



2020

ANNUAL REPORT

platt nera

PLATT NERA INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 1949



CONTENTS ●

FINANCIAL SUMMARY	2
CORPORATE INFORMATION	3
LETTER TO SHAREHOLDERS	5
MANAGEMENT DISCUSSION AND ANALYSIS	6
DIRECTORS AND SENIOR MANAGEMENT	12
CORPORATE GOVERNANCE REPORT	15
REPORT OF DIRECTORS	28
INDEPENDENT AUDITOR'S REPORT	39
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	46
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	47
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	49
CONSOLIDATED STATEMENT OF CASH FLOWS	50
NOTES TO FINANCIAL STATEMENTS	52
DEFINITIONS	106



FINANCIAL SUMMARY

FOR THE YEAR ENDED 31 DECEMBER

	2020	2019	2018	2017	2016
	THB'000	THB'000	THB'000	THB'000	THB'000
Revenue	525,423	538,113	772,133	298,804	367,765
Gross profit/(loss)	(84,814)	153,516	253,784	171,982	197,211
Gross profit/(loss) margin (%)	(16.1%)	28.5%	32.9%	57.6%	53.6%
Profit/(loss) before tax	39,620	(26,295)	147,580	99,264	119,196
Profit/(loss) for the year attributable to shareholders of the Company	4,227	(37,276)	113,545	78,668	93,940
Total comprehensive income/(loss) attributable to shareholders of the Company	4,673	(37,276)	112,822	78,793	93,940

AS AT 31 DECEMBER

	2020	2019	2018	2017	2016
	THB'000	THB'000	THB'000	THB'000	THB'000
Total assets	1,668,989	1,006,340	668,249	455,960	454,260
Total liabilities	1,170,109	512,133	586,058	513,954	691,047
Equity attributable to shareholders of the Company	498,880	494,207	82,191	(57,994)	(236,787)

The summary of the consolidated results and financial position of the Group for the years ended 31 December 2016, 2017 and 2018 are extracted from the Prospectus.

BOARD OF DIRECTORS

Executive Directors

Mr. Prapan Asvaplungprohm
(Chairman & Chief Executive Officer)
Mr. Wison Archadechopon

Independent Non-executive Directors

Mr. Tong Yee Ming
Mr. Cheung Pan
Mr. Julapong Vorasontharosoth

AUDIT COMMITTEE

Mr. Tong Yee Ming *(Chairman)*
Mr. Cheung Pan
Mr. Julapong Vorasontharosoth

REMUNERATION COMMITTEE

Mr. Julapong Vorasontharosoth *(Chairman)*
Mr. Prapan Asvaplungprohm
Mr. Cheung Pan
Mr. Tong Yee Ming

NOMINATION COMMITTEE

Mr. Cheung Pan *(Chairman)*
Mr. Prapan Asvaplungprohm
Mr. Tong Yee Ming
Mr. Julapong Vorasontharosoth

COMPANY SECRETARY

Mr. Tse Kam Fai *FCG, FCS*

REGISTERED OFFICE IN CAYMAN ISLANDS

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 911-912
Wing On Centre
111 Connaught Road Central
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN THAILAND

170/9-10 Ocean Tower 1, 4th Floor
Soi Sukhumvit 16 (Sammit)
Ratchadapisek Road, Klongtoey
Bangkok 10110, Thailand
Tel: (66) 2661 9922
Website: <http://www.plattnera.com>

AUDITORS

Ernst & Young
Certified Public Accountants

AUTHORISED REPRESENTATIVES

Mr. Prapan Asvaplungprohm
Mr. Tse Kam Fai

LEGAL ADVISERS

As to Hong Kong law:
Wong Heung Sum & Lawyers

As to Cayman Islands law:
Conyers Dill & Pearman

PRINCIPAL BANKERS

In Hong Kong:
Hang Seng Bank Limited

In Thailand:
Bangkok Bank Public Company Limited

Government Savings Bank

Kasikorn Bank Public Company Limited

United Overseas Bank Public Company Limited

LISTING INFORMATION

Listed on the Hong Kong Stock
Exchange (Main Board)
Stock short name: Platt Nera
Stock code: 1949
Board lot: 2,000 shares
Listing date: 16 July 2019

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

COMPLIANCE ADVISER

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

LETTER TO SHAREHOLDERS



Dear Sirs,

The unfortunate COVID-19 pandemic caused immense damage to people's lives and economies throughout the world in 2020. Thailand, which recorded the first COVID-19 case outside of China, was not spared. Thailand went through a series of lockdowns and waves of infections in 2020, and has only in February 2021 started its national vaccination efforts.

In Thailand, the economic uncertainties and challenges caused by the COVID-19 in 2020 were exacerbated by a series of political demonstrations and an unstable government that saw major changes to the economics team. The Group's projects and financial performance, which is closely linked to the government sector, was naturally negatively affected. One of the key fallout for the Group was the delay to the next phase of the BAAC ATM Project as BAAC, a government owned bank, saw various changes to its politically appointed senior management.

On the other hand, the Group managed to overcome difficulties and delays faced in its other projects in early 2020 and achieved significant progress by the end of 2020. The Group successfully completed the setup phase of the unmanned projects in Southern and Central Thailand for the PEA and is now in the maintenance phase of these projects.

The Group also completed a significant portion of the setup work for Customer F ATM Project and Customer F Passbook Project. The latter represented a major expansion into providing ATM services to Thailand's huge rural population, adding onto its track record in serving BAAC for more than a decade. This was made possible due to the hard work and deep industry experience of the management team that enabled the Group to overcome the challenges faced during the COVID-19 pandemic.

A piece of good news for the Group was the conclusion of the long-standing legal case with CAT Telecom Public Company Limited, which was awarded by the courts in favour of the Group and eventually settled for approximately THB323.6 million.

We are gratified having navigated a highly uncertain 2020 with most of its projects successfully executed, and has even managed to expand new customer relationships such as with Customer F. On behalf of the Board, we would also like to express our thanks to our Shareholders, business partners, customers and suppliers for their continued support amidst a turbulent 2020. Last but not least, we are particularly grateful that our core management team and staff remain healthy and committed, as they are the most important resource for the long-term growth of the Group, and appreciate their contributions and diligence to the Group in 2020.

Prapan Asvaplunghprohm

Chairman, Chief Executive Officer and Executive Director

30 March 2021



MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

The Group provides IT solutions to Thai financial institutions, government departments and agencies predominantly in administrative, telecommunications and utilities sectors. Since our establishment in 2004, we have secured a number of sizable projects including the BAAC ATM Project in 2006, tsunami detection system in 2010 and satellite system project in 2014. Our top customer is BAAC wherein we provided ATM IT solutions that allowed BAAC to set up and thereafter operate its ATM network to serve their unique rural customer base. In 2020, we expanded our customer reach into the rural areas of Thailand by taking on the Customer F ATM Project and Customer F Passbook Project.

BUSINESS REVIEW

The financial year ended 31 December 2020 was a tumultuous one marked by the COVID-19 pandemic that hit Thailand's economy badly and caused it to report the worst showing since the 1997 Asian financial crisis. To compound matters for the Group, Thailand was hit by political unrest and the Thai government also saw various changes to its economics team. All these developments had a direct negative impact on the Group, causing project delays and requiring deft adaptations to continue serving its clients under the ever-changing and tenuous COVID-19 environment.

Yet, amidst the tough external environment, the Group's core management remained committed and determined to serve its customers well. This enabled the Group to successfully complete its projects scheduled in 2020, such as the PEA's unmanned projects for Central and South regions and PEA's Smart Street Light project, and even commence on new projects such as Customer F ATM Project and Customer F Passbook Project. While the Group's profitability was negatively affected, the Group believes that it has won the long-term trust of its key customers and retain the core competencies for continued growth and profitability into the future.

BUSINESS OUTLOOK

According to data from the Office of the National Economic and Social Development Council, Thailand's economy contracted in 2020 at its fastest pace in more than two decades, reflecting a lack of tourists and exports due to the COVID-19 pandemic. Real gross domestic product shrank 6.1% in 2020 compared with the previous year. In March 2021, the Centre for Covid-19 Situation Administration (CCSA) stated that the emergency decree will be extended from 1 April 2021 to 31 May 2021.

Thailand kicked off its vaccination program in late February 2021, utilising a mix of Sinovac Biotech and AstraZeneca vaccines. It is hoped that this vaccination exercise, together with efforts to produce local vaccines and issue vaccine passports, will help Thailand to reopen its borders and revitalize its battered economy.

On other hand, political demonstrations against the Thai government have continued into 2021 and may impact the country's efforts to rein in the COVID-19 pandemic.

Against this mixed backdrop, the Directors are sanguine about prospects of the Thai economy and the Group's business and projects in 2021. The Directors will continue to assess the changing impact of the COVID-19 outbreak and Thailand's political situation on the operation and financial performance of the Group, and closely monitor the related risks exposures of the Group.

Having said the above, with its core management team intact and committed, the Group remains confident of its long-term prospects, as it continues to work to secure new projects and will make the relevant announcements as appropriate.



FINANCIAL REVIEW

Revenue

For the financial year ended 31 December 2020 (“**FY2020**” or the “**Year**”), the Group’s total revenue decreased by around 2.4%, or THB12.7 million from approximately THB538.1 million in the financial year ended 31 December 2019 (“**FY2019**”) to approximately THB525.4 million in FY2020. The decrease was mainly due to the drop in IT integrated solutions and services for BAAC of approximately THB108.1 million, Smart Street Light and unmanned projects for Central and South regions, both with PEA, of approximately THB13.4 million. The decline for BAAC was mainly attributed to the delay in Phase 3 project and the lower usage of ATMs in 2020 linked to the effects of the COVID-19 pandemic. Meanwhile, Customer F Passbook Project recorded revenue of approximately THB157.8 million in FY2020.

Gross (loss)/profit and gross (loss)/profit margin

For FY2020, the Group suffered a gross loss of approximately THB84.8 million or (16.1%) of revenue. This gross loss was mainly derived from the BAAC ATM Project due to (a) one-time capacity upgrade charges of approximately THB64 million incurred to handle the surge in volume in customer usage when the Thai government launched a cash payout scheme around May 2020 to help the Thai people tide over the COVID-19 pandemic, and (b) unexpected cost of approximately THB57 million required for servicing the UPS power supply for ATM machines and ATM switching. The recording of the above mentioned charges is consistent with prior accounting treatments of similar charges.

Other income and gain, net

Our Group’s recorded other income during FY2020 of approximately THB338.5 million, mainly driven by the net compensation of THB323.6 million received from CAT Telecom Public Company Limited, after winning the litigation case involving FTTx equipment (“**FTTx Case**”). More details of this FTTx Case can be found on pages 170 to 171 of the Prospectus. The remaining other income of approximately THB14.9 million mainly comprised interest income and foreign exchange gains.

Selling and distribution expenses

Our selling and distribution expenses for FY2020 was approximately THB10.0 million, mainly comprising salaries of our sales division, and advertising and marketing expenses. These expenses were relatively unchanged between FY2020 and FY2019.

Administrative expenses

Administrative expenses for FY2020 increased approximately by 28.0% or THB17.9 million from approximately THB63.9 million recorded in FY2019 to approximately THB81.9 million in 2020. The increase arose mainly from market analysis expenses as the Group explores new business opportunities.

Impairment losses of financial assets and contract assets, net

Our Group recorded an estimated loss on impairment of contract assets and trade receivables of approximately THB89.2 million for FY2020, the bulk of which relates to an ongoing negotiation with BAAC over annual fees received from end customers by BAAC under BAAC ATM Project, and assessed after taking into account legal advice and the Group’s past experiences. Impairment of loans receivable of approximately THB20.1 million was made after considering, *inter alia*, the COVID-19 pandemic had crippled the third-party borrower’s business plan, and assessed based on Fitch default ratings.



MANAGEMENT DISCUSSION AND ANALYSIS

Finance costs

Our Group's finance costs during FY2020 included interest on bank and other borrowings and decreased by 21.7% or approximately THB3.6 million from approximately THB16.4 million in FY2019 to approximately THB12.8 million in FY2020 due to repayment of borrowing from Listing proceeds.

Net profit/(loss)

As a result of the above factors, the Group had a net profit of approximately THB4.2 million in FY2020, compared to a loss of approximately THB37.3 million in FY2019. Excluding the one-off Listing expenses of THB6.1 million in FY2019, we would have recorded a net profit of approximately THB24.9 million in FY2019, compared to the net profit of approximately THB4.2 million in FY2020 (there were no Listing expenses in FY2020). The decline in operational performance in FY2020 was mainly driven by the weaker contributions from BAAC as explained under "Revenue" and "Gross (loss)/profit and gross (loss)/profit margin" sections above.

LIQUIDITY AND FINANCIAL RESOURCES

Liquidity and Financial Resources

The table below summarises the Group's cash flows for FY2020 and FY2019:

	FY2020 THB'000	FY2019 THB'000
Net cash flows used in operating activities	(147,087)	(33,180)
Net cash flows (used in)/from investing activities	(12,542)	5,280
Net cash flows from/(used in) financing activities	97,313	265,845

As at 31 December 2020, the Group had cash and cash equivalents of approximately THB186.2 million (31 December 2019: approximately THB266.9 million), among which THB167.1 million was denominated in THB and THB19.1 million was denominated in HK\$.

The change in the net cash flows used in operating activities between FY2020 and FY2019 was largely driven by commencement of new projects in FY2020. The change in the net cash flows (used in)/from investing activities between FY2020 and FY2019 was largely due to non-recurrence of the transfer of certain assets on the Sigfox project for approximately THB17.6 million by the Group to TON in FY2019. The Group's cash flow from financing activities, which received a significant boost from the Listing in FY2019, was supported by new project loans taken for new projects in FY2020.

The Group's net bank and other borrowings balance increased by approximately THB120.3 million to approximately THB236.9 million as at 31 December 2020 (31 December 2019: THB116.6 million), owing mainly to project loans on new projects in FY2020. All of the Group's bank loans are denominated in THB. The annual effective interest rate of the bank and other borrowings during FY2020 ranged from 3.5% to 7.0% (FY2019: 4.0% to 7.25%).

As at 31 December 2020, the total interest-bearing bank borrowings of the Group repayable within one year were approximately THB178.4 million, an increase from approximately THB81.6 million as at 31 December 2019, due to the higher level of new projects and project loans in FY2020.

As at 31 December 2020, the gearing ratio of the Group was approximately 47.5% (31 December 2019: 23.5%), which represent the interest-bearing debt divided by total equity and multiplied by 100%. The Group's operations were mainly financed by internal resources from Listing proceeds and project loan facilities from financial institutions.



FINANCIAL POSITION

Net Current Assets

The Group recorded net current assets of approximately THB342.9 million as at 31 December 2020 (31 December 2019: approximately THB448.3 million). The decline in net current asset position was largely due to the significant and non-recurring improvement in cash position in FY2019 as a result of the Listing.

Current Assets

The Group's current assets declined from approximately THB882.8 million as at 31 December 2019 to approximately THB805.8 million as at 31 December 2020, driven mainly by the decline in cash and cash equivalents by approximately THB80.7 million from approximately THB266.9 million as at 31 December 2019 (due mainly to the Listing) to approximately THB186.2 million as at 31 December 2020. Increase in rental receivable under a finance lease, contract assets and trade receivables were offset by decreases in prepayments, deposits and other assets. The rental receivable under a finance lease of approximately THB35.7 million as at 31 December 2020 (31 December 2019: Nil) related mainly to the Customer F Passbook Project which commenced only in FY2020, while a trade receivable balance of approximately THB149.5 million, related to the Customer F ATM Project which only commenced in FY2020 and reside in the trade receivable balance of approximately THB219.3 million.

Current Liabilities

The Group had current liabilities of approximately THB462.9 million as at 31 December 2020 (31 December 2019: approximately THB434.5 million). The increase in current liabilities was mainly attributed to the increase in bank and other borrowings to approximately THB178.4 million as at 31 December 2020 linked to the commencement of new projects in FY2020 from approximately THB81.6 million as at 31 December 2019, which were offset by the decline in trade payables from approximately THB310.9 million as at 31 December 2019 to approximately THB225.4 million as at 31 December 2020. The trade payable balance in at 31 December 2020 included an approximately THB148.1 million balance arising from Customer F ATM Project.

Non-Current Assets

The Group recorded non-current assets of approximately THB863.2 million as at 31 December 2020 (31 December 2019: approximately THB123.6 million). The significant increase in non-current assets was largely due to non-current trade receivable of approximately THB600.7 million arising from Customer F ATM Project, as well as non-current rental receivable under a finance lease of approximately THB122.1 million as at 31 December 2020 (31 December 2019: Nil) arising from Customer F Passbook Project. Both Customer F ATM Project and Customer F Passbook Project only commenced in FY2020.

Non-Current Liabilities

The Group's non-current liabilities increased significantly to approximately THB707.2 million as at 31 December 2020 (31 December 2019: approximately THB77.6 million), mainly due to non-current trade payable of approximately THB592.0 million which mainly related to Customers F ATM Project that only commenced in FY2020.

Shareholders' Equity

Owing to the net profits in FY2020, the Group's equity attributable to the Shareholders increased marginally from approximately THB494.2 million as at 31 December 2019 to approximately THB498.9 million as at 31 December 2020.



MANAGEMENT DISCUSSION AND ANALYSIS

CAPITAL COMMITMENTS

As at 31 December 2020, the Group did not have any significant capital commitments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have other material investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2020.

CONTINGENT LIABILITIES

(a) Bank guarantees

At 31 December 2020, there was outstanding bank guarantees of THB202,749,000 (2019: THB496,000,000) issued by banks on behalf of the Group in respect of certain performance obligations as required in the normal course of business of the Group.

(b) Letters of credit

At 31 December 2020, there were no outstanding letter of credit (31 December 2019: THB67,700,000) issued by a bank on behalf of the Group in respect of certain performance obligations as required in the normal course of business of the Group.

PLEDGE OF ASSETS

As at 31 December 2020, approximately THB114.9 million of bank deposits of the Group was pledged to banks for letters of guarantee, bank loans and bank overdrafts.

SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments held as at 31 December 2020.

FOREIGN EXCHANGE EXPOSURE

The Group primarily operates in Thailand with its revenue mainly sourced in THB and pays its suppliers mainly in THB. It therefore has limited exposure to foreign currency risk arising from fluctuations in exchange rates between THB and other currencies in which it conducts its business.

The Group is subject to foreign currency risk attributable to its bank balances, trade and other receivables and payables as well as bank loans that are denominated in currencies other than THB. The Group will closely monitor the change in foreign exchange rates to manage currency risks and evaluate necessary actions as required.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2020, the Group had 58 employees (2019: 57 employees). The Group's labour costs (including salaries, bonuses, social security and provident fund) were approximately THB43.8 million, equivalent to 8.4% of the Group's revenue for the FY2020.

The Group provides attractive salary packages, including competitive basic salary plus annual performance bonus, as well as arranging on-going training to employees to facilitate their promotion within the organisation and enhance their loyalty to the Company. The Group's employees are subject to regular work performance appraisal to evaluate their promotion prospects and salary. The latter is decided with reference to market practice and the performance, qualifications and experience of the individual employee as well as the results of the Group.



DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Prapan Asvaplunghrohm (“Mr. Asvaplunghrohm”), aged 62, was appointed as a Director on 23 November 2018 and re-designated as an executive Director and chairman of the Board on 24 January 2019. He is also the chief executive officer of the Company and a member of each of the Nomination Committee and the Remuneration Committee. He is primarily responsible for the leadership and effective running of the Board and determining the broad strategic direction of the Group. Mr. Asvaplunghrohm also serves as a director of all subsidiaries of the Group.

Mr. Asvaplunghrohm has over 26 years of experience in the IT industry and founded the Group in October 2004. Mr. Asvaplunghrohm is one of the controlling shareholders (as defined under the Listing Rules) of the Company (“**Controlling Shareholders**”) and a director of Pynk Holding Limited (being corporate Controlling Shareholder and a substantial shareholder of the Company within the meaning of Part XV of the SFO).

Mr. Asvaplunghrohm obtained a bachelor’s degree of engineering from Chulalongkorn University in Thailand in June 1982 and further obtained a master’s degree of business administration from the George Washington University in the United States in February 1989.

Mr. Wison Archadechopon (“Mr. Archadechopon”), aged 53, was appointed as a Director on 5 January 2019 and re-designated as an executive Director on 24 January 2019. Mr. Archadechopon is primarily responsible for the strategic plan management for business development, finance, human resources, purchasing and overall company management. Mr. Archadechopon is one of the Controlling Shareholders of the Company.

Mr. Archadechopon has over 28 years of experience in the IT industry, having worked in the Thai offices of IT companies such as Hewlett Packard (Thailand) Company Limited and Dell EMC (Thailand) before joining the Group.

Mr. Archadechopon obtained a bachelor’s degree of engineering in telecommunications engineering from King Mongkut’s Institute of Technology at Ladkrabang in Thailand in May 1991 and further obtained a master’s degree of business administration from the Kasetsart University in Thailand in May 2013.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tong Yee Ming (湯以銘先生) (“Mr. Tong”), aged 69, was appointed as an independent non-executive Director on 17 June 2019. He is also the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee. Mr. Tong is primarily responsible for participating in meetings of the Board to bring an independent judgement to bear on issues of strategy, performance, accountability, resources, key appointments and standards of conduct and transactions which are material to the Group.

Mr. Tong has had over 30 years of experience in accounting and finance related matters and has worked in finance areas in various companies listed in Singapore and Hong Kong from 1988 to 2004.

Mr. Tong graduated from University of Washington at Seattle in the United States with a bachelor’s degree of arts in business administration in 1979. He later obtained a master’s degree of business administration from Oregon State University at Corvallis in the United States. Mr. Tong is a member of the Institute of Cost and Management Accountants (now known as the Chartered Institute of Management Accounts (CIMA)) in the United Kingdom since 1985, a member of the Hong Kong Society of Accountants (now known as the Hong Kong Institute of Certified Public Accountants) since 1991 and a Certified General Accountant (CGA) in Ontario, Canada since 1988.

DIRECTORS AND SENIOR MANAGEMENT



Mr. Cheung Pan (張斌先生) (“Mr. Cheung”), aged 50, was appointed as an independent non-executive Director on 17 June 2019. He is also the chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee. Mr. Cheung is primarily responsible for participating in meetings of the Board to bring an independent judgement to bear on issues of strategy, performance, accountability, resources, key appointments and standards of conduct and transactions which are material to the Group.

Mr. Cheung has over 24 years of experience in the IT industry with banks and IT consulting firms, such as UBS AG, The Chase Manhattan Bank (now known as JPMorgan Chase Bank) and Icon Medialab Asia Limited. Since August 2003, Mr. Cheung has been employed by Union International Development Limited, a company which provides IT consulting services, as a director. He is responsible for managing the onshore and offshore development centers setup.

Mr. Cheung graduated from University of Wisconsin-Madison in the United States with a bachelor’s degree of science in May 1994.

Mr. Julapong Vorasontharosoth (“Mr. Vorasontharosoth”), aged 61, was appointed as an independent non-executive Director on 17 June 2019. Mr. Vorasontharosoth is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Mr. Vorasontharosoth is primarily responsible for participating in meetings of the Board to bring an independent judgement to bear on issues of strategy, performance, accountability, resources, key appointments and standards of conduct and transactions which are material to the Group.

Mr. Vorasontharosoth has over 37 years of experience in the engineering industry in Thailand and spent 27 years at ABB Limited in Thailand. Since July 2017, Mr. Vorasontharosoth has been employed by IGEN Engineering Co., Ltd, a company primarily engaged in engineering services, as a senior executive adviser. He is responsible for advisory on business planning.

Mr. Vorasontharosoth graduated from Chulalongkorn University in Thailand with a bachelor’s degree of engineering in March 1982. He further completed a modern managers program training in Chulalongkorn University in Thailand in May 1996.

SENIOR MANAGEMENT

Mr. Surawitchai Sutthasilp (“Mr. Sutthasilp”), aged 52, joined our Group as the Chief Financial Officer in May 2020. He is primarily responsible for overseeing matters relating to corporate finance and financial management of our Group, including budgeting, disclosure and reporting. Mr. Sutthasilp has over 29 years of experience in finance and accounting. From April 1992 to May 1994, he worked as an Accountant in Asset Accounting Division for TelecomASIA Corporation Public Co., Ltd. From June 1992 to April 2003, he got promoted to be an Accounting Manager in Asset Accounting Division. From May 2003 to November 2007 he work as an Accounting Manager for CenCar Limited. From November 2007 to October 2019 he work as an Executive Vice President for Pruksa Real Estate PCL. From November 2019 to March 2020 he worked as a Head of Financial Planning & Analysis and Treasury for Boutique Corporation PCL.

Mr. Patarapon Juntraporn (“Mr. Juntraporn”), aged 48, joined our Group in May 2006 as a sales manager. He is primarily responsible for leading the sales team targeting the banking industry and government department projects in achieving its sales targets. Mr. Juntraporn has accumulated over 12 years of experiences in sales with our Group. Prior to joining our Group, Mr. Juntraporn worked as a quality control supervisor at Green Spot (Thailand) Co., Ltd. from October 1994 to March 1996 and as a technical support for Genomatch Co., Ltd. from August 1999 to April 2006.

Mr. Juntraporn obtained a bachelor’s degree of science in agricultural industry from the Prince of Songkla University in March 1994. Mr. Juntraporn returned to study at the Prince of Songkla University in June 1996 until he obtained a master’s degree of science in biotechnology from the Prince of Songkla University in February 2000.



DIRECTORS AND SENIOR MANAGEMENT

Ms. Soontaree Treesub (“Ms. Treesub”), aged 50, is a sales manager of our Group. She joined our Group in August 2007 as a business development manager and was promoted to her current position in July 2013. She is primarily responsible for leading the sales team targeting the utilities industry in achieving its sales targets. Ms. Treesub has accumulated over 11 years of experience in sales with our Group. Prior to joining our Group, she has worked for various public listed banks, including Bank of Ayudhya Public Company Limited, a company listed on the Stock Exchange of Thailand (Stock symbol: BAY), Thanachart Bank Public Company Limited, a company listed on the Stock Exchange of Thailand (Stock symbol: TCAP) and Siam City Bank Public Company Limited, a company listed on the Stock Exchange of Thailand (Stock symbol: SCIB).

Ms. Treesub obtained a bachelor’s degree of physical education from Kasetsart University in March 1993 and further obtained a master’s degree of management from Mahidol University in November 2005.

Mr. Nonthiaud Chomwattana (“Mr. Chomwattana”), aged 39, is the technical director of our Group. Mr. Chomwattana joined our Group as a system engineer in July 2006 and was promoted to technical manager in March 2015 and subsequently promoted to his current position in September 2016. He is responsible for leading the technical support engineers in providing technical information to the sales teams and preparing technical proposals and implementing IT solutions for customers. Mr. Chomwattana has accumulated over 12 years of experience in practicing as an engineer with our Group. Prior to joining our Group, he worked in the ATM official services department of Bangkok Bank Public Limited Company, a company listed on the Stock Exchange of Thailand (Stock symbol: BBL) from July 2004 to July 2006.

Mr. Chomwattana obtained a bachelor’s degree of industrial technology in electronic technology from King Mongkut’s Institute of Technology North Bangkok in May 2004.

Ms. Suvaphat Ngen-ngam (formerly known as Ms. Sukhumporn Ngen-ngam) (**“Ms. Ngen-ngam”**), aged 52, is the administrative director of our Group. Ms. Ngen-ngam joined our Group as a senior project administrator in November 2010 and was promoted to her current position in July 2016. She is primarily responsible for administrative management of our Group. Ms. Ngen-ngam joined Agilent Technologies (Thailand) Ltd as a Sales Process Specialist in May 1995 until she left the firm in June 2009. She also worked as an education administrator in Hewlett-Packard (Thailand) Ltd.

Ms. Ngen-ngam obtained a bachelor’s degree of business administration from Ramkhamhaeng University in June 1995.

COMPANY SECRETARY

Mr. Tse Kam Fai (“Mr. Tse”), aged 57, was appointed as the company secretary of the Company (the **“Company Secretary”**) on 17 July 2020. Mr. Tse is a fellow member of the Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute. He is also a member of Hong Kong Institute of Directors. Mr. Tse has more than 30 years of experience in handling listed company secretarial and compliance related matters. Mr. Tse is currently the company secretary of several companies listed on the Main Board and GEM of the Stock Exchange. He is also an executive director of a local professional firm providing regulatory compliance, corporate governance and corporate secretarial services to listed and unlisted corporations.

CORPORATE GOVERNANCE REPORT



The Board is pleased to present the Corporate Governance Report of the Company.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to upholding high standards of corporate governance practices and business ethics in the firm belief that they are crucial to improving the efficiency and performance of the Group and to safeguarding the interests of the Shareholders. The Board reviews the Company's corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfil its commitment to excellence in corporate governance. Set out below are the principles of corporate governance as adopted by the Company during the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of its shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices.

The Board is of the view that the Company has complied with all applicable code provisions of the CG Code during the Year, except for a deviation from the code provision A.2.1 of the CG Code, that the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Mr. Prapan Asvaplunghrohm, is our Chairman and Chief Executive Officer responsible for strategic development and business operations. Taking into account the continuation of the implementation of our business plans, the Directors (including the independent non-executive Directors) are of the view that Mr. Asvaplunghrohm is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Company and the Shareholders as a whole. Further, the Group has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors.

The Board will review the corporate governance structure and practices from time to time and shall make necessary arrangements when the Board considers appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Securities Dealing Code (the "**Securities Dealing Code**") on terms no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the required standard set out in the Model Code and the Securities Dealing Code during the Year.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should take decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required of a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time in performing them.

The composition of the Board reflects the necessary balance of skills and experience desirable for effective leadership of the Company and independence in decision making.

As of the date of this report, the Board comprises two executive Directors and three independent non-executive Directors. The composition of the Board is as follows:

Executive Directors

Mr. Prapan Asvaplungprohm (*Chairman and Chief executive officer*)

Mr. Wison Archadechopon

Independent non-executive Directors

Mr. Tong Yee Ming

Mr. Cheung Pan

Mr. Julapong Vorasontharosoth

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" on pages 12 to 13 of this annual report.

Save as disclosed above, the Directors do not have any other financial, business, family or other material/relevant relationships with one another.

Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual.

In view of Mr. Prapan Asvaplungprohm personal profile and his roles in the Group as mentioned above and that Mr. Asvaplungprohm has assumed the role of chief executive officer and is primarily responsible of the leadership and effective running of the Board and determining the broad strategic direction of the Group, the Board considers it beneficial to the business prospect and operational efficiency of the Group that upon the Listing, Mr. Asvaplungprohm acts as the chairman of the Board and continues to act as the chief executive officer of the Company. While this will constitute a deviation from Code Provision A.2.1 of the CG Code, the Board believes that this structure will not impair the balance of power and authority between the Board and the management of the Company, given that: (i) decision to be made by the Board requires approval by at least a majority of the Directors and that the Board comprises three independent non-executive Directors out of five Directors, which is more than the Listing Rules requirement of one-third, and we believe that there is sufficient check and balance in the Board; (ii) Mr. Asvaplungprohm and the other Directors are aware of and undertake to fulfil their fiduciary duties as Directors, which require, among other things, that he acts for the benefit and in the best interests of the Company and will make decisions for the Group accordingly; and (iii) the balance of power and authority is ensured by the operations of the Board which comprises experienced and high caliber individuals who meet regularly to discuss issues affecting the operations of the Company. Moreover, the overall strategic and other key business, financial, and operational policies of the Group are made collectively after thorough discussion at both Board and senior management levels. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of chairman of the Board and chief executive officer is necessary.

Independent Non-Executive Directors

During the Year, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and Re-election of Directors

Each of the Directors is engaged on a service contract (in the case of the executive Directors) or a letter of appointment (in the case of independent non-executive Directors) for a specific term of three years, which is renewable by mutual consent and subject to the articles of association of the Company (the “**Articles**”).

The Articles provides that all Directors appointed by the Board are required to offer themselves for re-election by Shareholders at the first general meeting of the Company (in the case of filling a casual vacancy) or at the next following annual general meeting of the Company (in the case of an addition to the existing Board) following their appointment.

Every Director (including those appointed for a specific term) shall also be subject to retirement and re-election by rotation at least once every three years at the annual general meetings of the Company under the Articles.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company’s affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group’s operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgment on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company’s expenses for discharging their duties to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that they remain informed and relevant for their contribution to the Board.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Besides, meetings with senior management of the Company will be also arranged.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

All Directors have participated in continuous professional development and provided a record of training they received for the Year to the Company.

The training records of the Directors during the Year is set out below:

Name of Director	Reading materials relevant to corporate governance and director's duties
Mr. Prapan Asvaplungprohm	Y
Mr. Wison Archadechopon	Y
Mr. Tong Yee Ming	Y
Mr. Cheung Pan	Y
Mr. Julapong Vorasontharosoht	Y

Board Meetings and Directors' Attendance Records

The code provision A.1.1 of the CG Code prescribes that at least four regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through electronic means of communication.

During the Year, the Company held six Board meetings and passed resolutions by way of written resolutions. The Company will fully comply with the requirement under the code provision A.1.1 of the CG Code to convene Board meetings at least four times a year at approximately quarterly intervals.

Apart from regular Board meetings, the Chairman also held meeting(s) with the independent non-executive Directors without the presence of other Directors during the Year.



A summary of the attendance records of the Directors at the Board meetings held during the Year is set out below:

Name of Directors	Attendance/ Number of Meetings
Mr. Prapan Asvaplungprohm (<i>Chairman</i>)	6/6
Mr. Wison Archadechopon	6/6
Mr. Tong Yee Ming	6/6
Mr. Cheung Pan	6/6
Mr. Julapong Vorasontharosoith	6/6

General meeting

During the Year, one general meeting, being 2020 annual general meeting held on 14 May 2020 (the “2020 AGM”), was held.

A summary of the attendance records of the Directors at the general meeting held during the Year is set out below:

Name of Directors	Attendance/ Number of Meeting
Mr. Prapan Asvaplungprohm (<i>Chairman</i>)	1/1
Mr. Wison Archadechopon	1/1
Mr. Tong Yee Ming	1/1
Mr. Cheung Pan	1/1
Mr. Julapong Vorasontharosoith	1/1

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company’s affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of each of the Audit Committee, Remuneration Committee and Nomination Committee is posted on the Company’s website and the Stock Exchange’s website and are available to the Shareholders upon request.

The majority of the members of each of the Remuneration Committee, Audit Committee and Nomination Committee are the independent non-executive Directors.

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expenses.

Audit Committee

The Audit Committee consists of three independent non-executive Directors, namely Mr. Tong Yee Ming, Mr. Cheung Pan and Mr. Julapong Vorasontharosoith. Mr. Tong Yee Ming, being the chairman of the committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to review and supervise the financial reporting process, risk management and internal controls systems of the Group, assist the Board to fulfil its responsibility over the audit, and review and approve connected transactions and to advise the Board.

The Audit Committee held four meetings during the Year, with all members present in person or through telephone communication. A summary of the work performed by the Audit Committee during the Year is listed below:

- to review the annual cap of the Continuing Connected Transactions (as defined below);
- to review the Group's annual financial results for FY2019, interim financial results for the six months ended 30 June 2020 and quarterly financial results for the three months ended 31 March 2020 and nine months ended 30 September 2020;
- to review the effectiveness of the risk management and internal control systems and internal audit function;
- discussed with the external auditor the audit plan for the Year; and
- to review the re-appointment of the external auditor of the Company.

A summary of the attendance records of the members of the Audit Committee at the Audit Committee meetings held during the Year is set out below:

Name of Members of the Audit Committee	Attendance/ Number of Meetings
Mr. Tong Yee Ming (<i>Chairman</i>)	4/4
Mr. Cheung Pan	4/4
Mr. Julapong Vorasontharosoht	4/4

Remuneration Committee

The Company established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the CG Code. The Remuneration Committee consists of four members, three of them are independent non-executive Directors, namely Mr. Julapong Vorasontharosoht, Mr. Tong Yee Ming and Mr. Cheung Pan, and one of them is an executive Director, Mr. Prapan Asvaplunghroh. Mr. Julapong Vorasontharosoht is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Remuneration Committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management.



The Remuneration Committee held one meeting during the Year, with all members present in person or through telephone communication. A summary of the work performed by the Remuneration Committee during the Year is listed below:

- to review and recommend to the Board for the proposal for salary adjustments for Directors and senior management of the Company;
- to review and recommend to the Board the annual performance bonus proposal for Directors, senior management of the Company for the year ended 31 December 2019; and
- to review the existing policy and structure of remuneration for the Directors.

A summary of the attendance records of the members of the Remuneration Committee at the Remuneration Committee meeting held during the Year is set out below:

Name of Members of the Remuneration Committee	Attendance/ Number of Meeting
Mr. Julapong Vorasontharsoth (<i>Chairman</i>)	1/1
Mr. Tong Yee Ming	1/1
Mr. Cheung Pan	1/1
Mr. Prapan Asvaplungprohm	1/1

Pursuant to code provision B.1.5 of the CG Code, details of the remuneration of the senior management (other than Directors) by bands for the Year is as follows:

	Number of Employee(s)
THB1.1 million to THB2.9 million	5

Details of the Directors' remuneration are set out in note 9 to the consolidated financial statements in this annual report.

Nomination Committee

The Nomination Committee consists of four members, three of them are independent non-executive Directors, namely Mr. Julapong Vorasontharsoth, Mr. Tong Yee Ming and Mr. Cheung Pan, and one of them is an executive Director, Mr. Prapan Asvaplungprohm. Mr. Cheung Pan is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Nomination Committee are to make recommendations to our Board regarding the appointment of Directors and Board succession.



CORPORATE GOVERNANCE REPORT

The Board has adopted a board diversity policy (the “**Board Diversity Policy**”) on 17 June 2019. A summary of the Board Diversity Policy is set out below:

Purpose: The Board Diversity Policy aims to set out the approach to achieve diversity on the Board.

Board Diversity Policy statement: With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing and reviewing the Board’s composition, the Nomination Committee will consider from a number of aspects, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives: Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee has adopted a nomination policy which set out a set of nomination procedures and selection criteria for directors. The Nomination Committee shall evaluate and select candidates based on the criteria by reference to character and integrity, business experience relevant and beneficial to the Company, qualifications including professional qualifications, skills and knowledge that are relevant to the Company’s business and corporate strategy, willingness to devote adequate time to discharge duties as a member of the Board and other significant commitments, present needs of the Board for particular expertise, skills or experience and whether the candidates would satisfy those needs, requirement for the Board to have independent non-executive directors in accordance with the Listing Rules and whether the candidates for independent non-executive directors would be considered his/her independent with reference to the independence guidelines set out in the Listing Rules and the Board Diversity Policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board.

The Nomination Committee held one meeting during the Year, will all members present in person or through telephone communication. A summary of the work performed by the Nomination Committee during the Year is listed below:

- to assess the independence of each independent non-executive Directors;
- to review the Board structure, size and composition;
- to recommend to the Board on the re-election of retiring Directors at the 2020 AGM; and
- to review the Board Diversity Policy.



A summary of the attendance records of the members of the Nomination Committee at the Nomination Committee meeting held during the Year is set out below:

Name of Members of the Nomination Committee	Attendance/Number of Meeting
Mr. Cheung Pan (<i>Chairman</i>)	1/1
Mr. Tong Yee Ming	1/1
Mr. Julapong Vorasontharosoth	1/1
Mr. Prapan Asvaplungprohm	1/1

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

During the Year, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

During the Year, the Audit Committee, through the engagement of Dharmniti Internal Audit Co., Ltd. ("**Dharmniti**"), reviewed the adequacy and effectiveness of the Group's system of risks management and internal controls including financial, operational, compliance, risk management policies and systems established by the Company.

Risk management

The Group has conducted formal risk assessment by the management to identify and assess enterprise risks (including environmental, social and governance risks) with reference to the Group's business objectives and strategies. A risk assessment questionnaire prepared based on the Group's risk model has been circulated to senior management of the Group, together with reviews of existing risk mitigation measures and follow-up interviews as necessary, to facilitate the assessment. Action plans have been developed to further enhance the risk management capabilities of particular key risks as appropriate.

Internal control

The Group ensures internal controls are designed and implemented in all major aspects of the Group's operations and details of internal control activities are included in the operating policies and procedures of the Group. Based on the procedures performed by Dharmniti, no significant deficiencies were identified and improvement opportunities associated with the adequacy and effectiveness of the budgeting and controlling process had been submitted to the Audit Committee for considerations.

The Audit Committee also reported such findings and recommendations to the Board for the improvement of the risk management and internal control systems of the Group and the Board considered that all recommendations should be properly followed to ensure the sound and effectiveness of the risk and internal control systems of the Group can be maintained.

The Group has already adopted policy and procedures on disclosure of inside information and there are no material breaches of the procedures and internal controls for the handling and dissemination of inside information.

Internal audit function

With the assistance from Dharmniti, the Group has established an internal audit function assisting the Board in maintaining an effective risk management and internal control systems by evaluating its effectiveness and efficiency and by promoting continuous improvement. The internal audit function of the Group reports directly to the Audit Committee regularly and has access to the chairman of the Audit Committee if appropriate.

In addition, the Board had received confirmation from the management that:

- the financial records have been properly maintained and the financial statements give a true and fair view of the operations and finances of the Group; and
- the risk management and internal control systems of the Group are effective.

Based on the framework for risk management and internal control systems established by the Group, the procedures performed by Dharmniti, and management, the Board and the Audit Committee admitted that through the review of risk management and internal control systems of the Group, it can evaluate and improve its effectiveness, and the Board, with the concurrence of the Audit Committee, considered that such systems including financial, operational and compliance were effective and adequate for the Year.

Such assessment of risk management and internal control systems was and will be conducted quarterly.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Year.

To the best knowledge of the Directors, there are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 39 to 45 of this annual report.

DIVIDEND POLICY

The Company has adopted a dividend policy (the "**Dividend Policy**") which is in accordance with the relevant provisions of the Articles. Pursuant to the Dividend Policy, the Company may from time to time in general meeting declare dividends in any currency to be paid to the members of the Company but no dividend shall be declared in excess of the amount recommended by the Board. No dividend shall be declared or payable except out of the profits and reserves of the Company lawfully available for distribution, including share premium. No dividend shall carry interest against the Company.



When deciding whether to propose a dividend and in determining the dividend amount, our Board will take into account, inter alia, our Group's (i) general financial conditions; (ii) actual and future operations and liquidity positions; (iii) future cash requirements and availability; (iv) restrictions on payment of dividends that may be imposed by our Group's lenders; (v) general market conditions; and (vi) any other factors which they may deem appropriate at such time.

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalising dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit, and so that it shall not be necessary to keep any reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute by way of dividend.

The Board may also, without convening a general meeting, from time to time declare interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. The Board may also pay half-yearly or at other suitable intervals to be selected by it any dividend which may be payable at a fixed rate if the Board is of the opinion that the financial conditions and the profits available for distribution justify the payment. The Board may in addition from time to time declare and pay special dividends of such amounts and on such dates and out of such distributable funds of the Company as it thinks fit. Any dividend unclaimed shall be forfeited and shall be returned to the Company in accordance with the Articles and all applicable laws and regulations.

The Board will review the Dividend Policy from time to time and may adopt any change as appropriate at the relevant time.

The Board did not recommend the payment of a dividend for the year ended 31 December 2020 (2019: Nil).

AUDITOR'S REMUNERATION

An analysis of the remuneration paid/payable to the external auditor of the Company in respect of audit services and non-audit services for the year ended 31 December 2020 is set out below:

Service Category	Fee Paid/Payable THB'000
Audit Services	2,040
Non-audit Services (<i>Note</i>)	40
	<hr/>
Total	2,080
	<hr style="border-top: 2px solid green;"/>

Note:

The non-audit services provided by the external auditor of the Company during the Year mainly include agreed-upon procedures engagement in connection with the Group's announcement of annual results.

The amounts disclosed above does not include the statutory audit fees and other non-audit service fees paid to auditors of the subsidiaries of the Group.

COMPANY SECRETARY

The Company engaged an external professional company secretarial services provider, Uni-1 Corporate Services Limited (“**Uni-1**”), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit different commercial needs.

Mr. Tse Kam Fai (“**Mr. Tse**”), the representative of Uni-1, was appointed as the named company secretary of the Company.

Ms. Suvaphat Ngen-ngam, the administrative director of the Company, has been designated as the primary contact person at the Company which would work and communicate with Mr. Tse on the Company’s corporate governance and secretarial and administrative matters.

For the Year, Mr. Tse has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS’ RIGHTS

To safeguard Shareholders’ interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

Pursuant to Article 58 of the Articles, extraordinary general meetings shall also be convened on the written requisition of one or more members deposited at the principal office of the Company in Hong Kong specifying the objects of the meeting and signed by the requisitionist(s), provided that such requisitionist(s) hold, as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

Putting Forward Proposals at General Meetings

There are no provisions in the Articles or the Cayman Islands Companies Law for Shareholders to move new resolutions at general meetings. The Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph. As regards proposing a person for election as a director of the Company, please refer to the “Procedures for Shareholders to Propose a Person for Election as a Director” of the Company which is posted on the Company’s website.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, the Shareholders may send written enquiries to the company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 170/9-10 Ocean Tower 1, 4th Floor,
Soi Sukhumvit 16 (Sammit), Ratchadapisek Road,
Klongtoey, Bangkok 10110 Thailand
Fax +66 2 661 9933
Email: ir@plattnera.com

For the avoidance of doubt, Shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an ongoing dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet the Shareholders and answer their enquiries.

The Company maintains a website at www.plattnera.com as a communication platform with the Shareholders and investors, where the financial information and other relevant information of the Company are available for public access.

Constitutional Documents

The existing Articles were adopted on 17 June 2019. Since its adoption and up to the date of this annual report, there was no change in the Company's constitutional documents.. An up-to-date version of the Articles is available on the websites of the Company and of the Stock Exchange.

Policies relating to Shareholders

The Company has in place a shareholders communication policy to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.



REPORT OF DIRECTORS

The Directors are pleased to present this Directors' Report and the audited consolidated financial statements of the Group for the Year.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group provides IT solutions to Thai financial institutions, government departments and agencies predominantly in administrative, telecommunications and utilities sectors, and the sale of equipment in Thailand.

A list of the Company's principal subsidiaries, together with their places of incorporation, principal activities and particulars of their issued ordinary/registered share capital, is set out in note 1 to the consolidated financial statements in this annual report.

BUSINESS REVIEW

Overview and Performance of 2020

A review of the business of the Group during the Year and a discussion and analysis on the Group's future business development are set out in the sections headed "Management Discussion and Analysis" on pages 6 to 11 of this annual report.

Environmental Policies and Performance

Government restrictions imposed around the world to limit the spread of COVID-19 pandemic resulted in a sharp contraction in global economic activity during the Year. At the same time, governments also took steps designed to soften the extent of the damage to investment, trade and labour markets.

To cope with the ongoing situation of the COVID-19 pandemic, the Group has, in a timely manner, put in place numerous precautionary measures and procured essential protective supplies to ensure the health and safety of all its employees. At the same time, the Group has implemented various flexible working arrangements for its staff. The Group has used, and will continue to use, its best endeavours to mitigate the adverse impact of the COVID-19 pandemic on the Group.

To the best knowledge of the Group, the Group has complied with the relevant environmental and occupational health and safety laws and regulations and we did not have any incidents or complaints which had a material and adverse effect on our business, financial condition or results of operations during the Year.

Compliance with Relevant Laws and Regulations

As far as the Board is aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Key Relationship with Stakeholders

The Group recognises that various stakeholders including employees, customers, suppliers and Shareholders. The Group strives to achieve corporate sustainability through engaging, collaborating, and cultivating strong relationship with them.

The remuneration of employees of the Group will be based on their performance, experience and the prevailing market remuneration. The total remuneration of employees includes basic salaries and discretionary bonus. The remuneration policy of the Directors is reviewed and determined by the remuneration committee having regard to the Directors' experience, responsibilities, workload and time devoted to the Group and performance of the Group.

The Group's principal customers are Thai financial institutions, government departments and agencies predominantly in administrative, telecommunications and utilities sectors. Some of our principal customers include BAAC, Customer F and PEA. We are continually building on our working relationship with our major customers and broadening the scope and depth of our projects with them.

In general, our major suppliers are hardware and/or software vendors or distributors in Thailand and subcontractors for developing software and supplying and installing different hardware in Thailand. The Group has implemented a strict supplier selection process to ensure the services and/or product quality of our suppliers meet our requirements.

The principal goal of the Group is to maximize the return to the Shareholders. The Group will focus on its core business for achieving sustainable profit growth and rewarding the Shareholders with dividend payouts taking into account the business development needs and financial health of the Group.

During the Year, there were no material and significant dispute between the Group and its suppliers, customers and/or other stakeholders.

Key Risks and Uncertainties and Risk Management

The material risks pertaining to our business are:

- (i) our reliance on the contracts awarded by our major customers;
- (ii) our financial performance may fluctuate from year to year due to its project based nature;
- (iii) our projects require significant upfront capital investment and cash outflow and we cannot ensure that we will be able to raise sufficient capital in a timely manner;
- (iv) our actual implementation of the project may not accord with our estimation due to cost overruns and/or other related risks; and
- (v) we may fail to exercise sufficient control over our subcontractors in the event of projects.

Events after Reporting Period

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2020 and up to the date of this report.

DIRECTORS

The Directors during the Year and up to the date of this Directors' Report are:

Executive Directors

Mr. Prapan Asvaplungprohm (*Chairman and Chief Executive Officer*)
Mr. Wison Archadechopon

Independent Non-Executive Directors

Mr. Tong Yee Ming
Mr. Cheung Pan
Mr. Julapong Vorasontharosoith

Biographies of the Directors and Senior Management

The biographical details of the Directors and the senior management of the Company are set out in the section headed "Directors and Senior Management" on pages 12 to 14 of this annual report.

Service Contracts of the Directors

Each of the executive Directors has entered into a service contract with the Company dated 17 June 2019 for an initial term of three years commencing from the Listing Date, subject to termination before expiry by either party giving not less than three months' notice in writing to the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company dated 17 June 2019 for an initial term of three years commencing from the Listing Date, which may be terminable by either party giving not less than three months' notice in writing to the other.

All Directors are subject to retirement by rotation and re-election at annual general meetings every three years, and will continue thereafter until terminated in accordance with the terms of the service agreement/letter of appointment.

In accordance with the Article 84(1) of the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

Accordingly, Mr. Wison Archadechopon and Mr. Julapong Vorasontharosoith will retire by rotation at the forthcoming annual general meeting of the Company to be held on 28 May 2021 (the "AGM") and, being eligible, offer themselves for re-election.

None of the Directors proposed for re-election at the AGM has a service contract with the Company or any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

Remuneration of the Directors and Five Highest Paid Individuals

Details of the Directors' remuneration and the five highest paid individuals in the Group are set out in notes 9 and 10 to the consolidated financial statements in this annual report.

A review of the employees and remuneration policies of the Group during the year are set out in the section headed "Management Discussion and Analysis" on page 11 of this annual report.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the executive Directors for the staff of the Company on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the Board on the recommendation of the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

No Director has waiver or has agreed to waive any emoluments and no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office during the Year.

Non-Compete Undertaking

There are no non-compete undertakings between the Controlling Shareholders of the Group and the Group.

Directors' Interest in Competing Businesses

As at 31 December 2020, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the business of the Group.

Controlling Shareholders' Interests in Contracts of Significance

Save as disclosed in the section "Directors' Material Interests in Transactions, Arrangements or Contracts of Significance" of this annual report, no Controlling Shareholders or their subsidiaries had a material interest, either directly or indirectly, in any contract of significance, whether for the provision of services or otherwise, to the Group to which the Company or any of its subsidiaries was a party during the Year.

Directors' Material Interests in Transactions, Arrangements or Contracts of Significance

Save as disclosed in note 31 to the consolidated financial statements headed "Related Party Disclosures", the section headed "Connected Transaction and Continuing Connected Transactions" of this annual report below, and in the paragraph below, no Director had a material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party as at 31 December 2020 or at any time during the Year.

As at 31 December 2020, owing to administrative delays, certain of the Group's bank facilities that were secured by personal guarantees given by Mr. Asvaplungprohm and Mr. Archadechopon are in the still in the process of been released. The Group shall endeavour to complete such release procedures as soon as practicable.

Connected Transaction and Continuing Connected Transactions

Transactions' Details

In August 2019, Platt Nera, an indirectly owned subsidiary of the Company, secured a project with a key customer which requires Platt Nera to provide the customer with a remote system to monitor the performance and status of street lights ("**Project**").

On 8 November 2019, Platt Nera entered into a supply agreement with TON ("**Supply Agreement**") for the supply of (i) certain equipment ("**Equipment**"); for a consideration of THB13,187,750 (approximately HK\$3,391,887*) and (ii) connectivity airtime for a period of three years and maintenance services for a period of two years by TON to Platt Nera. The Group is a provider of IT integrated solutions and it is therefore in the ordinary and usual course of the Company's business to procure the equipment and services pursuant to the Supply Agreement to meet the needs of the customer in relation to the Project.

TON is a company registered under the laws of Thailand, which as at 8 November 2019, was owned as to approximately 99.0% by Mr. Asvaplungprohm, an executive Director and one of our Controlling Shareholders. Hence, TON is an associate of Mr. Asvaplungprohm and is therefore a connected person of our Group. Accordingly, the transaction between Platt Nera and TON for the supply of certain equipment constitutes a connected transaction ("**Connected Transaction**") of the Company under the Listing Rules, and the transactions between Platt Nera and TON for the supply of connectivity airtime for a period of three years and maintenance services for a period of two years constitute continuing connected transactions ("**Continuing Connected Transactions**") of the Company under the Listing Rules.

As more than one of the relevant percentage ratios under the Listing Rules in respect of the Connected Transaction and the Continuing Connected Transactions on an aggregate basis exceed 0.1% but less than 5%, the Connected Transaction and the Continuing Connected Transactions are therefore exempt from the independent Shareholders' approval requirements, and are only subject to the reporting, announcement, and in the case of the Continuing Connected Transactions only, annual review requirements, under Chapter 14A of the Listing Rules.

Board Approvals

The Board (including the Independent non-executive Directors) has approved the Supply Agreement.

Mr. Prapan Asvaplungprohm, an executive Director and one of our Controlling Shareholders, is materially interested in the Supply Agreement, as he holds approximately 99.0% equity interest of TON. As such, Mr. Asvaplungprohm had abstained from voting on the relevant Board resolution in respect of the Supply Agreement. Save for Mr. Asvaplungprohm, none of the other Directors has any material interest in the Supply Agreement and was required to abstain from voting on the relevant Board resolution.

Status of Supply Agreement

The COVID-19 pandemic has affected the rollout schedule of the Supply Agreement, and the Group only completed the purchase of 8,498 units of Equipment (out of a total of 8,500 units) under the Supply Agreement in January 2021. The Continuing Connected Transactions, which were envisioned to commence in 2020, have not commenced yet.

As the date of this report, TON is owned as to approximately 65.0% equity interest by Mr. Asvaplungprohm, and accordingly TON remains an associate of Mr. Asvaplungprohm and is therefore a connected person of our Group.

* Based on exchange rate of THB1 to HK\$0.2572 and for illustrative purpose only.

Confirmation from the Company's Independent Auditor and the independent non-Executive Directors

As there were no Continuing Connected Transactions in 2020, no confirmation shall be provided by the auditor of the Company and the independent non-executive Directors with respect thereof for the Year pursuant to Rules 14A.55 and 14A.56 of the Listing Rules.

Save as disclosed in this report and as of the date of this report, none of the related party transactions of the Group constitute connected transactions or continuing connected transactions as defined under the Listing Rules and fell to be disclosed in accordance with the provisions under Chapter 14A of the Listing Rules in relation to the disclosure of connected transactions.

Details of the related party transactions undertaken by the Group are set out in note 31 to the consolidated financial statements.

TAX RELIEF AND EXEMPTION OF HOLDERS OF LISTED SECURITIES

The Company is not aware of any tax relief or exemption available to the Shareholders by reason of their respective holding of the Company's securities.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at 31 December 2020, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position:

(A) Interests in the Shares, the Underlying Shares and Debentures of the Company

Name of Director	Nature of Interest	Number of Shares held	Shareholding percentage (%)
Mr. Prapan Asvaplunghprohm ("Mr. Asvaplunghprohm")	Interest held jointly with other persons; interest in a controlled corporation (Note)	300,000,000	75%
Mr. Wison Archadechopon ("Mr. Archadechopon")	Interest held jointly with other persons; interest in a controlled corporation (Note)	300,000,000	75%

Note: Mr. Asvaplunghprohm, Mr. Archadechopon and Ms. Aranya Talomsin ("Ms. Talomsin") own 96%, 2% and 2% equity interest of Pynk (being corporate Controlling Shareholder (has the meaning ascribed thereto in the Listing Rules)), respectively, and Mr. Asvaplunghprohm, Mr. Archadechopon and Ms. Talomsin together control all the Shares held by Pynk.

REPORT OF DIRECTORS

(B) Interests in the Shares and Underlying Shares of Associated Corporations

Name of Director	Name of associated corporation	Nature of interest	Number and class of securities in the associated corporation	Percentage of interest in the associated corporation
Mr. Asvaplunghprohm	Pynk	Beneficial owner	96 ordinary shares	96%
Mr. Archadechopon	Pynk	Beneficial owner	2 ordinary shares	2%
Mr. Asvaplunghprohm	IAH	Beneficial owner	347,208 preference shares <i>(Note)</i>	92%
		Beneficiary of a trust (other than a discretionary interest)	15,096 preference shares <i>(Note)</i>	4%
Mr. Archadechopon	IAH	Beneficial owner	7,548 preference shares <i>(Note)</i>	2%

Note: The holders of IAH Preference Shares have one vote for every ten IAH Preference Shares held on any resolution of IAH.

Save as disclosed above, as at 31 December 2020, neither the Directors nor the chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2020, to the best knowledge of the Directors and the senior management of the Company, the table below listed out the persons (other than the Directors or chief executives of the Company), who had interests in the Shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to provision of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Long Position:

Name of Shareholder	Nature of Interest	Number of Shares held	Approximate shareholding percentage (%)
Pynk	Beneficial owner	300,000,000	75%
Ms. Talomsin	Interest held jointly with other persons; interest in a controlled corporation <i>(Note)</i>	300,000,000	75%

Note: Pynk is beneficially owned as to 96% by Mr. Asvaplunghprohm, 2% by Mr. Archadechopon and 2% by Ms. Talomsin. Mr. Asvaplunghprohm, Mr. Archadechopon and Ms. Talomsin together control all the shares held by Pynk.

Save as disclosed above, as at 31 December 2020, the Directors and the senior management of the Company are not aware of any other person who had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of Part XV of the SFO.

SHARE OPTION SCHEME

The Group has not adopted any share option scheme.

MAJOR CUSTOMERS AND SUPPLIERS

Major Customers

For the Year, the Group's sales to its five largest customers accounted for 99.9%, as compared to 99.8% of the Group's total revenue for the year ended 31 December 2019. The Group's sales to the largest customer accounted for 34.7%, as compared to 53.9% of the Group's total revenue for the year ended 31 December 2019.

Major Suppliers

For the year ended 31 December 2020, the Group's five largest suppliers accounted for 69.5%, as compared to 76.1% of the Group's total purchase amounts for the year ended 31 December 2019. The Group's single largest supplier accounted for 22.1%, as compared to 24.3% of the Group's total purchases for the year ended 31 December 2019.

During the Year, none of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the number of issued shares of the Company) had any beneficial interest in the Group's five largest customers and suppliers.

MANAGEMENT CONTRACTS

During the Year, the Company has not entered into any contract with any individuals, firm or body corporate to manage or administer the whole or any substantial part of any business of the Group.

DIRECTORS' PERMITTED INDEMNITY PROVISION

Each Director or other officer of the Company shall be entitled to be indemnified out of the assets of Company from and against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur in or about the execution of the duties of his/her office or trusts or otherwise in relation thereto in accordance with the Articles.

The Company has arranged appropriate directors' liability insurance coverage for the Directors of the Group during the Year.



REPORT OF DIRECTORS

RESULTS AND DIVIDENDS

The Group's profit for the Year and the Group's financial position as at 31 December 2020 are set out in the financial statements and pages 46 to 48.

The Board did not recommend the payment of a dividend for the Year (2019: Nil).

The Company intends to strike a balance between maintaining sufficient capital to grow the business and rewarding the Shareholders. The Board has adopted a dividend policy pursuant to which in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, the following factors:

- (i) the general financial condition of the Group;
- (ii) the actual and future operations and liquidity positions of the Group;
- (iii) the Group's future cash requirements and availability;
- (iv) the general market conditions and prospect; and
- (v) any other factor that the Board deems appropriate.

SHARE CAPITAL

There was no movement in share capital of the Company during the Year. Details of share capital of the Company are set out in note 27 to the consolidated financial statements in this annual report.

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity and note 28 to the consolidated financial statements in this annual report respectively.

The Company's reserves available for distribution to the Shareholders as at 31 December 2020 amounted to THB482.9 million.

FINANCIAL SUMMARY

A summary of the published financial results and of the assets and liabilities of the Group for the Year, together with summary of the financial results and of the assets and liabilities of the Group for the four years ended 31 December 2019 is set out on page 2 of this annual report. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Year are set out in note 14 to the consolidated financial statements in this annual report.

USE OF PROCEEDS FROM THE LISTING

The Shares were listed on the Stock Exchange on 16 July 2019 with net proceeds received by the Group from the Share Offer amounting to approximately HK\$87.6 million (after deducting the underwriting commission, fees and all related expenses).

As of 31 December 2020, all the proceeds from Listing have been fully utilised in line with planned usage as mentioned in the Prospectus as set out in the table below.

Use of Proceeds	Planned usage HK\$' million	Percentage of total net proceeds %	Unutilised	Actual usage	Actual
			net proceeds as at 31 December 2019 HK\$' million	For the year ended 31 December 2020 HK\$' million	usage up to 31 December 2020 HK\$' million
1. Financing secured projects	72.0	82.2%	28.8	28.8	72.0
a. PEA projects	53.7	61.3%	25.8	25.8	53.7
b. Customer F projects	6.9	7.9%	2.9	2.9	6.9
c. BAAC projects	11.4	13.0%	0.1	0.1	11.4
2. Repayment of loans	11.8	13.5%	—	—	11.8
3. Working Capital	3.8	4.3%	—	—	3.8
Total	87.6	100%	28.8	28.8	87.6

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

EQUITY-LINKED AGREEMENTS

No equity-linked agreement will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the Year or subsisted at the end of 2020.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on Friday, 28 May 2021, the register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Monday, 24 May 2021.



REPORT OF DIRECTORS

CORPORATE GOVERNANCE

The Company recognises the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of its Shareholders as a whole. The Company has adopted and committed to the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules and has prepared the corporate governance report, which is set out on pages 15 to 27 of this annual report. The Board will continue to review and monitor the practices of the Company with an aim to maintaining the highest standard of corporate governance.

SUFFICIENCY OF PUBLIC FLOAT

Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of the total issued capital of an issuer must be held by the public at any time. Based on the information that is publicly available and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, the Company has maintained the prescribed minimum percentage of public float during the Year and up to the date of this annual report as required under the Listing Rules

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the relevant laws of the Cayman Islands where the Company is incorporated which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

AUDITOR

The consolidated financial statements for the Year have been audited by Ernst & Young, who will retire, and being eligible, offer themselves for re-appointment at the AGM. A resolution will be proposed for approval by the Shareholders at the AGM to re-appoint Ernst & Young as the auditor of the Company.

On behalf of the Board

Prapan Asvaplungprohm
Chairman

Hong Kong, 30 March 2021



Ernst & Young
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

安永會計師事務所
香港中環添美道1號
中信大廈22樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the shareholders of Platt Nera International Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Platt Nera International Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 46 to 105, which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Key audit matter

How our audit addressed the key audit matter

Revenue recognition of IT integrated solutions and IT support services

The Group principally generates revenue from the provision of design and implementation of integrated IT solutions ("**IT integrated solutions**"), operational, support and maintenance services ("**IT support services**") and sale of equipment ("**Sale of equipment**").

Revenue in respect of these contracts with customers is recognised either (i) over time using the input method to measure progress towards complete satisfaction of the service when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (ii) at a point in time, generally upon complete delivery of the goods and services.

For contract revenue which is measured over time using the input method, the recognition of revenue and profit relies on management's estimate of the progress towards completion of each contract, which involves the exercise of significant management judgement, particularly in forecasting the costs to complete a contract, in estimating the amount of expected losses and in assessing the ability of the Group to deliver the services according to the agreed timetable.

In addition, for the year ended 31 December 2020, revenue of THB345.5 million was recognised for contracts with variable consideration in relation to IT integrated solutions, IT support services and Sale of equipment. The transaction prices of these contracts are variable, which were determined based on, amongst other things, the volume of relevant transactions occurred and the level of relevant activities happened over the contract period.

As part of our audit procedures in relation to the progress to satisfaction of contracts recognised over time, we examined internal progress reports of work performed for amounts of contract cost recognised. We also selected material projects with revenue recognised over time, read their project budgets on contract revenue and costs, examined the agreements entered with vendors and compared them with the budgeted costs to identify any underestimation in budgeted costs, interviewed the Group's head of engineer regarding the preparation and approval processes of project budgets and read the correspondence between the Group and vendors in respect of work performed to identify any changes to the original work plan and whether these changes were reflected in the project budgets.

As part of our audit procedures in relation to estimation of variable consideration of IT integrated solutions, IT support services and Sale of equipment, we read the customer contracts to understand the factors that would affect the transaction price, compared the actual activities level occurred during the year with the estimation made in prior years and assessed the assumptions and parameters used in the estimation by reading the latest available operation data and correspondence for events happened in respect of the related projects.

We also assessed the adequacy of the related disclosures in the notes to the consolidated financial statements.

**Key audit matter****How our audit addressed the key audit matter*****Revenue recognition of IT integrated solutions and IT support services (Continued)***

In respect of the contracts with variable consideration, the Group estimated the contract consideration using the expected value method at contract inception and then remeasured it at the end of each reporting period, based on the latest operation data available in each reporting period, the historical experience, business forecast, and any circumstances or events happened that would impact the future activities.

Given that the revenue recognition of IT integrated solutions, IT support services and Sale of equipment involves estimations of the total costs to complete the contracts and the transaction prices with variable consideration, which rely on significant management judgement and estimation, we considered revenue recognition of these services a key audit matter.

Related disclosures are included in notes 3 and 5 to the consolidated financial statements.



Key audit matter

Provision for expected credit losses of trade receivables, contract assets, rental receivable under a finance lease and other receivables

At 31 December 2020, the Group recorded trade receivables, contract assets, rental receivable under a finance lease and other receivables of THB824 million, THB279 million, THB158 million and THB33 million, before impairment losses of THB118 million in total.

The Group applies simplified approach to measure the expected credit losses (“ECL”) of trade receivables and contract assets using lifetime ECL provision. The ECL is determined with reference to the credit ratings of debtors and forward-looking information which take into consideration of general economic conditions. Other factors specific to individual debtor are also considered in the assessment of likelihood of recovery from customers.

The Group applies general approach to measure the ECL of rental receivable under a finance lease and other receivables, in which for balances with no significant increase in credit risk since initial recognition, 12-month ECL is provided. If there is a significant increase in credit risk since initial recognition, lifetime ECL is provided irrespective of the timing of the default. Management judgement and subjective assumptions are involved when assessing the credit risk and recoverability of the balances.

Related disclosures are included in notes 3, 5, 16, 18, 19 and 34 to the consolidated financial statements.

How our audit addressed the key audit matter

As part of our audit procedures in relation to the assessment of provision for ECL of trade receivables, contract assets, rental receivable under a finance lease and other receivables, we evaluated the methodologies and parameters used by the Group in determining the ECL and assessed the assumptions adopted and judgement made in ECL calculation by reviewing and examining the correspondence with debtors, checking to the credit rating of debtors from websites, discussing with management for the assessment of significant increase in credit risk for other receivables and the basis of significant judgements, forward looking information and assumptions applied in ECL approach, and obtained other information from third parties, if any, to support the assessment made by the management.

We also assessed the adequacy of the related disclosures in the notes to the consolidated financial statements.



OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.



AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

The engagement partner on the audit resulting in this independent auditor's report is CHENG Man.

Ernst & Young
Certified Public Accountants
Hong Kong
30 March 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2020

	Notes	2020 THB'000	2019 THB'000
REVENUE	5	525,423	538,113
Cost of sales		(610,237)	(384,597)
Gross profit/(loss)		(84,814)	153,516
Other income and gain, net	6	338,460	3,097
Selling and distribution expenses		(10,040)	(10,694)
Administrative expenses		(81,861)	(63,949)
Impairment losses of financial assets and contract assets, net		(109,279)	(8,404)
Listing expenses		—	(62,139)
Other expenses, net		—	(21,308)
Finance costs	7	(12,846)	(16,414)
PROFIT/(LOSS) BEFORE TAX	8	39,620	(26,295)
Income tax	11	(35,393)	(10,981)
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS		4,227	(37,276)
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Defined benefit plan:			
Actuarial gain		558	—
Income tax effect		(112)	—
		446	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		446	—
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		4,673	(37,276)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted (THB cents)	13	1.06	(10.76)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	2020 THB'000	2019 THB'000
NON-CURRENT ASSETS			
Leasehold improvements and equipment	14	1,141	2,204
Right-of-use assets	16	9,381	1,962
Computer software	15	541	329
Rental receivable under a finance lease	16	122,125	—
Trade receivables	18	600,660	—
Prepayments, other receivables and other assets	19	14,505	13,051
Pledged bank deposits	20	114,871	98,847
Deferred tax assets	24	—	7,168
Total non-current assets		863,224	123,561
CURRENT ASSETS			
Inventories	17	6,553	44,118
Contract assets	5	185,315	163,222
Rental receivable under a finance lease	16	35,715	—
Trade receivables	18	219,333	191,667
Prepayments, other receivables and other assets	19	163,353	207,543
Prepaid income tax		9,329	9,329
Cash and cash equivalents	20	186,167	266,900
Total current assets		805,765	882,779
CURRENT LIABILITIES			
Contract liabilities	5	2,887	2,596
Trade payables	21	225,420	310,938
Other payables and accruals	22	34,512	35,015
Income tax payable		17,835	2,470
Bank and other borrowings	23	178,403	81,605
Lease liabilities	16	3,858	1,905
Total current liabilities		462,915	434,529
NET CURRENT ASSETS		342,850	448,250
TOTAL ASSETS LESS CURRENT LIABILITIES		1,206,074	571,811

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2020

	Notes	2020 THB'000	2019 THB'000
NON-CURRENT LIABILITIES			
Trade payables	21	591,964	—
Bank and other borrowings	23	58,517	34,989
Lease liabilities	16	5,803	119
Defined benefit obligations	25	4,840	4,756
Preference shares of a subsidiary	26	37,740	37,740
Deferred tax liabilities	24	8,330	—
		<hr/>	
Total non-current liabilities		707,194	77,604
		<hr/>	
Net assets		498,880	494,207
		<hr/>	
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	27	15,977	15,977
Reserves	28	482,903	478,230
		<hr/>	
Total equity		498,880	494,207
		<hr/>	

Prapan Asvaplunghprohm
Executive Director

Wison Archadechopon
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 December 2020

	Issued capital THB'000 <i>(note 27)</i>	Share premium account THB'000	Merger reserve THB'000 <i>(note 28(b))</i>	Defined benefit plan reserve THB'000	Accumulated losses THB'000	Total equity THB'000
At 1 January 2019	—	—	177,363	(598)	(94,574)	82,191
Loss for the year and total comprehensive loss for the year	—	—	—	—	(37,276)	(37,276)
Increase in share capital of a subsidiary	—	—	4,537	—	—	4,537
Paid-up of share capital <i>(note 27(b))</i>	59	—	—	—	—	59
Issue of new shares pursuant to a capitalisation issue in connection with the Global Offering# <i>(note 27(c))</i>	11,924	(11,924)	—	—	—	—
Issue of new shares pursuant to the Global Offering# <i>(note 27(d))</i>	3,994	495,331	—	—	—	499,325
Expenses incurred in connection with the Global Offering#	—	(54,629)	—	—	—	(54,629)
At 31 December 2019 and 1 January 2020	15,977	428,778*	181,900*	(598)*	(131,850)*	494,207
Profit for the year	—	—	—	—	4,227	4,227
Other comprehensive income for the year — actuarial gain of a defined benefit plan, net of income tax	—	—	—	446	—	446
Total comprehensive income for the year	—	—	—	446	4,227	4,673
At 31 December 2020	15,977	428,778*	181,900*	(152)*	(127,623)*	498,880

During the year ended 31 December 2019, the Company made an offer to the public for subscription of its new shares and undertook an international placing of its new shares (collectively, the "Global Offering") in connection with the listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Dealing of the Company's shares on the Stock Exchange commenced on 16 July 2019.

* These reserve accounts comprise the consolidated reserves of THB482,903,000 (2019: THB478,230,000) in the consolidated statement of financial position as at 31 December 2020.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Notes	2020 THB'000	2019 THB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		39,620	(26,295)
Adjustments for:			
Interest income	6	(7,682)	(1,097)
Finance costs	7	18,720	16,414
Depreciation for leasehold improvements and equipment	8	1,511	2,352
Depreciation of right-of-use assets	8	4,086	4,200
Amortisation of computer software	8	97	103
Write-off of items of leasehold improvements and equipment	8	—	5
Unrealised foreign exchange loss		569	—
Impairment of contract assets and trade receivables	8	89,153	8,404
Impairment of loans receivables	8	20,126	—
Provision for long-term employee benefits	8	642	1,676
Compensation income from a litigation	6	(323,561)	—
		(156,719)	5,762
Decrease/(increase) in inventories		37,565	(37,200)
Decrease/(increase) in contract assets		(106,905)	270,480
Increase in rental receivable under a finance lease		(157,356)	—
Increase in trade receivables		(628,625)	(150,486)
Decrease/(increase) in prepayments, other receivables and other assets		35,160	(189,819)
Increase in contract liabilities		291	1,800
Increase in trade payables		502,802	117,231
Increase/(decrease) in other payables and accruals		7,882	(37,929)
Cash received for compensation income from a litigation		323,460	—
		(142,445)	(20,161)
Cash generated used in operations		(4,642)	(13,019)
		(147,087)	(33,180)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of leasehold improvements and equipment	14	(448)	(531)
Purchase of computer software	15	(309)	(8)
Proceeds from the transfer of a distribution right and related equipment		—	17,604
Loans to a third party	19(b)	(11,785)	(11,785)
		(12,542)	5,280

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2020

	Notes	2020 THB'000	2019 THB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new shares by the Company	27(d)	—	499,325
Proceeds from issue of new shares by subsidiaries		—	9,637
Shares issue expenses		—	(54,629)
Advance from the ultimate holding company	22	—	11,485
Repayment of amount due to the ultimate holding company	22	(10,429)	—
New bank and other borrowings	23	420,793	110,848
Repayment of bank and other borrowings	23	(282,050)	(256,166)
Principal portion of lease payments	16	(4,313)	(4,412)
Gross decrease in pledged bank deposits	20	8,058	10,096
Gross increase in pledged bank deposits	20	(24,082)	(47,095)
Interest received		1,921	996
Interest paid		(12,585)	(14,240)
Net cash flows from financing activities		97,313	265,845
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		(62,316)	237,945
		248,480	10,535
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		186,164	248,480
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	20	301,038	365,747
Less: Pledged bank deposits	20	(114,871)	(98,847)
Cash and cash equivalents as stated in the consolidated statements of financial position	20	186,167	266,900
Less: Bank overdrafts	23	(3)	(18,420)
Cash and cash equivalents as stated in the consolidated statements of cash flows		186,164	248,480

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

1. CORPORATE AND GROUP INFORMATION

Platt Nera International Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands on 23 November 2018 and the shares of which are listed on the Stock Exchange. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company in Thailand is located at 170/9–10 Ocean Tower 1, 4th Floor, Soi Sukhumvit 16 (Sammit), Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand.

During the year ended 31 December 2020, the Group was principally engaged in the provision of IT integrated solutions and IT support services, and the sale of equipment in Thailand.

In the opinion of the directors, the immediate holding company and the ultimate holding company of the Company is Pynk Holding Limited, which is incorporated in the British Virgin Islands (“**BVI**”).

Information about principal subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Company name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company	Principal activities
Info Asset Holding Limited (“ IAH (BVI) ”)	BVI	Ordinary shares: US\$50	100%	Investment holding
Info Asset Holding (Thailand) Co., Limited (“ IAH ”)	Thailand	Ordinary shares: THB36,260,000 Preference shares: THB37,740,000	49%*	Investment holding
Platt Nera Company Limited (“ Platt Nera ”)	Thailand	Ordinary shares: THB220,000,000	49%*	Provision of IT integrated solutions and IT support services

* These entities were accounted for as subsidiaries by virtue of the Company’s control over them. To comply with the relevant laws and regulations of Thailand on foreign invested companies, IAH is incorporated with 49% of the share capital held by the Group, through its ownership of 100% of the ordinary shares of IAH, and 51% of the share capital held by four Thai nationals, through their ownership of 100% of the preference shares of IAH. Under the preference shares structure arrangement, one ordinary share of IAH is equivalent to ten preference shares of IAH in term of voting rights. Accordingly, the Group has 90.57% of the voting rights in IAH and IAH, together with its subsidiary, Platt Nera, are accounted for as subsidiaries of the Group. The preference shares of IAH are accounted for as financial liabilities of the Group.

2.1 BASIS OF PRESENTATION

Pursuant to a reorganisation (the “**Reorganisation**”) undertaken by the Group, as more fully explained in the section headed “History, Reorganisation and corporate structure — Reorganisation” in the prospectus of the Company dated 28 June 2019, the Company became the holding company of the companies now comprising the Group on 17 June 2019. As the Reorganisation only involved inserting new holding companies of an existing company and has not resulted in any change of economic substances, these financial statements have been presented by applying the principles of merger accounting as if the Reorganisation had been completed at the earliest date presented, i.e., 1 January 2019. The consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year ended 31 December 2019 include the results and cash flows of all companies now comprising the Group from the earliest date presented or since the respective dates of incorporation of the relevant entities, where this is a shorter period. The consolidated statement of financial position of the Group as at 31 December 2019 has been prepared to present the assets and liabilities of the subsidiaries and/or businesses using the existing book values of the relevant entities. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) which comprise all standards and interpretations approved by the International Accounting Standards Board (“**IASB**”). They have been prepared under the historical cost convention, except for defined benefit obligations which have been measured in accordance with the accounting policy for “Defined benefit plan” set out in note 2.5 below. These financial statements are presented in Thai Bath (“**THB**”) and all values are rounded to the nearest thousand (“**THB’000**”) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

2.2 BASIS OF PREPARATION (Continued)

Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. The results of the subsidiaries acquired under the Reorganisation are consolidated from the earliest date presented or since the respective dates of incorporation of the relevant entities, where this is a shorter period, as further detailed in note 2.1 above and continue to be consolidated until the date that such control ceases. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it recognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* (the "**Conceptual Framework**") and the following revised standards for the first time for the current year's financial statements:

Amendments to IFRS 3
Amendments to IFRS 9, IAS 39 and IFRS 7
Amendment to IFRS 16
Amendments to IAS 1 and IAS 8

Definition of a Business
Interest Rate Benchmark Reform
Covid-19-Related Rent Concessions (early adopted)
Definition of Material

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

The nature and the impact of the Conceptual Framework and the revised IFRSs are described below:

- (a) The Conceptual Framework sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.
- (b) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The amendments did not have any impact on the financial position and performance of the Group.
- (c) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.
- (d) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively. The Group early adopted the amendment on 1 January 2020, which did not have any significant impact on the financial position and performance of the Group.
- (e) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these financial statements:

Amendments to IFRS 3	<i>Reference to the Conceptual Framework²</i>
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	<i>Interest Rate Benchmark Reform — Phase 2¹</i>
Amendments to IFRS 10 and IAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
IFRS 17	<i>Insurance Contracts³</i>
Amendments to IFRS 17	<i>Insurance Contracts^{3, 5}</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current³</i>
Amendments to IAS 1	<i>Disclosure of Accounting Policies³</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates³</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use²</i>
Amendments to IAS 37	<i>Onerous Contracts — Cost of Fulfilling a Contract²</i>
<i>Annual Improvements to IFRSs 2018–2020</i>	Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41 ²

¹ Effective for annual periods beginning on or after 1 January 2021

² Effective for annual periods beginning on or after 1 January 2022

³ Effective for annual periods beginning on or after 1 January 2023

⁴ No mandatory effective date yet determined but available for adoption

⁵ As a consequence of the amendments to IFRS 17 issued in October 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before 1 January 2023

Further information about those IFRSs that are expected to be applicable to the Group is described below.

- (a) Amendments to IFRS 3 are intended to replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the Conceptual Framework issued in March 2018 without significantly changing its requirements. The amendments also add to IFRS 3 *Business Combinations* an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21 *Levies* if they were incurred separately rather than assumed in a business combination, an entity applying IFRS 3 should refer to IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group expects to adopt the amendments prospectively from 1 January 2022. Since the amendments apply prospectively to business combinations for which the acquisition date is on or after the date of first application, the Group will not be affected by these amendments on the date of transition.
- (b) Amendments to IAS 1 clarify the requirements for classifying liabilities as current or non-current. The amendments specify that if an entity's right to defer settlement of a liability is subject to the entity complying with specified conditions, the entity has a right to defer settlement of the liability at the end of the reporting period if it complies with those conditions at that date. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective for annual periods beginning on or after 1 January 2023 and shall be applied retrospectively. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

- (c) Amendments to IAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items, in profit or loss. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied retrospectively only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- (d) Amendments to IAS 37 clarify that for the purpose of assessing whether a contract is onerous under IAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual periods beginning on or after 1 January 2022 and shall be applied to contracts for which an entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. Earlier application is permitted. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening equity at the date of initial application without restating the comparative information. The amendments are not expected to have any significant impact on the Group's financial statements.
- (e) *Annual Improvements to IFRSs 2018–2020* sets out amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 (2014) *Financial Instruments*, Illustrative Examples accompanying IFRS 16 *Leases*, and IAS 41 *Agriculture*. Details of the amendments that are expected to be applicable to the Group are as follows:
- IFRS 9 (2014): clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual periods beginning on or after 1 January 2022. Earlier application is permitted. The amendment is not expected to have a significant impact on the Group's financial statements.
 - IFRS 16: removes the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 accompanying IFRS 16. This removes potential confusion regarding the treatment of lease incentives when applying IFRS 16.



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a holding company of the Group; or
- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a holding company, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the holding company of the Group.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, financial assets, contract assets and inventories), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing 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. An impairment loss is charged to profit or loss in the period in which it arises.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of a non-financial asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasehold improvements and equipment and depreciation

Leasehold improvements and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of leasehold improvements and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of leasehold improvements and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of leasehold improvements and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of leasehold improvements and equipment to its residual value over its estimated useful life. The estimated useful lives of different categories of leasehold improvements and equipment are as follows:

Leasehold improvements	3 years
Furniture and fixtures	5 years
Computer equipment	3 years

Where parts of an item of leasehold improvements and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of leasehold improvements and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Computer software

Computer software acquired separately is measured on initial recognition at cost. The useful life of computer software is assessed to be finite.

Computer software is subsequently amortised over the useful economic life of 5 years and assessed for impairment whenever there is an indication that an item of computer software may be impaired. The amortisation period and the amortisation method for a computer software with a finite useful life are reviewed at least at each financial year end.

A computer software is derecognised on disposal or no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the period the computer software is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant computer software.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

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

Group as a lessor

When the Company acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on the straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases. At the commencement date, the cost of the leased asset held under a finance lease is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease, which is measured using the minimum lease payment receivables, initial direct costs and unguaranteed residual value. The finance income on the net investment in the lease is recognised in profit or loss so as to provide a constant periodic rate of return over the lease terms.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on the straight-line basis over the following depreciation periods, which are the shorter of the lease terms and the estimated useful lives of the assets:

Office premises	3 years
Office equipment	2–3 years

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

The Group's right-of-use assets are presented separately in the consolidated statement of financial position.



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease or, where that rate cannot be readily determined, the Group uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

The Group's lease liabilities are presented separately in the consolidated statement of financial position.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of car parking spaces, warehouses and spaces for ATMs (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on the straight-line basis over the lease term.

Financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group's financial assets are all classified, at initial recognition, as subsequently measured at amortised cost. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 *Revenue from Contracts with Customers* in accordance with the policies set out for "Revenue recognition" below.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

In order for a financial asset (debt instrument) to be classified and measured at amortised cost, it needs to give rise to cash flows that are solely payments of principal and interest (“**SPPI**”) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets (debt instruments) with cash flows that are not SPPI are classified and measured at fair value through profit or loss.

The Group’s business model for managing financial assets refers to how it manages its financial assets (debt instruments) in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets (debt instruments), or both. Financial assets (debt instruments) classified and measured at amortised cost are held within a business model with the objective to hold financial assets (debt instruments) in order to collect contractual cash flows, while financial assets (debt instruments) classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets (debt instruments) which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

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

Impairment

The Group recognises a provision for expected credit losses (“**ECL**”) for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(a) General approach

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



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Impairment (Continued)

(a) General approach (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Rental receivable under a finance lease and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below:

- Stage 1 — Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 — Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 — Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

(b) Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets (Continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group are all classified, at initial recognition, as financial liabilities at amortised cost, which are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest amortisation is included in finance costs in profit or loss.



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Derecognition

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

Offsetting of financial instruments

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

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress, comprises direct materials, direct labour and overheads. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, net of value added tax (“VAT”).

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(i) IT integrated solutions

IT integrated solutions comprise a comprehensive range of services, from project design and planning, assessment of hardware and/or software options and their suitability, sourcing and sale of hardware and/or software (either bundled or separately), system installation and launch to trial operation and acceptance, including system upgrades for existing systems.

Contracts for bundled sales of hardware and/or software and integration services are treated as a single performance obligation because the promises to transfer the hardware and/or software and provide integration services are not capable of being distinct and separately identifiable. Accordingly, the Group only allocates the transaction price to a single performance obligation, given that there is no other performance obligation identified.

In the opinion of the directors of the Company, the provision of IT integrated solutions is either satisfied (1) over time using the input method to measure progress towards complete satisfaction of the service as the Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (2) for any other cases, at a point in time, generally upon complete delivery of the goods and services.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue (Continued)

Revenue from contracts with customers (Continued)

(ii) IT support services

The Group is also engaged to provide operational, support, upgrade and maintenance services to ensure the proper functioning of the relevant IT system of customers, some of which were provided by the Group together with IT integrated solutions. IT support services typically meet the criterion where customers simultaneously receive and consume the benefits of the Group's performance as the Group performs. Therefore, in the opinion of the directors of the Company, the performance obligation of rendering IT support services is satisfied over time which is recognised over the relevant service period.

The transaction price is the amount of consideration that the Group expects or estimates to be entitled in exchange for transferring IT support services to customers. Revenue from rendering IT support services is recognised over time, using the straight-line method over the service contract period to measure progress towards complete satisfaction of the service.

(iii) Sale of equipment

Revenue from the sale of equipment is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment.

In determining the transaction price for the service rendered, the Group further considers the effects of variable consideration and the existence of significant financing components.

(i) Variable consideration

The transaction price of certain contracts is variable based on the occurrence of certain activities during the contract period. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer using the expected value method. The variable consideration is estimated at contract inception and then remeasured at each reporting date and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

(ii) Significant financing component

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component for certain customer contracts, because the Group expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. In addition, for certain customer contracts, the majority amount of the consideration promised by the customer is variable, in which the amount or timing to receive the entitled consideration is uncertain and depends on the occurrence or non-occurrence of a future event that is not substantially within the control of the Group. Therefore, the Group considers that there is no significant financing component in these customer contracts.



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue (Continued)

Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract assets

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets under the policy set out for "Financial assets — Impairment".

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Contract costs

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- (a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- (b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- (c) the costs are expected to be recovered.

The capitalised contract costs are amortised and charged to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Other contract costs are expensed as incurred.

2.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee benefits

Short-term employee benefits

Salaries, annual rewards and related employment welfare are recognised as expenses when incurred.

Post-employment benefits — Defined benefit plan

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

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method. Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss at the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under “administrative expenses” in profit or loss by function:

- service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- net interest expense or income.

Post-employment benefits — Defined contribution plan

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

Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. All borrowing costs are expensed in profit or loss in the period in which they are incurred.

Foreign currency transactions

These financial statements are presented in THB, which is also the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts and the accompanying disclosures of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The major judgements, estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Judgements in determining progress towards complete satisfaction

The Group has certain contracts with customers in respect of IT integrated solutions that the revenue is recognised over time, using an input method to measure progress towards complete satisfaction when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

The input method recognises revenue based on the actual cost incurred to date, latest available budgets, and management's best estimates and judgements. The Group regularly assesses the progress based on latest facts and circumstances occurred in each IT integrated solution project, and past experience in conducting similar work, and make necessary adjustment to the progress or budget.

Judgements in determining method to estimate variable consideration

The consideration of certain contracts for the IT integrated solutions business, sale of equipment and the IT support services business is variable based on the occurrence of certain activities during the contract period. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration. The selected method that better predicts the amount of variable consideration was primarily driven by the number of certain activities performed during the contract period, such as the expected level of activities, the change in revenue sharing ratio and the change in per unit price of services provided. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined whether to constrain the estimates of variable consideration based on its historical experience, business forecast and the current economic conditions.

Provision for ECL of trade receivables, contract assets, rental receivable under a finance lease and other receivables

The policy for provision for ECL on trade receivables, contract assets, rental receivable under a finance lease and other receivables of the Group is based on ECL model. The details of the estimation of the ECL provisions as at 31 December 2020 are set out in note 34(b) to the financial statements.

Judgements regarding principal versus agent considerations

The Group assesses whether it was acting as a principal or an agent when goods or services were transferred to a customer based on the Group's control over the goods or services before they are transferred to a customer. The Group will recognise revenue for the gross amount of customer consideration when it is a principal, and will recognise revenue for a net amount after the supplier was compensated for its goods or services when it is an agent.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements in determining the recoverability of costs incurred for projects without signed customer contracts

The Group incurred contract costs for certain projects in which only a term of reference with scope of service was signed by the Group with customers but the customer contracts have yet to be finalised. The Group determined that it is a service provider to the customers and the transaction price of the customer contracts would be sufficient to recover the contract costs that had been and to be incurred.

4. SEGMENT INFORMATION

Operating segment information

No operating segment information is presented as the Group's revenue, reported results during each of the years ended 31 December 2020 and 2019, and the Group's total assets as at the end of these reporting periods were derived from or attributable to one single operating segment, i.e., provision of IT integrated solutions, IT support services and sale of equipment.

Geographical information

The Group's revenue during each of the years ended 31 December 2020 and 2019 were all derived from external customers based in Thailand, and the Group's non-current non-financial assets as at the end of each of these reporting periods were all located in Thailand.

Information about major customers

The revenue generated from sales to customers which individually contributed 10% or more of the Group's total revenue during the years ended 31 December 2020 and 2019 is set out below:

	2020 THB'000	2019 THB'000
Customer A	182,097	290,175
Customer B	179,113	192,478
Customer C	157,768	N/A*

* Less than 10% of the Group's total revenue.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregated revenue information for revenue from contracts with customers

	2020 THB'000	2019 THB'000
By types of goods or services:		
IT integrated solutions	184,121	260,987
IT support services	183,946	277,126
Sale of equipment*	157,356	—
Total revenue from contracts with customers	525,423	538,113
By timing of revenue recognition:		
Transferred at a point in time	159,625	3,419
Transferred over time	365,798	534,694
Total revenue from contracts with customers	525,423	538,113

* The amount disclosed above includes a sale of equipment to a customer, which was accounted for on a net basis, i.e., total contract revenue net of related cost of sales. The present value of contract sum to the customer under this transaction amounted to THB748,908,000.

(b) Contract balances

		31 December 2020 THB'000	31 December 2019 THB'000	1 January 2019 THB'000
Contracts assets	(i)	278,531	171,626	442,106
Impairment	(i)	(93,216)	(8,404)	—
		185,315	163,222	442,106
Trade receivables	18	824,334	191,667	41,181
Impairment	18	(4,341)	—	—
		819,993	191,667	41,181
Contract liabilities	(ii)	2,887	2,596	796

5. REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

(b) Contract balances (Continued)

Notes:

- (i) Contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets are transferred to trade receivables when the rights to consideration become unconditional. During the year ended 31 December 2020, such transfer amounted to THB163,222,000 (2019: THB391,472,000), net of impairment. In addition, contract assets of THB185,315,000 were recognised as a result of the provision of IT integrated solutions and IT support services to customers at the end of the year. ECL consideration in respect of contract assets is set out in note 34(b) to the financial statements.

The expected timing of recovery or settlement of contract assets as at the end of the reporting period is as follows:

	2020 THB'000	2019 THB'000
Within one year	131,121	163,222
More than one year	54,194	—
Total contract assets	<u>185,315</u>	<u>163,222</u>

The movement in the loss allowance for impairment of contract assets is as follows:

	2020 THB'000	2019 THB'000
At 1 January	8,404	—
Impairment provided during the year (note 8)	93,216	8,404
Transfer to trade receivables	(8,404)	—
At 31 December	<u>93,216</u>	<u>8,404</u>

- (ii) Contract liabilities are the Group's obligations to transfer goods or services to customers for which the Group has received consideration from customers, including progress billings received from customers for services in progress and upfront deposits collected from customers prior to the commencement of the provision of services or delivery of products. Contract liabilities are recognised as revenue when the Group performs under the contract.

Set out below is the amount of revenue recognised from amounts included in contract liabilities at the beginning of the reporting period and from performance obligations satisfied (or partially satisfied) in previous periods:

	2020 THB'000	2019 THB'000
Revenue recognised that was included in contract liabilities at the beginning of the year	<u>973</u>	<u>796</u>
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	<u>(44,485)</u>	<u>14,704</u>

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

5. REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

(c) Transaction price allocated to remaining performance obligations

The Group recognises revenue of IT integrated solutions, IT support services and sale of equipment according to the accounting policies as set out in note 2.5 to the financial statements.

The aggregate amounts of the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at the end of the reporting period are as follows:

	2020 THB'000	2019 THB'000
Within one year	145,172	493,632
More than one year	4,021,198	5,138,356
	4,166,370	5,631,988

The remaining performance obligations expected to be recognised in more than one year related to the IT integrated solutions, IT support services and sale of equipment that have remaining contract periods of not more than 7 years. All the other remaining performance obligations are expected to be recognised within one year. The amount mentioned above does not include performance obligations for which the Group has applied the practical expedient not to disclose information about its remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less. The amounts disclosed above do not include variable consideration which is constrained.

6. OTHER INCOME AND GAIN, NET

An analysis of the Group's other income and gain, net is as follows:

	2020 THB'000	2019 THB'000
Interest income from bank and loans receivable	3,156	1,097
Interest income of a revenue contract	4,042	—
Finance income of a finance lease	484	—
Service fee income	—	887
Compensation income from a litigation*	323,561	—
Foreign exchange differences, net	5,974	—
Others	1,243	1,113
	338,460	3,097

* Details of the compensation income are set out in note 17 to the financial statements.

7. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2020 THB'000	2019 THB'000
Interest on bank loans, overdrafts and other loans	12,743	14,240
Interest on lease liabilities (note 16(b))	445	274
Interest expense of a revenue contract	3,645	—
Dividend on IAH Preference Shares (as defined in note 26)	1,887	1,900
	<hr/>	<hr/>
Total finance costs	18,720	16,414
Less: Amount capitalised in contract costs	(5,874)	—
	<hr/>	<hr/>
	12,846	16,414

8. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	Notes	2020 THB'000	2019 THB'000
Cost of inventories sold		191,762	60,758
Cost of services rendered		418,475	323,839
Depreciation for leasehold improvements and equipment	14	1,511	2,352
Depreciation of right-of-use assets	16	4,086	4,200
Amortisation of computer software*	15	97	103
Lease payments not included in the measurement of lease liabilities	16	394	560
Auditor's remuneration		2,080	2,750
Employee benefit expense (including directors' remuneration — note 9):			
Salaries, allowances and benefits in kind		47,368	45,055
Defined contribution schemes contributions		1,224	1,218
Net benefit expenses of a defined benefit plan	25	642	1,676
		<hr/>	<hr/>
Total employee benefit expense		49,234	47,949
Less: Amount included in cost of services rendered		(8,650)	(10,675)
		<hr/>	<hr/>
		40,584	37,274
Write-off of items of leasehold improvements and equipment*	14	—	5
Impairment losses of financial assets and contract assets, net:			
Contract assets and trade receivables	5, 18	89,153	8,404
Loans receivable	19	20,126	—
		<hr/>	<hr/>
		109,279	8,404
Foreign exchange differences, net		(5,974)	11,308**



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

8. PROFIT/(LOSS) BEFORE TAX (Continued)

- * These items are included in "Administrative expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.
- ** This item is included in "Other expenses, net" on the face of the consolidated statement of profit or loss and other comprehensive income.

9. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to The Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2020 THB'000	2019 THB'000
Fees	2,922	1,428
Other emoluments:		
Salaries, allowances and benefits in kind	8,458	8,229
Performance related bonuses	—	1,374
Post-employment benefits	588	885
	9,046	10,488
Total directors' remuneration	11,968	11,916

9. DIRECTORS' REMUNERATION (Continued)

An analysis of the directors' remuneration, on a named basis, is as follows:

	Fees THB'000	Salaries, allowances and benefits in kind THB'000	Performance related bonus THB'000	Post- employment benefits THB'000	Total THB'000
Year ended 31 December 2020					
Executive directors:					
Mr. Prapan Asvaplunghprohm	—	4,926	—	656	5,582
Mr. Wison Archadechopon	—	3,532	—	(68)	3,464
Independent non-executive directors:					
Mr. Julapong Vorasontharosoht	984	—	—	—	984
Mr. Cheung Pan	969	—	—	—	969
Mr. Tong Yee Ming	969	—	—	—	969
	2,922	8,458	—	588	11,968
Year ended 31 December 2019					
Executive directors:					
Mr. Prapan Asvaplunghprohm	—	4,729	800	489	6,018
Mr. Wison Archadechopon [®]	—	3,500	574	396	4,470
Independent non-executive directors:					
Mr. Julapong Vorasontharosoht [#]	492	—	—	—	492
Mr. Cheung Pan [#]	468	—	—	—	468
Mr. Tong Yee Ming [#]	468	—	—	—	468
	1,428	8,229	1,374	885	11,916

[®] Appointed as an executive director of the Company on 5 January 2019.

[#] Appointed as independent non-executive directors of the Company on 17 June 2019.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2019: Nil).

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors of the Company (2019: two directors), details of whose remuneration are set out in note 9 above. Details of the remuneration of the three (2019: three) non-director highest paid employees for the year are as follows:

	2020 THB'000	2019 THB'000
Salaries, allowances and benefits in kind	5,209	6,420
Performance related bonuses	1,000	737
Post-employment benefits	73	492
	6,282	7,649

The number of the non-director highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2020	2019
Nil to HK\$1,000,000	3	3

11. INCOME TAX

An analysis of the Group's income tax charged in profit or loss during the year is as follows:

	2020 THB'000	2019 THB'000
Current:		
Charge for the year	20,007	—
Deferred tax (<i>note 24</i>)	15,386	10,981
Total tax charge for the year	35,393	10,981

Notes:

- (a) No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2019: Nil). Thailand income tax has been provided at the rate of 20% on the estimated assessable profits arising in Thailand during the year (2019: Nil).
- (b) A reconciliation of the tax expense applicable to profit/(loss) before tax at the statutory tax rates for jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2020 THB'000	2019 THB'000
Profit/(loss) before tax	39,620	(26,295)
Tax expense at the statutory tax rates	7,990	(2,524)
Income not subject to tax	(246)	(45)
Expenses not deductible for tax	26,861	12,381
Tax loss not recognised	788	1,169
Tax expense at the effective tax rate of 89.3% (2019: -41.8%)	35,393	10,981

12. DIVIDENDS

The directors do not recommend the payment of dividend in respect of the year ended 31 December 2020 (2019: Nil).

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

In respect of the year ended 31 December 2020, the calculation of the basic earnings per share amount is based on the profit for the year attributable to shareholders of the Company of THB4,227,000, and the weighted average number of 400,000,000 ordinary shares in issue during the year.

In respect of the year ended 31 December 2019, the calculation of the basic loss per share amount is based on the loss for the year attributable to shareholders of the Company of THB37,276,000, and the weighted average number of ordinary shares of 346,301,370 in issue during that year as if the changes in issued number of ordinary shares of the Company in respect of the capitalisation issue on 16 July 2019 had been completed on 1 January 2019.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2020 and 2019 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during each of these years.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

14. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

	Leasehold improvements THB'000	Furniture and fixtures THB'000	Computer equipment THB'000	Total THB'000
Year ended 31 December 2020				
At 1 January 2020:				
Cost	3,860	1,975	3,036	8,871
Accumulated depreciation	(3,278)	(1,269)	(2,120)	(6,667)
Net carrying amount	582	706	916	2,204
Net carrying amount:				
At 1 January 2020	582	706	916	2,204
Additions	—	126	322	448
Depreciation provided during the year (note 8)	(582)	(297)	(632)	(1,511)
At 31 December 2020	—	535	606	1,141
At 31 December 2020:				
Cost	3,860	2,101	3,358	9,319
Accumulated depreciation	(3,860)	(1,566)	(2,752)	(8,178)
Net carrying amount	—	535	606	1,141
Year ended 31 December 2019				
At 1 January 2019:				
Cost	3,860	1,864	2,630	8,354
Accumulated depreciation	(1,871)	(993)	(1,460)	(4,324)
Net carrying amount	1,989	871	1,170	4,030
Net carrying amount:				
At 1 January 2019	1,989	871	1,170	4,030
Additions	—	125	406	531
Depreciation provided during the year (note 8)	(1,407)	(285)	(660)	(2,352)
Write-off (note 8)	—	(5)	—	(5)
At 31 December 2019	582	706	916	2,204
At 31 December 2019:				
Cost	3,860	1,975	3,036	8,871
Accumulated depreciation	(3,278)	(1,269)	(2,120)	(6,667)
Net carrying amount	582	706	916	2,204

15. COMPUTER SOFTWARE

	2020 THB'000	2019 THB'000
At 1 January:		
Cost	750	742
Accumulated depreciation	(421)	(318)
	<hr/>	<hr/>
Net carrying amount	329	424
	<hr/>	<hr/>
Net carrying amount:		
At 1 January	329	424
Additions	309	8
Depreciation provided during the year <i>(note 8)</i>	(97)	(103)
	<hr/>	<hr/>
At 31 December	541	329
	<hr/>	<hr/>
At 31 December:		
Cost	1,059	750
Accumulated depreciation	(518)	(421)
	<hr/>	<hr/>
Net carrying amount	541	329
	<hr/>	<hr/>

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

16. LEASES

Group as a lessor

The rental receivable under a finance lease as at 31 December 2020 related to a finance lease arrangement of passbook machines provided by the Group to a lessee for a lease term of 5 years, and bears interest at the rate of 1.85%. During the year, finance income of THB484,000 was recognised in profit or loss in respect of the rental receivable under a finance lease.

At 31 December 2020, the undiscounted lease payments receivable in future periods are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2020 THB'000	2019 THB'000	2020 THB'000	2019 THB'000
Within one year	38,293	—	35,715	—
After one year but within two years	33,038	—	31,031	—
After two years but within three years	33,038	—	31,613	—
After three years but within four years	33,038	—	32,206	—
After four years but within five years	27,508	—	27,275	—
Total minimum finance lease receivables	164,915	—	157,840	—
Less: Unearned finance income	(7,075)	—		
Total net rental receivable under a finance lease	157,840	—		
Portion classified as current assets	(35,715)	—		
Non-current portion	122,125	—		

ECL consideration in respect of the rental receivable under a finance lease is set out in note 34(b) to the financial statements.

16. LEASES (Continued)

Group as a lessee

The Group has lease arrangements as a lessee for certain office premises and office equipment used in its operations. The leases for office premises and office equipment generally have lease terms between 2 to 3 years.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office premises THB'000	Office equipment THB'000	Total THB'000
At 1 January 2019	5,774	268	6,042
Addition	—	120	120
Depreciation provided during the year (note 8)	(4,076)	(124)	(4,200)
At 31 December 2019 and 1 January 2020	1,698	264	1,962
Addition	11,505	—	11,505
Depreciation provided during the year (note 8)	(3,935)	(151)	(4,086)
At 31 December 2020	9,268	113	9,381

(b) Lease liabilities

The carrying amount of the Group's lease liabilities and the movements during the year are as follows:

	2020 THB'000	2019 THB'000
At 1 January	2,024	6,042
New leases	11,505	120
Accretion of interest recognised during the year (note 7)	445	274
Payments	(4,313)	(4,412)
At 31 December	9,661	2,024
Portion classified as current liabilities	(3,858)	(1,905)
Non-current portion	5,803	119

The maturity analysis of the lease liabilities is disclosed in note 34(c) to the financial statements.

As disclosed in note 2.3 to the financial statements, the Group has early adopted the amendment to IFRS 16 which did not have any significant impact on these financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

16. LEASES (Continued)

Group as a lessee (Continued)

(c) Other lease information

The amounts recognised in profit or loss in relation to leases are as follows:

	2020 THB'000	2019 THB'000
Interest on lease liabilities	445	274
Depreciation of right-of-use assets	4,086	4,200
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in administrative expenses) (note 8)	300	335
Expense relating to leases of low-value assets (included in administrative expenses) (note 8)	94	225
	<hr/>	<hr/>
Total amount recognised in profit or loss	4,925	5,034

17. INVENTORIES

	2020 THB'000	2019 THB'000
Materials held for use on an IT support service contract	—	44,118
Equipment held for sale	6,553	—
Equipment purchased under a terminated service contract (note)	—	—
	<hr/>	<hr/>
	6,553	44,118

Note: On 24 November 2011, the Group entered into agreements with a telecom service provider to provide an FTTx network and equipment for the purposes of providing Internet and telecommunication services for 60 months. The Group terminated the contract in 2014 and filed a lawsuit against the customer and claimed damages of THB493,133,000 in total in 2015 over an alleged breach of the contract as the customer suspended the project without paying any consideration. The case had been considered by the Central Administrative Court of Thailand in prior years. Owing to the uncertainty about the amount of the damages that can be awarded, if any, the Group did not recognise any compensation receivables in connection with this litigation. On the other hand, as a result of this incident, the Group transferred the relevant equipment costs of THB102,968,000 to inventories and impaired the whole amount in prior years as the possibility for reselling these inventories to third parties is remote.

On 1 December 2020, the Central Administrative Court of Thailand judged that the customer had to compensate the Group for a total amount of THB323,561,000. Such amount was received by the Group and recognised as other income in profit or loss during the year.

18. TRADE RECEIVABLES

	Notes	2020 THB'000	2019 THB'000
Trade receivables		824,334	191,667
Impairment	(c)	(4,341)	—
		819,993	191,667
Portion classified as current portion		(219,333)	(191,667)
Non-current portion		600,660	—

Notes:

(a) The Group's trading terms with its customers are mainly on credit. The credit period is generally 7 to 30 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to certain customers with good reputation, in the opinion of the directors, there is no significant credit risk. Trade receivables are non-interest-bearing, except for a trade receivable amounting to THB750,205,000 contains significant financing component which will be settled over 5 years.

(b) An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2020 THB'000	2019 THB'000
Billed:		
Within 1 month	63,063	189,357
1 to 3 months	6,725	2,310
Unbilled	69,788	191,667
	750,205	—
Total trade receivables	819,993	191,667

(c) The movements in the loss allowance for impairment of trade receivables during the year is as follows:

	2020 THB'000	2019 THB'000
At 1 January	—	—
Transfer from contract assets	8,404	—
Reversal of impairment (<i>note 8</i>)	(4,063)	—
At 31 December	4,341	—

ECL consideration in respect of trade receivables is set out in note 34(b) to the financial statements. Other than those mentioned above, none of the above balance is either past due or impaired.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Notes	2020 THB'000	2019 THB'000
Contract costs		132,844	157,291
Prepayments		10,959	26,822
Interest receivables		1,809	575
Deposits and other receivables	(a)	8,472	20,126
Loans receivable	(b)	23,001	11,785
Value-add tax recoverable		20,152	1,610
Others		747	2,385
		197,984	220,594
Impairment	(c)	(20,126)	—
		177,858	220,594
Portion classified as current assets		(163,353)	(207,543)
Non-current portion		14,505	13,051

Notes:

- (a) The balance includes a payment of THB6,000,000 to a bank to secure a bank borrowing, which is repayable when the bank borrowing is fully repaid (note 23(b)). The other receivables are neither past due nor impaired and their ECL consideration is set out in note 34(b) to the financial statements.
- (b) The balance represents loans to a third party which are unsecured, bear interest at the rate of 5% per annum and are repayable in 2022 and 2023.
- (c) The movement in the loss allowance for impairment of loans receivable during the year is as follows:

	2020 THB'000	2019 THB'000
At 1 January	—	—
Impairment provided during the year (note 8)	20,126	—
At 31 December	20,126	—

ECL consideration in respect of loans receivable is set out in note 34(b) to the financial statements.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

20. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

		2020 THB'000	2019 THB'000
Cash and bank balances other than time deposits		186,167	266,900
Time deposits		114,871	98,847
Total cash and bank balances	(a)	301,038	365,747
Less: Pledged bank deposits	(b)	(114,871)	(98,847)
Cash and cash equivalents		186,167	266,900

Notes:

- (a) Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for one year as the security for letters of guarantee and letter of credit issued by banks in favour of the Group and the Group's bank borrowings and overdrafts. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.
- (b) At the end of the reporting period, certain bank deposits of the Group were pledged to banks for letters of guarantee, letters of credit, bank loans and bank overdrafts.

The pledged deposits bore interest at rates ranging from 0.20% to 0.43% per annum (2019: 0.85% to 1.55% per annum) as at 31 December 2020.

21. TRADE PAYABLES

Trade payables of the Group are unsecured, interest-free, and are normally settled on 30 to 60 days terms, except that the Group is required to pay interest at 2% per month for an overdue trade payable balance.

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2020 THB'000	2019 THB'000
Billed:		
Within 1 month	28,318	56,096
1 to 2 months	20,083	71,883
2 to 3 months	5,988	9,017
Over 3 months	17,198	18,991
Unbilled	71,587	155,987
	745,797	154,951
Portion classified as current liabilities	817,384	310,938
	(225,420)	(310,938)
Non-current portion	591,964	—

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

22. OTHER PAYABLES AND ACCRUALS

	Notes	2020 THB'000	2019 THB'000
Accruals		4,259	8,481
Other payables		5,361	6,466
Due to the ultimate holding company	(a)	1,056	11,485
Interest payable on IAH Preference Shares	26	3,787	1,900
Consideration payable for the purchase of shares of IAH(BVI) from the then shareholders	(b)	363	363
Other tax payables		19,686	6,320
		34,512	35,015

Notes:

(a) The balance with the ultimate holding company is unsecured, interest-free and repayable on demand.

(b) The balance represented the consideration payable for the purchase of shares of IAH (BVI) from the then shareholders pursuant to the Reorganisation.

23. BANK AND OTHER BORROWINGS, SECURED

	Notes	2020 THB'000	2019 THB'000
Bank overdrafts	(a)	3	18,420
Bank loans	(b)	209,767	60,429
Other loans	(c)	27,150	37,745
Total bank and other borrowings, secured		236,920	116,594
Analysis into:			
Bank loans and overdrafts repayable:			
Within one year or on demand		173,446	43,860
In the second year		27,856	13,164
In the third to fifth years, inclusive		8,468	21,825
		209,770	78,849
Other loans repayable:			
Within one year or on demand		4,957	37,745
In the second year		5,183	—
In the third to fifth years, inclusive		17,010	—
		27,150	37,745
Total bank and other borrowings, secured		236,920	116,594
Portion classified as current liabilities		(178,403)	(81,605)
Non-current portion		58,517	34,989

23. BANK AND OTHER BORROWINGS, SECURED (Continued)

Notes:

- (a) The secured bank overdrafts as at 31 December 2020 and 2019 bear interest at the minimum overdraft rate ("**MOR**") promulgated by the banks and are repayable on demand.
- (b) Secured bank loans with an aggregate amount of THB64,682,000 (2019: THB14,277,000) as at 31 December 2020 bear interest at rates ranging from 2.00% to 8.99% per annum (2019: 4.00% to 5.75% per annum).

Other secured bank loans with an aggregate amount of THB145,085,000 (2019: THB38,152,000) as at 31 December 2020 bear interest at rates ranging from the minimum lending rate ("**MLR**") promulgated by the banks to MLR minus 1% per annum (2019: MLR to MLR plus 1% per annum). In addition, as at 31 December 2019, the Group had a promissory note of THB8,000,000 which bore interest at MOR per annum and was repayable within one year.

The Group's secured bank overdrafts and loans as at 31 December 2020 were guaranteed by a subsidiary, two directors of the Company and a director of a subsidiary, and secured by:

- (i) certain bank deposits of the Group (note 20);
- (ii) right of receiving payment from projects; and
- (iii) cash payment to a bank (note 19(a)).

The Group's secured bank overdrafts and loans as at 31 December 2019 were guaranteed by a third party credit guarantee corporation, a subsidiary, two directors of the Company and a director of a subsidiary, and secured by:

- (i) certain bank deposits of the Group (note 20); and
- (ii) right of receiving payment from projects.

- (c) The Group's secured other loan as at 31 December 2020 represented a loan from a third party company which bears interest at 4.47% per annum, is secured by a corporate guarantee given by IAH and repayable within 60 months.

The Group's secured other loan as at 31 December 2019 represented a loan from a third party company which bore interest at 6.50% per annum and is repayable within 6 months. The loan was secured by the right of receiving payment from a project which had a remaining balance of THB37,745,000 as at 31 December 2019.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

24. DEFERRED TAX

The components of deferred tax assets and (liabilities) and their movements during the year are as follows:

	Effect of the adoption of IFRS 15 THB'000	Defined benefit plan THB'000	Impairment of assets THB'000	Tax losses THB'000	Others THB'000	Net deferred tax assets/ (liabilities) THB'000
At 1 January 2019	(3,043)	616	20,594	—	(18)	18,149
Deferred tax credited/(charged) to profit or loss during the year (<i>note 11</i>)	(18,403)	335	1,681	5,409	(3)	(10,981)
At 31 December 2019 and 1 January 2020	(21,446)	951	22,275	5,409	(21)	7,168
Deferred tax credited/(charged) to profit or loss during the year (<i>note 11</i>)	11,394	129	(21,407)	(5,409)	(93)	(15,386)
Deferred tax charged to other comprehensive income during the year	—	(112)	—	—	—	(112)
At 31 December 2020	(10,052)	968	868	—	(114)	(8,330)

At 31 December 2020, deferred tax assets have not been recognised in respect of unused tax losses of THB11,128,000 (2019: THB6,621,000) as they have arisen in the Company and certain subsidiaries that have been loss-making and it is not probable that taxable profits will be available against which such tax losses can be utilised.

25. DEFINED BENEFIT OBLIGATIONS

The Group has implemented a legal severance pay plan (the "Plan") in accordance with the Labour Protection Act (A.D. 1998) of Thailand. The Plan covers all employees hired by the Group.

(a) The movements in the defined benefit obligations during the year are as follows:

	2020 THB'000	2019 THB'000
At 1 January	4,756	3,080
Pension cost charged to profit or loss:		
Past service cost (<i>note</i>)	—	577
Current services costs	531	976
Interest cost	111	123
Net benefit expense	642	1,676
Remeasurement losses/(gains) in other comprehensive income:		
Actuarial gains arising from changes in demographic assumptions	(1,906)	—
Actuarial losses arising from changes in financial assumptions	418	—
Actuarial losses arising from experience adjustments	930	—
	(558)	—
At 31 December	4,840	4,756

25. DEFINED BENEFIT OBLIGATIONS (Continued)

(a) The movements in the defined benefit obligations during the year are as follows: (Continued)

Note: On 13 December 2018, the National Legislative Assembly in Thailand passed a resolution approving the draft of a new Labour Protection Act, which was published in the Royal Thai Government Gazette on 5 April 2019 and became effective on 5 May 2019. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive not less than 400 days' compensation at the latest wage rate. This change is considered a post-employment benefits plan amendment and the Group has additional liabilities for defined benefit obligations of THB577,000. The Group had recognised such past services costs of THB577,000 as expenses in profit or loss in the prior year.

(b) Principal assumptions

Actuarial valuation is performed frequently enough to ensure that the present value of the defined benefit obligations does not differ materially from its carrying amount. The most recent actuarial valuations of the present value of the defined benefit obligations as at 31 December 2020 were carried out at 31 December 2020, by an independent actuary, who is a member of the Society of Actuaries of Thailand, using the projected unit credit method. The material actuarial assumptions used in determining the defined benefit obligations for the Group's plan are as follows:

	2020	2019
Discount rate	1.37%	2.66%
Expected rate of salary increase	5.75%	5.79%
Turnover rate		
— Under 40 years old	14.00%	17.00%
— 40 to 49 years old	19.00%	17.00%
— 50 to 59 years old	10.00%	5.00%

A quantitative sensitivity analysis for the effect of changes in the discount rate, the expected rate of salary increase and the turnover rate on the net defined benefits obligations as at the end of the reporting period is as follows:

	Increase in rate %	Increase/ (decrease) in net defined benefits obligations THB'000	Decrease in rate %	Increase/ (decrease) in net defined benefits obligations THB'000
At 31 December 2020				
Discount rate	0.50%	(174)	0.50%	184
Expected rate of salary increase	0.50%	170	0.50%	(163)
Turnover rate	0.50%	(161)	0.50%	171
At 31 December 2019				
Discount rate	0.50%	(174)	0.50%	185
Expected rate of salary increase	0.50%	191	0.50%	(182)
Turnover rate	0.50%	(212)	0.50%	226



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

25. DEFINED BENEFIT OBLIGATIONS (Continued)

(b) Principal assumptions (Continued)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

At 31 December 2020, the Group does not expect to pay any defined benefit obligations during next year (2019: THB1,101,000). The average duration of the defined benefit obligations as at 31 December 2020 is 9 years (2019: 11 years).

26. PREFERENCE SHARES OF A SUBSIDIARY

The amount represented preference shares of THB100 each (the “IAH Preference Shares”) issued by IAH, a subsidiary of the Company.

The IAH Preference Shares are non-redeemable and the holders of which have the following rights:

- one vote for every ten IAH Preference Shares held on any resolution of IAH;
- the right to receive fixed cumulative dividend declared by IAH at the rate of 5.0% per annum of the paid-up value of the IAH Preference Shares issued. In any calendar year in which IAH has sufficient profit for distribution, any of the cumulative dividends due to the holders of the IAH Preference Shares must be declared and approved by the ordinary and preference shareholders of IAH. The holders of the IAH Preference Shares shall have no right to receive further dividends in addition to the 5.0% (per annum) cumulative dividend; and
- the right to receive the distribution of the share capital, in the case of the winding up of IAH, prior to the ordinary shareholders of IAH, but limited to the paid-up amount of each of the IAH Preference Shares.

Although the IAH Preference Shares are not redeemable, for accounting purposes, they were accounted for as financial liabilities instead of equity in the financial statements because the holders of which are entitled to receive a fixed cumulative dividend at the rate of 5.0% per annum on the paid-up value of the IAH Preference Shares and the payment of such dividends is not avoidable by IAH. Accordingly, any dividend accrued on the IAH Preference Shares will be accounted for as finance costs of the Group.

As at 31 December 2020 and 2019, IAH had a total of 377,400 IAH Preference Shares with a par value of THB100 each totaling THB37,740,000 in issue. The Group recognised dividend on these IAH Preference Shares amounting to THB1,887,000 (2019: THB1,900,000) as finance costs in profit or loss during the year.

27. SHARE CAPITAL

	2020		2019	
	HK\$'000		HK\$'000	
Authorised:				
10,000,000,000 ordinary shares of HK\$0.01 each (note (a))		100,000		100,000
	2020		2019	
	HK\$'000	THB'000	HK\$'000	THB'000
Issued and fully paid:				
400,000,000 ordinary shares of HK\$0.01 each (notes (b), (c) and (d))	4,000	15,977	4,000	15,977

A summary of movements in the issued capital of the Company for the years ended 31 December 2020 and 2019 is as follows:

	Number of ordinary shares in issue HK\$0.01 each	Issued capital THB'000	Share Premium account THB'000
At 1 January 2019	1,500,000	—	—
Paid-up of share capital on 17 June 2019 (note (b))	—	59	—
Capitalisation issue on 16 July 2019 (note (c))	298,500,000	11,924	(11,924)
Issue of new shares under the Global Offering on 16 July 2019 (note (d))	100,000,000	3,994	495,331
Expense incurred in connection with issue of New shares under the Global Offering	—	—	(54,629)
At 31 December 2019, 1 January 2020 and 31 December 2020	400,000,000	15,977	428,778

Notes:

- (a) The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 November 2018 with an authorised share capital of HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each. The authorised share capital of the Company was increased to HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each by the creation of an additional 9,962,000,000 ordinary shares of HK\$0.01 each on 17 June 2019.
- (b) 1,500,000 ordinary shares were allotted and issued nil paid to its then shareholders on 23 November 2018. On 17 June 2019, pursuant to a sale and purchase agreement entered into between Mr. Prapan Asvaplungprohm, Mr. Wison Archadechopon and Ms. Aranya Talomsin as vendors and the Company as purchaser on the same date, the Company acquired all the entire issued share capital of IAH (BVI) from the vendors and in consideration, the Company credited as fully paid at par the 1,500,000 nil-paid ordinary shares of the Company, which have been in issue as at 31 December 2018 and were held by the vendors. Upon the completion of the above acquisition on 17 June 2019, IAH (BVI) became a wholly-owned subsidiary of the Company and the Company's issued share capital was increased to HK\$15,000 (equivalent to approximately THB59,000).



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

27. SHARE CAPITAL (Continued)

Notes: (Continued)

- (c) Pursuant to the written resolutions passed by the sole shareholder of the Company on 17 June 2019, the directors of the Company were authorised to capitalise HK\$2,985,000 standing to the credit of the share premium of the Company by paying up in full at par 298,500,000 ordinary shares of HK\$0.01 each for allotment and issue to the shareholders whose names appear on the register of shareholders of the Company at the close of business of the business day immediately preceding the Listing in proportion to their then existing shareholdings in the Company and so that the shares to be allotted and issued pursuant to this resolution shall rank pari passu in all respects with the then existing issued shares (the "**Capitalisation Issue**"). The Capitalisation Issue had been completed on 16 July 2019.
- (d) On 16 July 2019, 100,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$1.25 per share in connection with the Listing for a total gross proceeds of HK\$125 million (equivalent to approximately THB499 million), of which HK\$1 million (equivalent to approximately THB4 million) and HK\$124 million (equivalent to approximately THB495 million) were credited to issued capital and share premium account of the Company, respectively. The shares of the Company have been listed on the Main Board of the Stock Exchange since 16 July 2019.

28. RESERVES

- (a) The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.
- (b) The balance of the merger reserve represents the paid-up ordinary share capital of subsidiaries prior to the Reorganisation less the cost of acquisition of a subsidiary pursuant to the Reorganisation.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Non-cash transactions

The Group had non-cash additions to right-of-use assets and lease liabilities of THB11,505,000 (2019: THB120,000) each in respect of lease arrangements for office premises during the year ended 31 December 2020.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Changes in liabilities arising from financing activities

	Lease liabilities THB'000	Due to the ultimate holding company THB'000	Interest payable on loan from a director THB'000	Interest payable on IAH Preference Shares THB'000	Bank and other borrowings THB'000
At 1 January 2019	6,042	—	39,705	—	250,352
Changes from financing cash flows:					
Advance from the ultimate holding company	—	11,485	—	—	—
New bank and other borrowings	—	—	—	—	110,848
Repayment of bank and other borrowings	—	—	—	—	(256,166)
Principal portion of lease payments	(4,412)	—	—	—	—
New leases	120	—	—	—	—
Accretion of interest	274	—	—	—	—
Dividend on IAH Preference Shares	—	—	—	1,900	—
Increase in bank overdrafts	—	—	—	—	11,560
Offset with the consideration receivable for the Sale of the non-current assets held for sale	—	—	(39,705)	—	—
At 31 December 2019 and 1 January 2020	2,024	11,485	—	1,900	116,594
Changes from financing cash flows:					
Repayment of amount due to the ultimate holding company	—	(10,429)	—	—	—
New bank and other borrowings	—	—	—	—	420,793
Repayment of bank and other borrowings	—	—	—	—	(282,050)
Principal portion of lease payments	(4,313)	—	—	—	—
New leases	11,505	—	—	—	—
Accretion of interest	445	—	—	—	—
Dividend on IAH Preference Shares	—	—	—	1,887	—
Decrease in bank overdrafts	—	—	—	—	(18,417)
At 31 December 2020	9,661	1,056	—	3,787	236,920

(c) Total cash outflow for leases

The total cash outflow for leases is included within the financing activities of the consolidated statement of cash flows amounted to THB4,313,000 (2019: THB4,412,000) during the year.

30. CONTINGENT LIABILITIES

(a) Bank guarantees

At 31 December 2020, there was outstanding bank guarantees of THB202,749,000 (2019: THB496,000,000) issued by banks on behalf of the Group in respect of certain performance obligations as required in the normal course of business of the Group.

(b) Letters of credit

At 31 December 2020, there were no outstanding letter of credit (2019: THB67,700,000) issued by a bank on behalf of the Group in respect of certain performance obligations as required in the normal course of business of the Group.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

31. RELATED PARTY DISCLOSURES

(a) The Group entered into the following material transactions with related parties during the year:

	Notes	2020 THB'000	2019 THB'000
Transaction with a related company controlled by a director of the Company:			
Transfer of a distribution right and related equipment	(i)	—	57,309
Purchase of equipment	(ii)	4,350	3,400
Service rendered	(ii)	—	887
<hr/>			
Transaction with preference shareholders of IAH:			
Dividend paid and payable	26	1,887	1,900
<hr/>			

Notes:

- (i) The transaction was conducted based on terms and conditions set out in the novation agreement dated 15 October 2018 and the memorandum of agreement dated 28 December 2018 mutually agreed between the parties.
- (ii) The transactions were conducted based on terms and conditions mutually agreed between the parties.
- (b) Other than the balances with related parties as disclosed in note 22 to the financial statements, the Group had no outstanding balances with related parties as at 31 December 2020 and 2019.
- (c) Details of the guarantees and pledged assets given by related parties in respect of the Group's bank loans are set out in notes 23(b) and 23(c) to the financial statements.
- (d) The compensation of the key management personnel of the Group:

	2020 THB'000	2019 THB'000
Short term employee benefits	18,388	18,788
Post-employee benefits	923	1,487
<hr/>		
Total compensation paid and payable to key management personnel	19,311	20,275
<hr/>		

32. FINANCIAL INSTRUMENTS BY CATEGORIES

All the Group's financial assets and liabilities as at the end of the reporting period were financial assets at amortised cost and financial liabilities stated at amortised cost, respectively.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities which are due to be received or settled within one year are reasonable approximation of their respective fair values, and accordingly, no disclosure of the fair values of these financial instruments is made. For non-current financial assets and liabilities, in the opinion of the directors of the Company, since their carrying amounts are not significantly different from their respective fair values, no disclosure of the fair values of these financial instruments is made.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade receivables, contract assets and trade payables and other payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are (a) interest rate risk, (b) credit risk and (c) liquidity risk. The Group does not have any written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate measures to manage the Group's exposure to these risks. Generally, the Group introduces conservative strategies on its risk management. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for trading purposes. The board of directors review and agree measures for managing each of these risks and they are summarised as follows:

(a) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash at banks and the Group's interest-bearing borrowings with floating interest rates.

If interest rates had been 10% higher/lower and all other variables were held constant, the Group's profit before tax for the year ended 31 December 2020 would decrease/increase by THB676,000 in profit (2019: increase/decrease THB443,000 in loss).

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections. The Group places its cash and bank balances with creditworthy institutions.

The Group applies the simplified approach to provide for ECL prescribed by IFRS 9, which permits the use of lifetime ECL provisions for all trade receivables and contract assets. The ECL on trade receivables and contract assets are estimated by reference to the credit rating of the debtor. The ECL also incorporate forward-looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables. The Group recognises lifetime ECL for trade receivables and contract assets based on individual significant customer or the ageing of customers collectively that are not individually significant.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from ECL for each class of financial assets.



NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk (Continued)

(i) *Trade receivables and contract assets*

The Group provides for lifetime ECL for trade receivables and contract assets based on the credit rating of the debtors. The ECL also incorporate forward looking information such as forecast of economic conditions. The loss allowance provision as at 31 December 2020 is determined using rates ranged from 0.02% to 0.15% (2019: 0.28%). Since the loss on collection is not material hence no additional provision is considered, except for a specific loss allowance provision of 50% is made for a customer whose contract asset is considered as not recoverable during the year and a reversal of impairment of trade receivables amounted to THB4,063,000 is made as a court decision judged that the Group was entitled to receive certain amount of the receivable balance which was fully impaired in prior year.

There were no trade receivables and contract assets written off during the year.

(ii) *Rental receivable under a finance lease, other receivables and deposits carried at amortised cost*

The Group provides for 12-month ECL for all financial assets included in rental receivable under a finance lease, other receivables and deposits at initial recognition. Where there is a significant deterioration in credit risk or when the rental receivable under a finance lease and other receivables is assessed to be credit-impaired, the Group provides for lifetime ECL. The ECL incorporate forward looking information such as forecast of economic conditions. Based on the credit rating of the debtors, loss on collection is not material hence no provision is considered, except for a specific lifetime loss allowance provision, using the default rate in respect of the credit rating of the debtor which is 87.5%, is made for a third party in which the loans receivable are considered as not recoverable during the year.

There were no financial assets included in rental receivable under a finance lease, other receivables and deposits written off during the year.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk (Continued)

Maximum exposure and year-end staging as at 31 December 2020

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

	12-month	Lifetime ECLs			Total
	ECLs	ECLs			
	Stage 1	Stage 2	Stage 3	Simplified	
	THB'000	THB'000	THB'000	approach	THB'000
				THB'000	
Trade receivables*	—	—	—	824,334	824,334
Contract assets*	—	—	—	278,531	278,531
Rental receivable under a finance lease — Normal**	157,840	—	—	—	157,840
Financial assets included in prepayments, other receivables and other assets					
— Normal**	10,281	—	—	—	10,281
— Doubtful**	—	23,001	—	—	23,001
Pledged bank deposits	114,871	—	—	—	114,871
Cash and cash equivalents	186,167	—	—	—	186,167
	469,159	23,001	—	1,102,865	1,595,025

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk (Continued)

Maximum exposure and year-end staging as at 31 December 2019

	12-month ECLs		Lifetime ECLs		Total RMB'000
	Stage 1 RMB'000	Stage 2 RMB'000	Stage 3 RMB'000	Simplified approach RMB'000	
Trade receivables*	—	—	—	191,667	191,667
Contract assets*	—	—	—	171,626	171,626
Financial assets included in prepayments, other receivables and other assets — Normal**	32,486	—	—	—	32,486
Pledged bank deposits	98,847	—	—	—	98,847
Cash and cash equivalents	266,900	—	—	—	266,900
	398,233	—	—	363,293	761,526

* For trade receivables and contract assets to which the Group applies the simplified approach for impairment, information based on the credit rating is disclosed in note 34(b)(i) to the financial statements.

** The credit quality of the financial assets included in rental receivable under a finance lease and prepayments, other receivables and other assets are considered as "normal" when they are not past due and there is no information indicating that the financial assets have significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets are considered as "doubtful".

Credit risk concentration profile

The trade receivables of the Group were all from Thailand, which comprised two major debtors that together represented 95% (2019: 100%) of trade receivables.

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and bank balances, the availability of funding through an adequate amount of committed credit facilities. At the end of reporting period, assets held by the Group for managing liquidity risk include cash and bank balances as disclosed in note 20 to the financial statements.

Management monitors rolling forecasts of the liquidity reserve and cash and bank balances of the Group on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with the practice and limits set by the Group. These limits take into account the liquidity of the market in which the entity operates.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (Continued)

In addition, the Group's liquidity management policy involves monitoring liquidity ratios and maintaining debt financing plans.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	On demand THB'000	Less than one year THB'000	One to five years THB'000	Total THB'000
At 31 December 2020				
Trade payables	17,616	242,697	656,031	916,344
Other payables	5,206	7,261	7,548	20,015
Bank and other borrowings (excluding lease liabilities)	2	183,551	62,130	245,683
Lease liabilities	—	4,372	6,089	10,461
	22,824	437,881	731,798	1,192,503
At 31 December 2019				
Trade payables	154,951	155,987	—	310,938
Other payables	13,748	8,366	7,548	29,662
Bank and other borrowings (excluding lease liabilities)	18,420	67,294	38,115	123,829
Lease liabilities	—	1,951	119	2,070
	187,119	233,598	45,782	466,499

Note: The IAH Preference Shares are non-redeemable and perpetual in nature. Therefore, the financial liabilities (included in other payables and accruals) arising from the dividend on IAH Preference Shares over five years are not disclosed.

(d) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the dividend payment to its shareholders or issue new shares to increase capital. No changes were made in the objectives, policies or processes for managing capital during the year.

35. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and re-presented to conform to the current year's presentation.

NOTES TO FINANCIAL STATEMENTS

Year ended 31 December 2020

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company as at the end of the reporting period is as follows:

	2020 THB'000	2019 THB'000
NON-CURRENT ASSET		
Investment in a subsidiary	—	—
CURRENT ASSETS		
Due from a subsidiary	302,588	224,507
Prepayment, other receivables and other assets	12,783	14,452
Cash and cash equivalents	19,063	147,002
Total current assets	334,434	385,961
CURRENT LIABILITIES		
Due to the ultimate holding company	1,056	940
Due to a subsidiary	262	47,841
Other payables and accruals	3,184	4,651
Total current liabilities	4,502	53,432
NET CURRENT ASSETS	329,932	332,529
NET ASSETS	329,932	332,529
EQUITY		
Issued capital	15,977	15,977
Reserves	313,955	316,552
Total equity	329,932	332,529

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note: A summary of the Company's reserves is as follows:

	Share premium account	Accumulated losses	Total
	THB'000	THB'000	THB'000
At 1 January 2019	—	(34,626)	(34,626)
Loss for the year and total comprehensive loss for the year	—	(77,600)	(77,600)
Capitalisation issue on 16 July 2019	(11,924)	—	(11,924)
Issue of new shares under the Global Offering on 16 July 2019	495,331	—	495,331
Expense incurred in connection with issue of new shares under the Global Offering	(54,629)	—	(54,629)
At 31 December 2019 and 1 January 2020	428,778	(112,226)	316,552
Loss for the year and total comprehensive loss for the year	—	(2,597)	(2,597)
At 31 December 2020	428,778	(114,823)	313,955

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 30 March 2021.



DEFINITIONS

Unless the content otherwise requires, the following expressions shall have the following meanings in this Annual Report

“Audit Committee”	the audit committee of the Board
“BAAC”	Bank for Agriculture and Agricultural Co-operatives, a government-owned bank established in 1966 and focuses on providing banking services to farmers in the rural area in Thailand
“BAAC ATM Project”	includes (i) the projects which our Group, together with the ATM Terminal Provider up until June 2020, cooperates with BAAC since 2006 to set up and operate its ATM network, and was extended in 2019 to cover the period up to June 2027; and (ii) a project entered into with BAAC in 2014.
“BAAC ATM Terminal Provider”	the Consortium partner, a private company set up with limited liability in Thailand in 1989 and is an Independent Third Party of our Group. It is an established IT solutions provider that was invited by our Group to participate in the BAAC ATM Project to focus on the frontend system aspect of the BAAC ATM Project. It is a leading IT and digital solutions provider in Thailand which offers modern digital solutions and enterprise business solutions and IT infrastructure solutions.
“Board”	the board of Directors
“BVI”	British Virgin Islands
“Cayman Companies Law” or “Companies Law”	“Cayman Companies Law” or “Companies Law”
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Platt Nera International Limited, an exempted company incorporated in the Cayman Islands with limited liability on 23 November 2018
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consortium”	a consortium formed between our Group and the ATM Terminal Provider for the ATM Project pursuant to the Phase One Contract and the Phase Two Contract
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules and, in the context of this Annual Report, means Pynk, Mr. Asvaplungprohm, Mr. Archadechopon and Ms. Talomsin
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“COVID-19”	Coronavirus Disease 2019
“Customer F”	a government-owned bank that provides various banking products and services in Thailand
“Customer F ATM Project”	the setup of and provision of related operations, support and maintenance services for 2,900 ATM machines for Customer F for 5 years between 2020 and 2025

“Customer F Passbook Project”	the setup of and provision of related operations, support and maintenance services for 790 Passbook machines for Customer F for 5 years between 2020 and 2025
“Debit Card Project”	an IT integrated solutions project under the ATM Project with BAAC to develop and promote the debit card function for the ATM system
“Director(s)”	the director(s) of our Company
“Executive Director(s)”	the executive Director(s)
“Group”, “our Group”, “we”, “us” or “our”	our Company together with our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK\$”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IAH”	Info Asset Holding (Thailand) Co., Limited (formerly known as Intel Asset Holding Co., Limited), a company incorporated with limited liability on 6 September 2018 under the laws of Thailand, a subsidiary of our Company
“IAH Preference Share(s)”	the preference share(s) of nominal value of THB100 each in the share capital of IAH
“Independent Third Party(ies)”	person(s) or company(ies) which is (are) independent of and not connected with any of the Directors, chief executive or substantial Shareholders of our Company or our subsidiaries or any of our respective associates within the meaning of the Listing Rules
“Listing”	the listing of the Shares on the Main Board on 16 July 2019
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the Main Board of the Stock Exchange
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of the Company, adopted on 17 June 2019 and as amended from time to time
“Nomination Committee”	the nomination committee of the Board
“PEA”	Provincial Electricity Authority, a state-owned enterprise in Thailand responsible for providing provincial electricity supply
“Platt Nera”	Platt Nera Co., Ltd., a company incorporated with limited liability on 28 October 2004 under the laws of Thailand, a subsidiary of the Company



DEFINITIONS

“PRC” or “China”	the People’s Republic of China, but for the purposes of this report and unless otherwise indicated, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus of the Company dated 28 June 2019 issued in relation with the Share Offer
“Pynk”	Pynk Holding Limited, a company incorporated with limited liability on 8 January 2019 under the laws of the BVI and a Controlling Shareholder
“Remuneration Committee”	the remuneration committee of the Board
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Share Offer”	the public offer and the placing in connection with the Listing
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Sigfox”	Sigfox Singapore Pte. Ltd., a company that builds wireless networks to connect low-power objects to develop IoT
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Thai Government”	the Government of Thailand
“Thailand”	the Kingdom of Thailand
“THB”	Thai Baht or Baht, the lawful currency of Thailand
“TON”	Things On Net Co., Ltd., a company registered under the laws of Thailand
“%”	per cent.

