financial position and profit and loss statement for the year ended 31 December 2013**

The Chairman informed the Meeting that pursuant to section 112 of the Public Limited Companies Act B.E. 2535 (1992), the Board of Directors has prepared the Company's audited statement of

financial position and profit and loss statements for the fiscal year ended 31 December 2013 to present to the Meeting for approval.

The Chairman proposed that the Meeting consider and approve the audited statement of financial position and profit and loss statements for the year ended 31 December 2013, which had been verified and audited by the Audit Committee and the certified public accountant. Detailed information is provided in the Annual Report which was sent to all shareholders together with the notice of the Meeting (as detailed in Enclosure 2).

The Meeting considered and resolved that the audited statement of financial position and profit and loss statement for the year ended 31 December 2013 be approved.

Approved	Percent	Disapproved	Percent	Abstained	Percent
183,187,142	100	0	-	0	-

After the resolution was approved, the shareholders were granted an opportunity to ask questions, followed by clarification by the Company's senior management as follows:

**Mr. Thongchai Lakkanawisit (Shareholder)**

Could you please let me know the book value of the Company's shares as at 31 December 2013?

**Mrs.Pantipa Thirakanokvilai (Vice President, Accounting and Finance Department)**

The book value was Baht 2.96 apiece.

**4. To consider and approve the no-distribution of dividends**

The Chairman stated that according to the Company's operating results for the financial year ended 31 December 2013, the income was Baht 5,406.05 million and the net loss was Baht 8.84 million. Therefore, the Chairman asked the Meeting to approve the suspension of dividend payment in relation to the operating results for the year 2013 as proposed by the Board of Directors.

The Meeting considered and resolved that the suspension of dividend payment to the Company's shareholders for the operating results for the year 2013, be approved.

Approved	Percent	Disapproved	Percent	Abstained	Percent
183,187,142	100	0	-	0	-

After the resolution was approved, the shareholders were granted an opportunity to ask questions, followed by clarification by the Company's senior management as follows:

**Mr. Thongchai Lakkanawisit (Shareholder)**

I proposed that the Company pay dividends to the shareholders out of the retained earnings.

**Mr. Kamol Juntima ( the Chairman )**

Unfortunately, the Company did not have such a large amount of retained earnings and must put them in reserve for running its operations.. Therefore, it was currently inappropriate to use the retained earnings to finance the dividend payment.

**Mr. Thongchai Lakkanawisit (Shareholder)**

Please let us know the amount of the Company's retained earnings.

**Mrs.Pantipa Thirakanokvilai (Vice President, Accounting and Finance Department)**

The Company's unappropriated retained earnings are Baht 280 million.

**Mr. Min Intanate (Director and Executive Chairman)**

If the Company has good operating results in any year, dividends will be paid to the shareholders on a quarterly basis. However, in light of the current situation, the Company considers it appropriate to keep cash in reserve for use when the market condition improves in the future.

**5. To consider and approve the appointment of directors replacing those retired by rotation and to determine directors' remuneration**

**5.1 Appointment of directors replacing those retired by rotation**

The Chairman informed the Meeting that Article 18 of the Articles of Association specifies that, at every annual general meeting of shareholders, at least one-third (1/3) of the directors, or if it is not a multiple of three, then the number nearest to one-third (1/3), must retire from office. This year, the following directors would retire by rotation :

1. Mr. Noravat Suwarn
2. Mr. Vichit Yanamorn
3. R.Sub.Lt. Suree Buranathanit
4. Mr. Ekachai Sirijirapatana

The CVs of the four directors were enclosed to the notice for the Meeting (as detailed in Enclosure 3). The Chairman informed the Meeting that the Company gave an opportunity for shareholders to propose and nominate their candidates for the election as a director of the Company via the Company's website in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. Apparently, no minority shareholders nominated candidates for the election as directors.

The selection of persons to serve on the Board of Directors of the Company is not made through a Nominating Committee because the Company does not have a Nominating Committee. The selection process is at the discretion of the Board of Directors, which will select suitable candidates whose qualifications meet the requirements under the Public Company Act B.E. 2535 (1992) and the notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Chairman informed the Meeting that the Board of Directors had considered re-appointing those 4 directors who are retiring by rotation, to remain in office for another term and then proposed that the Meeting consider and approve the re-appointment of the retiring directors to hold office for another term.

The Meeting considered and resolved to approve that the existing directors who would retire by rotation be re-appointed to resume their directorship for another term. In this regard, the shareholders voted for one candidate at a time, with the results of the vote counting as follows:

(1) Mr. Noravat Suwarn

<b>Approved</b>	<b>Percent</b>	<b>Disapproved</b>	<b>Percent</b>	<b>Abstained</b>	<b>Percent</b>
183,187,142	100	0	-	0	-

(2) Mr. Vichit Yanamorn

<b>Approved</b>	<b>Percent</b>	<b>Disapproved</b>	<b>Percent</b>	<b>Abstained</b>	<b>Percent</b>
183,187,142	100	0	-	0	-

(3) R.Sub.Lt. Suree Buranathanit

<b>Approved</b>	<b>Percent</b>	<b>Disapproved</b>	<b>Percent</b>	<b>Abstained</b>	<b>Percent</b>
183,187,142	100	0	-	0	-

(4) Mr. Ekachai Sirijirapatana

<b>Approved</b>	<b>Percent</b>	<b>Disapproved</b>	<b>Percent</b>	<b>Abstained</b>	<b>Percent</b>
183,187,142	100	0	-	0	-

## 5.2 Determination of directors' remuneration

The Chairman also proposed that the Meeting consider and approve the following directors' remuneration:

1. The remuneration for the Chairman of the Board for his regular services of Baht 273,488 per month, which is same amount of the approved remuneration in previous year.
2. The remuneration for the Chairman of the Audit Committee, members of the Audit Committee and other directors which is same amount of the approved remuneration in previous year, as follows:

	<b>Directors' Remuneration per month</b>	<b>Audit Committee's Remuneration per month</b>	<b>Total</b>
Chairman of Audit Committee	30,000	20,000	50,000
Audit Committee	30,000	10,000	40,000
Directors	30,000	-	30,000

Mr. Ekachai Sirijirapatana offered to waive the remuneration in respect of his directorship, as he is a permanent employee of the Company.

The Chairman informed the Meeting of the criteria in determining the Board of Director's remuneration. The Company does not have a Remuneration Committee to specifically consider and determine directors' remuneration. However, the Board of Directors has determined directors' remuneration on the basis of the Company's operating results in the previous year and by comparing how other operators in the same industry or other similar industries remunerate their directors.

The Chairman informed the Meeting that in determining the directors' remuneration matter, the directors who are shareholders present at the Meeting with a conflict of interest have abstained from voting with a total number of 10,195,242 abstentions.

The Meeting resolved that the proposed remuneration for the directors as detailed above be approved.

<b>Approved</b>	<b>Percent</b>	<b>Disapproved</b>	<b>Percent</b>	<b>Abstained</b>	<b>Percent</b>
172,798,988	94.3292	20,012	0.0109	10,368,142	5.6599

**6. To consider and approve the appointment of auditors and to determine their remuneration**

The Chairman informed the Meeting that under Section 120 of the Public Company Act B.E. 2535 (1992), the Meeting must appoint an auditor and determine the auditor's remuneration. An existing auditor is eligible for re-appointment.

In addition, as prescribed by the Notification of the Capital Market Supervisory Board No. Tor Jor. 11/2552 Re: Rules, conditions and procedures for disclosure of information on the issuer's financial condition and operating results, the Company must ensure the rotation of the auditors if any of the auditors have performed their duties for five consecutive financial years. However, the rotation does not mean that the Company is required to engage a new audit firm. The Company may appoint any auditors in the existing audit firm to replace the old ones.

The Chairman proposed, on the recommendation of the Board of Directors, that the Meeting approve (i) appointing any one or more of Mr. Wichart Lokatekrawee, Certified Public Accountant No. 4451 and/or Mrs. Saifon Inkaew, Certified Public Accountant No. 4434 and/or Miss Siriwan Suratepin, Certified Public Accountant No. 4604 of EY Office Limited as the Company' auditor for the financial year 2014, and (ii) fixing the auditor's annual remuneration at not more than Baht 1,125,000.

The nominated auditors have no relationship with or interest in the Company or any of its executives, major shareholders or their affiliates.

**Mr. Thongchai Lakkanawisit (Shareholder)**

According to the minutes of meeting, the auditor's fee is limited to Baht 1,125,000. I would like to know the actual amount paid of the auditor's fee in 2013 and the details of other out-of-pocket expenses. I proposed a reduction in the auditor's fee, taking into account that the Company has suffered losses.

**Mr. Kamol Juntima ( the Chairman )**

In 2013, the Company paid the auditor's fee for Baht 1,125,000, together with other out-of-pocket expenses, e.g. Xerox costs and paper shredding expenses. The Company paid the unchanged rate of the auditor's fee for two consecutive years.

**Mr. Ekachai Sirijirapatana (President)**

Mr. Ekachai added that although the Company opened many new stores, it could maintain the unchanged rate of the auditor's fee for two consecutive years.

The Meeting resolved that the appointment of the Company's auditors and their aggregate remuneration of Baht 1,125,000 per annum be approved.

<b>Approved</b>	<b>Percent</b>	<b>Disapproved</b>	<b>Percent</b>	<b>Abstained</b>	<b>Percent</b>
183,187,130	99.9999	12	0.0001	0	-

**7. To consider any other business (if any)**

The Chairman requested the shareholders to feel free to ask questions and provide suggestions.

**Ms. Rungsri Jiaranaikajorn (proxy appointed by the Thai Investors Association)**

Ms Rungsri asked the questions: (i) whether the Company was interested in joining the counter-corruption campaign (the **Campaign**) launched by the Federation of the Capital Market Association and the Thai Institute of Directors (**IOD**), and (ii) whether the Company has an anti-corruption policy or guidelines in place. The objective of the Campaign was to form a forum for action against corruption involving the private sector.

**Mr. Kamol Juntima ( the Chairman )**

The Company's board of directors knew and supported the IOD's initiation of the Campaign, which is in line with the Company's current practice. However, the board did not have information about the process for joining the Campaign.

**Mr. Min Intanate (Director and Executive Chairman)**

Mr. Min added that the Company conducts the retail business and rarely deals with government authorities. With the Company's existing guidelines and regulations which apply under the regular and stringent supervision of its internal and external audit units to protect the shareholders' interests, the Company considers that its practice represents an intention to battle against corruption, although the Company does not join the Campaign.

**Mr. Worapat Chinpongpaiboon (Shareholder)**

Mr Worapat proposed that: (i) the Company open the maintenance service centres nationwide and collect a membership fee from the customers to generate more income and expand the market, and (ii) the Company sell the second-hand products or practise the sale on consignment because the second-hand products can make considerable profit margin.

**Mr Preecha Ngam-samrong (Shareholder)**

I agreed with the Company's policy to withhold the payment of dividends, even though it has the retained earnings. It was a good idea to keep cash in reserve for further use in the future. However, I did not agree with the Company's policy to open many new stores as that would lead to a large amount of expenses. Therefore, I proposed: (i) the practise of franchising, which could enable the Company to rapidly expand the market at low costs and reach a large number of consumers and (ii) the sale of second-hand products, which would operate as another channel to increase sales.

**Mr Thitipong Sopon-udomporn (Shareholder)**

Could you please suggest how long the IT industry would recover and predict the future trend of this industry?

**Mr. Min Intanate (Director and Executive Chairman)**

The IT industry always changes and there is a wide variety of products, which is not limited to notebooks. The Company believes that this industry will continuously grow and improve in the future. The Company is ready to adjust itself at any time to deal with any change which may arise in the IT industry.

**Mr. Manupol Jariyakoshakorn (Shareholder)**

In the previous year, while the Company mainly distributed its products to corporate customers, it also opened the “IT City Mobile” small-sized stores to sell goods to retail customers. The competition in the retail market was intense.

**Mr. Ekachai Sirijirapatana (President)**

The Company’s main focus was to sell by wholesale to corporate customers. At the same time, the Company recognised the importance of retail customers. Penetrating the nationwide market of retail customers was another aspect of the Company’s strategy to increase its sales.

**Mr Manupol Jariyakoshakorn (Shareholder)**

The Company derived an over expected amount of sales revenue from the Commart Thailand 2014 exposition. This showed that the Company had an opportunity to make more profit in the future.

**Mr. Min Intanate (Director and Executive Chairman)**

The sales from the Commart Thailand 2014 exposition were satisfactory. However, the Company set a target of sales, taking into account the current condition of the IT industry. In comparison with the high growth period of the IT industry, the sales during such period should be better than the sales in the current period. However, this year’s sales were good, compared to the sales in the previous year. To analyse the sales, it is also necessary to look back on the relevant situation and circumstances.

The Chairman thanked all shareholder for taking their time to join the 2014 Annual General Meeting of Shareholders and declared that the Meeting be closed.

The Meeting closed at 15.55.

(Signed by) Mr. Kamol Juntima Chairman

(Signed by) Mr. Chanchai Boonyasurakul Company Secretary