



platt nera

PLATT NERA INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 1949

SHARE OFFER

Sponsor

ALTUS CAPITAL LIMITED

Sole Bookrunner and Sole Lead Manager



IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.



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Platt Nera International Limited

(Incorporated in the Cayman Islands with limited liability)

LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF SHARE OFFER

Total number of Offer Shares	: 100,000,000 Shares (subject to the Over-allotment Option)
Number of Placing Shares	: 90,000,000 Shares (subject to reallocation and the Over-allotment Option)
Number of Public Offer Shares	: 10,000,000 Shares (subject to reallocation)
Offer Price	: Not more than HK\$1.55 per Offer Share and expected to be not less than HK\$1.25 per Offer Share (payable in full on application in Hong Kong dollars, subject to refund and plus brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%)
Nominal value	: HK\$0.01 each
Stock code	: 1949

Sponsor

ALTUS CAPITAL LIMITED

Sole Bookrunner and Sole Lead Manager



Co-Lead Managers



Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness of this prospectus and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, together with the documents specified under the section headed "Documents delivered to the Registrar of Companies in Hong Kong and available for inspection" in Appendix V to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred to above.

Prior to making investment decisions, prospective investors should consider carefully all of the information set out in this prospectus, including but not limited to the risk factors set out under the section headed "Risk factors" of this prospectus.

The Offer Price is expected to be fixed by agreement between the Sole Bookrunner (for itself and on behalf of the Underwriter(s)) and our Company on the Price Determination Date, which is expected to be on or around Tuesday, 9 July 2019 (Hong Kong Time) and, in any event, not later than 5:00 p.m. on Wednesday, 10 July 2019 (Hong Kong Time). The Offer Price will not be more than HK\$1.55 per Offer Share and is currently expected to be not less than HK\$1.25 per Offer Share. Applicants for Public Offer Shares are required to pay, on application, the maximum Offer Price (HK\$1.55 per Offer Share) for each Offer Share together with a brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price as finally determined is lower than the maximum Offer Price (HK\$1.55 per Offer Share).

The Sole Bookrunner (for itself and on behalf of the Underwriter(s)) may, where considered appropriate, based on the level of market interest expressed by prospective institutional, individual and other investors during the book-building process and with the consent of our Company, reduce the number of Offer Shares in the Share Offer and/or the indicative Offer Price range below that stated in this prospectus (which is HK\$1.25 to HK\$1.55 per Offer Share) at any time on or prior to the morning of the last day for lodging applications under the Public Offer. If this occurs, a notice of the reduction in the number of Offer Shares in the Share Offer and/or the indicative Offer Price range will be published on our website www.plattnera.com and the Stock Exchange's website www.hkexnews.hk, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Public Offer. If, for any reason, the Offer Price is not agreed between the Sole Bookrunner (for itself and on behalf of the Underwriter(s)) and our Company by 5:00 p.m. on Wednesday, 10 July 2019 (Hong Kong Time), the Share Offer (including the Public Offer) will not proceed and will lapse. Further details are set out under the sections headed "Structure and conditions of the Share Offer" and "How to apply for Public Offer Shares" of this prospectus.

The obligations of the Public Offer Underwriter under the Public Offer Underwriting Agreement to subscribe or procure subscribers to subscribe for the Public Offer Shares, are subject to termination with immediate effect by written notice from the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriter) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the paragraph headed "Grounds for termination" under the section headed "Underwriting" of this prospectus. It is important that prospective investors refer to that section for further details.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Offer Shares are being offered and sold outside the United States in reliance on Regulation S under the U.S. Securities Act and the applicable laws of each jurisdiction where those offers and sales occur.

28 June 2019

EXPECTED TIMETABLE

Our Company will issue an announcement on the website of our Company at www.plattnera.com and the website of the Stock Exchange at www.hkexnews.hk if there is any change in the following expected timetable of the Share Offer.

Date^(Note 1)

2019

Public Offer commences and **WHITE** and **YELLOW**

Application Forms available from9:00 a.m. on Friday, 28 June

Latest time to complete electronic applications under

the **HK eIPO White Form** service through the

designated website www.hkeipo.hk^(Note 2)11:30 a.m. on Tuesday, 9 July

Application lists of Public Offer open^(Note 3)11:45 a.m. on Tuesday, 9 July

Latest time to: (i) lodge **WHITE** and **YELLOW**

Application Forms; (ii) complete payment of

HK eIPO White Form applications by effecting internet

banking transfer(s) or PPS payment transfer(s); and

(iii) give **electronic application instructions**

to HKSCC^(Note 4)12:00 noon on Tuesday, 9 July

Application lists of Public Offer close^(Note 3)12:00 noon on Tuesday, 9 July

Expected Price Determination Date^(Note 5)on or around Tuesday, 9 July

Announcement of the final Offer Price, the level of

indication of interest in the Placing, the level of

applications in the Public Offer and the basis of

allocation of the Public Offer Shares to be published

on the website of the Stock Exchange

at www.hkexnews.hk and the Company's website

at www.plattnera.com on or beforeMonday, 15 July

Announcement of results of allocation under the

Public Offer (with successful applicants' identification

document numbers, where appropriate) to be available

through a variety of channels including our website

www.plattnera.com and the Stock Exchange's website

www.hkexnews.hk (for further details, please

refer to the paragraph headed "11. Publication of results"

under the section headed "How to apply for Public Offer Shares"

of this prospectus) onMonday, 15 July

EXPECTED TIMETABLE

Results of allocation under the Public Offer will be available at www.tricor.com.hk/ipo/result (alternatively: www.hkeipo.hk/iporesult) with a “search by ID Number/Business Registration Number” function on a 24-hour basis fromMonday, 15 July

Despatch/collection of **HK eIPO White Form e-Auto Refund** payment instructions/refund cheques in respect of wholly or partially successful applications if the final Offer Price is less than the price payable on application (if applicable) and wholly or partially unsuccessful applications pursuant to the Public Offer on or before^(Notes 6 and 7)Monday, 15 July

Despatch/collection of Share certificates on or before^(Note 6)Monday, 15 July

Dealings in the Shares on the Stock Exchange expected to commence at9:00 a.m. on Tuesday, 16 July

The application for the Public Offer Shares will commence on Friday, 28 June 2019 through Tuesday, 9 July 2019. Such time period is longer than the normal market practice of four days. The application monies (including brokerage fee, SFC transaction levy and Stock Exchange trading fee) will be held by the receiving bank on behalf of our Company and the refund monies, if any, will be returned to the applicant(s) without interest on Monday, 15 July 2019. Investors should be aware that the dealings in the Shares on the Stock Exchange are expected to commence on Tuesday, 16 July 2019.

Notes:

1. All times and dates refer to Hong Kong local time and dates unless otherwise stated. Details of the structure of the Share Offer, including its conditions and grounds for termination, are set out under the section headed “Structure and conditions of the Share Offer” of this prospectus.
2. You will not be permitted to submit your application through the designated website at www.hkeipo.hk after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.
3. If there is a “black” rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, 9 July 2019, the application lists will not open or close on that day. For details, please refer to the paragraph headed “10. Effect of bad weather on the opening of the application lists” under the section headed “How to apply for Public Offer Shares” of this prospectus. If the application lists do not open or close on Tuesday, 9 July 2019, the dates mentioned under this section may be affected. Announcement will be made by our Company in such event.
4. Applicants who apply for the Public Offer Shares by giving **electronic application instructions** to HKSCC should refer to the paragraph headed “6. Applying by giving **electronic application instructions** to HKSCC via CCASS” under the section headed “How to apply for Public Offer Shares” of this prospectus.
5. The Price Determination Date is expected to be on or around Tuesday, 9 July 2019. If, for any reason, the Offer Price is not agreed by 5:00 p.m. on Wednesday, 10 July 2019 between our Company and the Sole Bookrunner (for itself and on behalf of the Underwriter(s)), the Share Offer (including the Public Offer) will not proceed and will lapse. Notwithstanding that the Offer Price may be fixed at below the maximum indicative Offer Price of HK\$1.55 per Offer Share, applicants who/which apply for the Offer Shares must pay on application the maximum indicative Offer Price of HK\$1.55 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% but will be refunded the surplus application monies as provided in the section headed “How to apply for Public Offer Shares – 13. Refund of application monies” of this prospectus.

EXPECTED TIMETABLE

6. Applicants who apply for 1,000,000 Public Offer Shares or more may collect share certificates (if applicable) and refund cheques (if applicable) in person from our Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Monday, 15 July 2019. Applicants being individuals who are eligible for personal collection must not authorise any other person to make their collection on their behalf. Applicants being corporations who are eligible for the personal collection must attend by sending their authorised representatives each bearing a letter of authorisation from his/her/its corporation stamped with the corporation's chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Branch Share Registrar, Tricor Investor Services Limited. Applicants who have applied on **YELLOW** Application Forms may not elect to collect their share certificates, which will be deposited into CCASS for credit of their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. Uncollected share certificates and refund cheques will be despatched by ordinary post to the addresses specified in the relevant applications at the applicants' own risk. Further information is set out under the section headed "How to apply for Public Offer Shares" of this prospectus.
7. e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful application and also in respect of successful applications in the event that the final Offer Price is less than the initial price per Public Offer Share payable on application. Part of your Hong Kong identity card number/passport number or, if you are joint applications, part of the Hong Kong identity card number/passport number of the first-named applicant, provided by you may be printed on your refund cheque, if any. Such data would also be transferred to a third party to facilitate your refund. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong identity card number/passport number may lead to delay in encasement of your refund cheque or may invalidate your refund cheque. Further information is set out under the section headed "How to apply for Public Offer Shares" of this prospectus.

For details of the structure of the Share Offer (including its conditions) and the procedures for applications for Public Offer Shares, please refer to the sections headed "Structure and conditions of the Share Offer" and "How to apply for Public Offer Shares" of this prospectus respectively.

Share certificates are expected to be issued on or before Monday, 15 July 2019 but will only become valid certificates of title at 8:00 a.m. on Tuesday, 16 July 2019 provided that the Share Offer has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of share certificates or prior to the share certificates becoming valid certificates of title do so entirely at their own risk.

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IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Share Offer and does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the Offer Shares offered by this prospectus pursuant to the Share Offer. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus and the public offering of the Offer Shares in other jurisdictions are subject to restrictions, and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers and the Underwriter(s) have not authorised anyone to provide you with information that is different from what is contained in this prospectus and the Application Forms. Any information or representation not contained in this prospectus must not be relied on by you as having been authorised by our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriter(s), any of their respective directors, advisers, officers, employees, agents or representatives or any other person or party involved in the Share Offer.

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SUMMARY

This summary aims to give prospective investors an overview of the information contained in this prospectus and should be read in conjunction with the full text of this prospectus. As this is a summary, it does not contain all the information that may be important to prospective investors. Prospective investors should read the entire prospectus before deciding to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks relating to investing in the Offer Shares are set out under the section headed “Risk factors” of this prospectus. Prospective investors should read that particular section carefully before deciding to invest in the Offer Shares. Various expressions used in this summary are defined under the sections headed “Definitions” and “Glossary of technical terms” of this prospectus.

BUSINESS OVERVIEW

Our 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 ATM Project in 2006, tsunami detection system in 2010 and satellite system project in 2014.

Our top customer is BAAC, a government-owned bank established in 1966 that focuses on providing banking services in the rural area of Thailand, where we provided an ATM IT solutions that allowed BAAC to set up and thereafter operate its ATM network to serve their unique rural customer base. In 2018, our Group supported BAAC in operating (i) approximately 2,000 ATMs mainly located in rural areas of Thailand, representing approximately 2.9% of the total ATMs in Thailand; and (ii) approximately 8.7 million active ATM cards, representing approximately 9.8% of the total active ATM cards in Thailand.

According to the Euromonitor Report, our Group occupies a unique market position for the ATM Project with BAAC as none of the industry players offer the same level of ATM IT solutions as us. Generally, our IT solutions are divided into the following two revenue streams:

(i) IT integrated solutions

We develop customised integrated solutions to our customers to address their specific needs. IT integrated solutions comprise a comprehensive range of services from project design and planning, assessment of hardware and/or software options and suitability, sourcing and sale of hardware and/or software, system installation and launch of trial operation and acceptance, including system upgrades for existing systems. Our notable projects include the Chip Card Project for BAAC to upgrade the ATM system to support chip cards, the satellite project with GISTDA and the video conferencing system for MOI. The duration of our IT integrated solutions projects generally ranged from six months to two years during the Track Record Period.

(ii) IT support services

We provide on-going operational, support and maintenance services to IT system developed by us. The ATM Project is our major IT support services project where our Group is responsible for the operation, support and maintenance of the ATM network and backend system. Apart from BAAC with whom we have a long term contract, the duration of our IT support services projects generally ranged from one to four years during the Track Record Period.

SUMMARY

The table below sets out the revenue contribution of our two revenue streams during the Track Record Period.

	Year ended 31 December					
	2016		2017		2018	
	<i>THB'000</i>	%	<i>THB'000</i>	%	<i>THB'000</i>	%
IT integrated solutions						
– The ATM						
Project (<i>Note</i>)	145,932	39.7	33,756	11.3	252,660	32.7
– Other projects	38,212	10.4	13,577	4.5	281,216	36.4
Sub-total	184,144	50.1	47,333	15.8	533,876	69.1
IT support services						
– The ATM						
Project (<i>Note</i>)	182,421	49.6	247,871	83.0	236,673	30.7
– Other projects	1,200	0.3	3,600	1.2	1,584	0.2
Sub-total	183,621	49.9	251,471	84.2	238,257	30.9
Total	367,765	100.0	298,804	100.0	772,133	100.0

Note: For further details of the ATM Project's revenue allocation, please refer to the paragraph headed "Revenue" under this section.

Our business model comprises the above two revenue streams and has been devised to (i) capture growth opportunities in the IT solutions industry; and (ii) mitigate our business risk and withstand fluctuation in the market. We aim to actively pursue IT integrated solutions projects as they are our key growth drivers. Such projects also build the base for IT support services that shall follow thereon. Such IT support services shall in turn provide a relatively stable source of revenue to sustain ourselves through market fluctuations and establish a solid basis for expansion. This virtuous circle between IT integrated solutions and IT support services shall help us to build a robust and sustainable business model.

As at 1 January 2016, we had six on-going projects. During the Track Record Period, we were awarded with 19 new projects and completed nine projects resulting in 16 projects as at 31 December 2018. As at the Latest Practicable Date, we had completed six more projects and secured four new projects and hence we had 14 on-going projects with an outstanding contract value of approximately THB23.3 million. Going forward, the "Thailand 4.0" plan, an economic model devised by the Thai Government to propel new economic growth through knowledge, technology and innovation, would require investment in setting up the necessary hardware and software. With the backdrop of the abovementioned "Thailand 4.0" plan, our Executive Directors expect growing demand for our IT solutions and we intend to leverage on our established track record and reputation to capture opportunities arising therefrom.

SUMMARY

Set out below are details of our on-going projects, of which each individual project is expected to generate more than THB10 million of revenue after the Track Record Period.

Project	Customer	Contract sum (THB'000)	Commencement date	Expected completion date	Revenue recognised for the year ended 31 December			Revenue to be recognised in the year ending 31 December	
					2016 (THB'000)	2017 (THB'000)	2018 (THB'000)	2019 (THB'000) (Estimated)	2020 (THB'000) (Estimated)
The ATM Project	BAAC	Revenue-sharing model ^(Note)	23/8/2006	June 2027	328,353	281,627	489,333	Revenue-sharing model ^(Note)	Revenue-sharing model ^(Note)
Project D	MOI	191,073	7/5/2018	July 2019	-	-	153,813	37,259	-
Project F	BAAC	10,080	8/10/2018	September 2019	-	-	-	10,080	-
Project G	Customer F	18,756	9/10/2018	June 2019	-	-	8,126	10,631	-

Note: The ATM Project adopted a revenue-sharing model, hence, there is no fixed contract sum and an estimated revenue is not available.

For further details of our projects, please refer to the paragraph headed “Details terms of our projects” under the section headed “Business” of this prospectus.

Competitive landscape and our strengths

According to the Euromonitor Report, our Group occupies a unique market position for the ATM Project with BAAC, as most of the industry players primarily only serve certain aspects of the ATM IT solutions but none of them offer the same level of integrated ATM IT solutions as us. We believe our competitive strengths lie with (i) our timely delivery of integrated customer-centric solutions; (ii) our established reputation and business relationship with our customers; and (iii) our strong and stable management team with extensive expertise and industry experience in serving the government departments and agencies. All of these, when combined with our business strategies as further elaborated below, place us in good stead to capture opportunities brought about by the “Thailand 4.0” plan devised by the Thai Government. For further details, please refer to the paragraph headed “2. Competitive strengths” under the section headed “Business” of this prospectus.

Business strategies

We intend to further strengthen our market position and expand our business by (i) expanding our services offered to the banking and financial sector; (ii) enhancing our reach to customer in telecommunications and utilities and government administrative sectors; and (iii) offer the latest technology solutions relevant to our customers. Besides our on-going project with BAAC, we shall leverage on this foundation to reach out to new banking and financial sector customers such as Customer F. Similarly, having successfully secured new customers such as MWA and Customer D in the telecommunication and utilities and government administrative sectors, we will continue to expand into new customer sectors. On the technology aspect, as Sigfox’s IoT technology can transmit data in a more efficient and cost effective manner, we intend to utilise IoT technology in our IT solutions as and when appropriate to enhance our value-add to our customers. For further details, please refer to the paragraph headed “3. Business strategies” under the section headed “Business” of this prospectus.

Future plans and use of proceeds

Our Directors believe the Listing would (i) provide us with necessary capital to take on more projects with the proceeds from the Listing; and (ii) strengthen our recognition among our existing and potential business partners and expansion plan; and (iii) enhance our recruitment and retention of talents.

SUMMARY

Our future plans are set out under the section headed “Future plans and use of proceeds” of this prospectus. Assuming an Offer Price of HK\$1.40 per Offer Share, being the mid-point of the indicative Offer Price range, and assuming the Over-allotment Option is not exercised, the net proceeds of the Share Offer to be received by our Company, after deducting the underwriting fees, commissions and estimate expenses payable by us in relation to the Share Offer, are estimated to be approximately HK\$106.7 million (equivalent to approximately THB430.7 million). We intend to apply the net proceeds as follows:

Purpose of the net proceeds to be utilised	Amount of net proceeds of the Share Offer to be utilised		Percentage of net proceeds of the Share Offer to be utilised
	<i>HK\$'million</i>	<i>THB'million</i>	<i>%</i>
Project financing	88.7	358.1	83.1%
Repayment of our existing borrowings	11.8	47.4	11.0%
Working capital	6.2	25.2	5.9%
Total	106.7	430.7	100.0%

Listing expenses

The total Listing expenses (assuming the Over-allotment Option is not exercised and based on the mid-point of the Offer Price range) are estimated to be approximately THB134.6 million (equivalent to approximately HK\$33.3 million). As at 31 December 2018, we had incurred Listing expenses of approximately THB54.9 million (equivalent to approximately HK\$13.6 million), of which approximately THB34.6 million (equivalent to approximately HK\$8.6 million) was recognised as expenses, in connection with the Share Offer. By the completion of the Share Offer, we expect to incur further Listing expenses of approximately THB79.7 million (equivalent to approximately HK\$19.7 million) for the year ending 31 December 2019, of which an estimated amount of approximately THB50.1 million (equivalent to approximately HK\$12.4 million) is to be recognised as expenses and the remaining is expected to be charged to equity.

Sales and customers

Given the nature of the IT solutions industry, reputation and word of mouth recommendation are crucial to us. Our Group may participate in closed tenders, open tenders or direct negotiations with our customers. For the three years ended 31 December 2018, our Group achieved an overall tender success rate of approximately 40.0%, 50.0% and 87.5% respectively. For further details on our tender submissions, please refer to the paragraph headed “Tendering” under the section headed “Business” of this prospectus.

The price of our IT solutions are determined on a project-by-project basis and are set forth in the contracts entered into between our Group and our customers. We generally adopt a cost-plus pricing policy and our target profit margin is determined based on factors such as (i) level of complexity of the project; (ii) customer profile; (iii) relationship with the customers; (iv) project size; and (v) project nature.

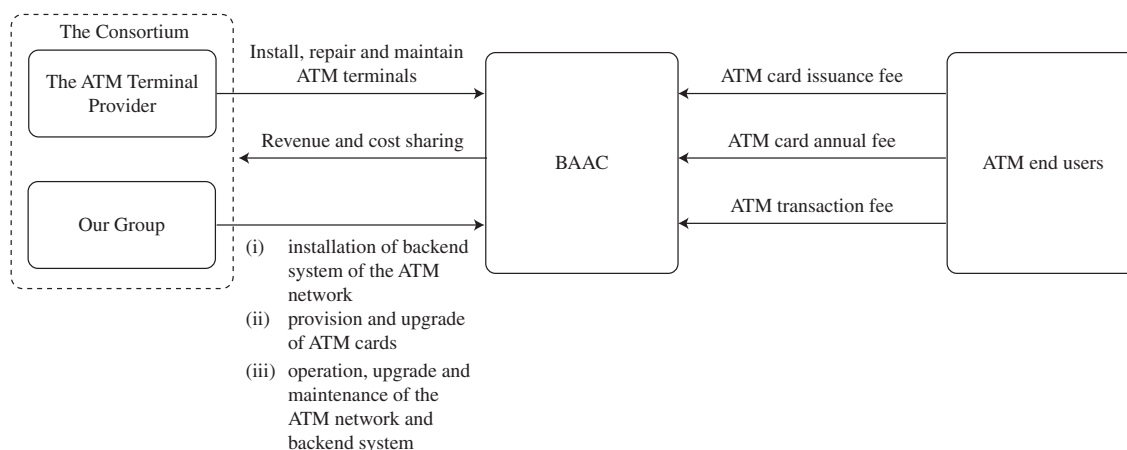
Relationship with our top customer, BAAC

Our business relationship with BAAC can be traced back in 2006, where our Group secured a strategic business cooperation through the ATM Project, with BAAC to develop and operate its ATM network. The ATM Project adopted a novel cooperation model comprising a

SUMMARY

revenue sharing and cost sharing arrangement. In 2011 and 2014, our Group entered into two supplementary contracts to extend the services scope and have extended our services period up to 2020 with BAAC. In 2019, the ATM Project was extended by another seven years (from June 2020). The ATM Project renewal is a testament to the close and mutually beneficial working relationship between our Group and BAAC.

Set out below is a diagram summarising the current business relationship between the Consortium (including our Group) and BAAC.



Under the revenue sharing arrangement, our Group is currently entitled to approximately 27.5% of the ATM card issuance fee, 27.5% of the ATM card annual fee and 49.5% of the transaction fee. Whereas under the cost sharing arrangement, our Group is generally responsible for 55.0% of the operating cost of the ATM network, including the rental costs, interbank transaction expense, electricity cost and promotion cost.

As the ATM Project is sizable and our Group also provided other IT solutions to BAAC, BAAC was our top customer throughout the Track Record Period. For the three years ended 31 December 2018, BAAC accounted for approximately 89.8%, 95.7% and 65.8% of our total revenue respectively and for the corresponding years, our top five customers during each of the years accounted for 100%, 100% and approximately 99.6% of our total revenue respectively. Our Executive Directors believe such customer concentration was a result of our business model and management's strategic decision to build up a long-term and sustainable business. Taking into account (i) our mutually beneficial business relationship with BAAC; (ii) business scope of BAAC and its market share; (iii) close and sustainable business relationship with BAAC; and (iv) our abilities and strategies to bring in new customers such as Customer F, MOI and Customer D encompassing various industry sectors, our Executive Directors consider that, and the Sponsor concurs that, the sustainability of our business or our Group's suitability of Listing will not be affected by the abovementioned customer concentration. For further details, please refer to the paragraph headed "Our relationship with BAAC" under the section headed "Business" of this prospectus.

Relationship with our customer, Customer F

Since 2017, our Group had been working with Customer F on the terms and specifications of an ATM only project (the "ATM Only project"). In March 2018, our Group was invited to participate in the tender process of the ATM Only Project and was the only qualified tenderer then. Subsequently, Customer F decided to upgrade the ATM Only Project to include Cash Deposit Machines (CDMs) as well, and we worked with Customer F to develop the terms and

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specifications of this ATM/CDM project. Meanwhile, in 2018, our Group secured other projects (Project G and Project H) with Customer F, which provided us with invaluable insights into working with Customer F.

As at the Latest Practicable Date, we are in the preparation stage of bidding the ATM/CDM project which involves the building or replacement of 5,030 machines (including 2,900 ATMs and 2,130 CDMs). Customer F has affirmed that our Group is the only qualified tenderer for this project. This is primarily due to (i) we were the only qualified tenderer for the ATM Only project, and (ii) we are the sole IT company that can meet their pre-requisite as their ATM/CDM project operator, i.e. to possess a proven track record of providing a full suite of ATM IT products and services to banks in Thailand. Customer F, as a government owned bank, has to go through the whole pre-determined contract granting formalities of the ATM/CDM project, and thereafter award the ATM/CDM project to our Group. In addition, we have been invited by Customer F to plan our resources ahead in order to initiate the installation of ATMs and CDMs in October 2019 in a timely manner. As such, we expect this project to contribute to our Group's revenues and profits from the fourth quarter of 2019. For further details, please refer to the paragraph headed "Future plans" under the section headed "Future plans and use of proceeds" of this prospectus.

Suppliers

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. For the three years ended 31 December 2018, our top five suppliers accounted for approximately 81.6%, 82.5% and 81.5% of our cost of sales respectively and for the respective years, the largest supplier of each year accounted for approximately 53.9%, 39.2% and 37.5% of our cost of sales respectively.

Our Group has implemented a strict supplier selection process to ensure the services and/or product quality of our suppliers meet our requirements. For further details, please refer to the paragraphs headed "9. Procurement" and "10. Suppliers" under the section headed "Business" of this prospectus.

Risk factors

There are risks associated with any investment and 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; (v) we may fail to exercise sufficient control over our subcontractors in the event of projects involving significant construction and installation work; and (vi) our Group's business and shareholding structure are subject to the regulatory risks in Thailand. For further details, please refer to the section headed "Risk factors" of this prospectus.

SUMMARY OF FINANCIAL INFORMATION

The following is a summary of the combined statements of profit or loss and other comprehensive income during the Track Record Period as derived from the Accountants' Report, the full text of which are set out in Appendix I to this prospectus. This summary should be read in conjunction with the aforesaid Accountants' Report and the section headed "Financial information" of this prospectus.

SUMMARY

Summary of combined statements of profit or loss and other comprehensive income

	Year ended 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Revenue	367,765	298,804	772,133
<i>IT integrated solutions</i>	<i>184,144</i>	<i>47,333</i>	<i>533,876</i>
<i>IT support services</i>	<i>183,621</i>	<i>251,471</i>	<i>238,257</i>
Gross profit	197,211	171,982	253,784
Profit before tax	119,196	99,264	147,580
Profit for the year	93,940	78,668	113,545

Summary of combined statements of financial position

	As at 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Non-current assets	136,082	165,405	85,811
Current assets	318,178	290,555	582,438
<i>Contract assets</i>	<i>257,767</i>	<i>180,098</i>	<i>442,106</i>
Current liabilities	573,115	467,865	513,338
Net current assets/(liabilities)	(254,937)	(177,310)	69,100
Net assets/(liabilities)	(236,787)	(57,994)	82,191

Non-IFRS financial measures

Net assets/(liabilities)	(236,787)	(57,994)	82,191
Adjustment:			
Shareholder's loan	236,736	66,780	6,780
Interest payable	39,570	50,665	39,705
Adjusted net asset value (<i>Note</i>)	39,519	59,451	128,676

Note: The adjusted figures are for illustration purpose only and are not required under the International Financial Reporting Standards and are non-Generally Accepted Accounting Principles measures.

Our Directors believe that the presentation of non-IFRS financial measures when shown in conjunction with the corresponding IFRS financial measures provides useful information to prospective investors regarding financial and business trends relating to our financial condition and results of operations that could otherwise be distorted by eliminating the impact of items that we do not consider indicative of the performance of our business and/or which we do not expect to be outstanding subsequent to the Listing. For further details, please refer to the paragraph headed "7.5 Non-IFRS financial measures" under the section headed "Financial information" of this prospectus.

SUMMARY

Key financial ratio

	As at/Year ended		
	31 December		
	2016	2017	2018
Gross profit margin	53.6%	57.6%	32.9%
<i>IT integrated solutions</i>	49.1%	47.6%	20.1%
<i>IT support services</i>	58.1%	59.4%	61.4%
Net profit margin	25.5%	26.3%	14.7%
Return on equity	N/A	N/A	138.1%
Return on total assets	20.7%	17.3%	17.0%
Current ratio	0.6	0.6	1.1
Quick ratio	0.5	0.5	1.1
Debtors' turnover days	21.4	6.3	11.1
Creditors' turnover days	46.6	119.3	90.5
Gearing ratio (<i>Note</i>)	N/A	N/A	304.6%
Debt to equity ratio (<i>Note</i>)	N/A	N/A	283.4%
Interest coverage	4.0	4.5	8.5

Note: As our Group recorded deficiency in assets as at 31 December 2016 and 2017, the return on equity, gearing ratio and debt to equity ratio were not applicable for the corresponding year end. For further details regarding the calculation basis for the above ratios, please refer to the paragraph headed "8. Key financial ratios" under the section headed "Financial information" of this prospectus.

Revenue

Our Group's revenue can principally be broken down into two revenue streams, being (i) IT integrated solutions; and (ii) IT support services. For the ATM Project, as consideration for the services performed, BAAC shares with our Group the annual fees, card issuance fees and transaction fees ("**Fees**") paid by BAAC's end customers, under the revenue sharing arrangement. Such Fees form an overall pool of revenue available for recognition. Please refer to the paragraph headed "5.1 Revenue" under the section headed "Financial information" for allocation basis among two revenue streams and note 2.4 in the Accountants' Report contained in Appendix I to this prospectus for further details on the revenue recognition policies. The higher revenue from our IT integrated solutions projects in 2016 was mainly attributable to our substantial completion of the Chip Card Project with BAAC and the satellite system project with GISTDA. As the Chip Card Project and the satellite system project with GISTDA were substantially completed in 2016, revenue declined in 2017. Nevertheless, the decrease in revenue from IT integrated solutions projects in 2017 as compared to 2016 was partially offset by revenue contributed by our new projects secured in 2017, such as Project C with Customer B and completed Project H with Customer C. Please refer to the paragraph headed "5. Our projects" under the section headed "Business" for further details. Revenue from our IT integrated solutions projects recorded a substantial growth of approximately THB486.5 million for 2018 compared to 2017 with our new projects secured in 2018 being the primary growth driver. Such projects included the security system provided to Customer D (Project E) and the video conference system provided to MOI (Project D). For IT support services, the increase in revenue of approximately 37.0% from 2016 to 2017 was primarily attributable to the increase in BAAC's ATM card annual fee from THB100.0 to THB150.0 per card and the increase in the number of new cards issued from approximately 1.0 million to 1.5 million. For the year ended 31 December 2018, revenue remained relatively stable compared to the prior year from our IT support services projects.

SUMMARY

Set out below are the revenue breakdown by customer sectors during the Track Record Period.

	Year ended 31 December					
	2016		2017		2018	
	<i>THB'000</i>	%	<i>THB'000</i>	%	<i>THB'000</i>	%
Banking and financial	330,309	89.8	285,928	95.7	516,518	66.9
Telecommunications and utilities	37,360	10.2	5,729	1.9	81,911	10.6
Government administrative	96	*	7,147	2.4	173,704	22.5
Total	<u>367,765</u>	<u>100.0</u>	<u>298,804</u>	<u>100.0</u>	<u>772,133</u>	<u>100.0</u>

* Denotes percentage below 0.1%

From 2016 to 2017, the decrease in revenue from the banking and financial sector and telecommunications and utilities sector was mainly attributable to our substantial completion of the Chip Card Project with BAAC and the satellite system project with GISTDA in 2016, whereas our new projects such as completed Project I with Customer A and Project C with Customer B contributed to our revenue increase in the government administrative sector. Please refer to the paragraph headed “5. Our projects” under the section headed “Business” for further details. For the year ended 31 December 2018, revenue derived from the banking and financial sector increased by 80.6% primarily due to the Debit Card Project with BAAC. The revenue derived from the telecommunications and utilities and government administrative sectors recorded significant increase as compared to 2017. This was mainly due to certain progress achieved by our Group for the new projects with MOI and Customer D in 2018.

Gross profit margin and net profit margin

Gross profit margin of our Group increased from approximately 53.6% for the year ended 31 December 2016 to approximately 57.6% for the year ended 31 December 2017. This is due to higher gross profit margin of our IT support services projects. As our support operations mature and our ability to handle such operations improves, our revenue increase was matched by a slower rate of costs increase. Our gross profit margin for the year ended 31 December 2018 was approximately 32.9%, which was lower than that in 2017. Such decrease in gross profit margin was mainly attributable to that we expanded and diversified our customer mix to include new customers which involved new projects of different nature in 2018, such as development of video conference system with MOI and security system project with Customer D. Both projects were our first projects with MOI and Customer D, we purposely set a lower gross margins for them in order to build up a long term relationship with these two customers. For further details, please refer to the paragraph headed “5.3 Gross profit and gross profit margin” under the section headed “Financial information” of this prospectus. The impact was partially offset by the increased gross profit margin of our IT support services projects.

Our Group recorded net profit margin of approximately 25.5%, 26.3% and 14.7% for the three years ended 31 December 2018 respectively. Our Group recorded higher net profit for the year ended 31 December 2016 compared to the year ended 31 December 2017 primarily due to the higher revenue recognised during the year ended 31 December 2016, when the Chip Card Project and the satellite system project with GISTDA were substantially completed. Although our net profit margin decreased in 2018 comparing to 2017, our net profit for the corresponding years increased by approximately 44.3% due to progress made on several significant projects with BAAC, MOI and Customer D. Movement of our net profit margin during the Track Record Period was generally in line with our gross profit margins’ movement. For further details, please refer to the paragraph headed “5.10 Profit for the year” under the section headed “Financial information” of this prospectus.

SUMMARY

Net current assets/(liabilities)

As at 31 December 2016 and 2017, our Group recorded net current liabilities of approximately THB254.9 million and THB177.3 million respectively, which was primarily due to the time lag between cash inflow and cash outflow, as we normally fund the capital investment upfront and only collect payments from our customers upon achieving certain progress of our projects. As at 31 December 2018, our Group recorded net current assets of approximately THB69.1 million. In particular, our Controlling Shareholder, Mr. Asvaplungprohm, provided Shareholder's loan to our Group during the Track Record Period to support our operations. As at 31 December 2016, 2017 and 2018, Shareholder's loan (together with the interest payable) from Mr. Asvaplungprohm which was classified as current liabilities amounting to approximately THB276.3 million, THB117.4 million and THB46.5 million respectively. Had these amounts been injected into our Group as equity, adjusted net current assets position of our Group would be approximately THB21.4 million and THB115.6 million as at 31 December 2016 and 2018 respectively and an adjusted net current liabilities position of approximately THB59.9 million as at 31 December 2017.

Despite the net current liabilities position as at 31 December 2016 and 2017, our Executive Directors believe that our Group will have adequate funds available to operate as a going concern after taking into account the projected operating performance of our Group and the following: (i) the unutilised banking facilities of THB10.1 million available to our Group as at 31 December 2018 and on the assumption that the then existing drawn facilities will continue to be repaid to our Group's principal bankers in accordance with existing agreements without acceleration; (ii) increase in ordinary and preference shares of a subsidiary in a total amount of THB10.0 million, which was contributed by its shareholders in December 2018 and January 2019; (iii) improvement of our net current liabilities position to net current asset position of approximately THB69.1 million as at 31 December 2018; and (iv) our cash and cash equivalent position of approximately THB17.4 million as at 31 December 2018. For further details, please refer to the paragraph headed "Our Group recorded net current liabilities as at 31 December 2016 and 2017" under the section headed "Risk factors" and the paragraph headed "7.2 Net current assets/(liabilities)" under the section headed "Financial information" of this prospectus.

Accumulated losses

It should be noted that as at 1 January 2016, our Group recorded accumulated losses of approximately THB380.7 million, primarily resulted from (i) our previous involvement in a concluded litigation case arising from contractual dispute with one of our customers prior to the Track Record Period with accumulated total impact of approximately THB213.2 million as at 1 January 2016¹; and (ii) as at the Latest Practicable Date, our current engagement in settlement negotiations and litigation proceedings arising from the FTTx case prior to the Track Record Period with total impact of approximately THB164.4 million as at 1 January 2016. For further details, please refer to the paragraph headed "Any litigation, legal disputes or claims may result in costs and liabilities and adversely affect our Group's performance" under the section headed "Risk factors" and the paragraph headed "20. Litigation and legal matters" under the section headed "Business" of this prospectus.

During the Track Record Period, our accumulated loss position improved from approximately THB380.7 million as at 1 January 2016 to approximately THB94.6 million as at 31 December 2018, resulted from our profit recorded during the Track Record Period. Furthermore, given our Group's ability to expand our customer base during the Track Record Period and sustain our revenue by further extending the ATM Project through the signing of the Phase Three Contract, the accumulated losses have not negatively impacted our business

1 The information relating to the concluded litigation case is set out in Note 22 of the Accountants' Report contained in Appendix I to this prospectus.

SUMMARY

operation and financial performance. For further details of the impact of accumulated loss on our Group's ability to distribute dividends, please refer to the paragraph headed "We had recorded accumulated losses historically" under the section headed "Risk factors" and the paragraph headed "7.4 Accumulated loss" under the section headed "Financial information" of this prospectus.

RECENT DEVELOPMENTS

Subsequent to the Track Record Period and up to the Latest Practicable Date, our Group secured four projects with contract value of approximately THB17.6 million and completed six projects. As at the Latest Practicable Date, our Group had 14 on-going projects on hand. Based on the unaudited combined management account prepared by our Directors, the revenue of our Group experienced growth for the four months ended 30 April 2019 compared to our revenue for the same period in the previous year, primarily because our Group achieved certain progress under our projects with MOI, Customer D, Customer F and other BAAC projects during the period.

As mentioned above, our gross profit margin for the three years ended 31 December 2018 were approximately 53.6%, 57.6% and 32.9% respectively. Although the gross profit margin decreased in 2018, the gross profit rose by 47.6% in the same year. Such trend was mainly attributable to our strategy of expansion and diversification of our customer mix to carry out projects of different nature, which caused the volatility in our gross profit and gross profit margins. For the four months ended 30 April 2019, our Group showed some signs of improvement in gross profit margin to 40.1%, though it may remain volatile in the future given the project-by-project nature of our business. For further details, please refer to the paragraph headed "Our financial performance may fluctuate from year to year due to its project-based nature" under the section headed "Risk factors" of this prospectus.

Our Directors confirm that there have not been any material adverse change in our financial or trading position or prospects subsequent to the Track Record Period and up to the date of this prospectus. As far as we were aware, there was no material change in the general economic and market conditions in which we operate that had affected or would affect our business operations or financial conditions materially and adversely.

LEGAL PROCEEDINGS

We have been, and from time to time in the future may, become a party to various legal proceedings and claims that arise in the ordinary course of business, which include business disputes brought against or by our customers or suppliers or other business partners we cooperate with. In November 2011, our Group entered into a leasing agreement to provide FTTx equipment for 10,000 ports at Udon Thani province with a rental fee of approximately THB3.9 million (excluding VAT) per month for a period of 60 months with our customer ("**Defendant B**", an Independent Third Party). Defendant B delayed the project but our Group had incurred considerable financial commitment on the project. In March 2015, our Group filed a claim of approximately THB493.1 million to the civil court against Defendant B for the amount of investment already incurred for the project and the loss of opportunity. As at the Latest Practicable Date, the administrative court has not rendered a final judgment on the case.

Our Thai legal adviser as to the FTTx case is of the view that our Group has a high chance of success in the relevant litigation case and is highly likely to recover expense incurred of approximately THB207.0 million in full. For further details, please refer to the section headed "20. Litigation and legal matters" under the section headed "Business" of this prospectus. However, our Group transferred the total project costs of approximately THB103.0 million to inventories and impaired the whole amount prior to the Track Record Period as the possibility for sale of these inventories to third parties is remote. As such, our Executive Directors believe the costs have been fully provided for.

SUMMARY

SHARE OFFER STATISTICS

	Based on the minimum indicative Offer Price of HK\$1.25 per Share	Based on the maximum indicative Offer Price of HK\$1.55 per Share
Market capitalisation ^(Notes 1 and 3)	HK\$500,000,000	HK\$620,000,000
Unaudited pro forma adjusted combined net tangible assets per Share ^(Notes 2 and 3)	HK\$0.30 or THB1.22	HK\$0.37 or THB1.51

Notes:

1. The calculation of the market capitalisation of our Company is based on 400,000,000 Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised).
2. The unaudited pro forma adjusted combined net tangible assets per Share is arrived at after the adjustments set out in Appendix II to this prospectus.
3. All statistics in this table are based on the assumption that the Over-allotment Option is not exercised.

DIVIDEND

During the Track Record Period, no dividend was paid or declared by our Company or any of our subsidiaries.

The declaration of dividends will be subject to the discretion of our Board and approval of our Shareholders. Our Directors intend to strike a balance between maintaining sufficient capital to grow the business and rewarding the Shareholders. According to our dividend policy, 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.

Though we have not declared dividends in the past, this should not be an indication of whether any future dividends would be declared by our Group following the Listing. Our Directors will review the dividend policy from time to time and may exercise at our sole and absolute discretion to update, amend and/or modify the dividend policy at any time as it deems fit and necessary.

As described in the paragraph headed "Civil and Commercial Code" under the section headed "Regulatory overview" of this prospectus, every time Platt Nera distributes the dividend, at least 5% of the profit to be distributed as dividend must be appropriated as the legal reserve, until the legal reserve reaches 10% of the registered capital according to the CCC.

SHAREHOLDERS' INFORMATION

Immediately upon Listing, and without taking into account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, our Controlling Shareholders (including Pynk, Mr. Asvaplungprohm, Mr. Archadechopon and Ms. Talomsin) are entitled to exercise 75% of the voting rights at the general meetings of our Company.

DEFINITIONS

Unless the content otherwise requires, the following expressions shall have the following meanings in this prospectus.

“Accountants’ Report”	the accountants’ report of our Group prepared by the reporting accountants as set out in Appendix I to this prospectus
“AFG”	AFG Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, being one of the Co-Lead Managers and an Underwriter to the Share Offer
“Alpha Fin”	Alpha Financial Group Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, being one of the Co-Lead Managers and an Underwriter to the Share Offer
“Altus” or the “Sponsor”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, being the sponsor for the Listing
“Application Form(s)”	WHITE, YELLOW and GREEN application form(s) or where the context so requires, any of them to be used in connection with the Public Offer
“Aristo”	Aristo Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, being one of the Co-Lead Managers and an Underwriter to the Share Offer
“Articles” or “Articles of Association”	the articles of association of our Company, conditionally adopted on 17 June 2019 with effect from the Listing Date and as amended from time to time, a summary of which is set out in the paragraph headed “Articles of Association” in Appendix III to this prospectus
“associate(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“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. For further details, please refer to the paragraph headed “The ATM Project” under the section headed “Business” of this prospectus
“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 ATM Project to focus on the frontend system aspect of the 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. For further details, please refer to the paragraph headed “The ATM Project” under the section headed “Business” of this prospectus
“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
“Bluemount”	Bluemount Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO, being one of the Co-Lead Managers and an Underwriter to the Share Offer
“Board”	the board of Directors
“Business Day(s)” or “business day(s)”	a day on which banks in Hong Kong are generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	British Virgin Islands
“CAGR”	compound annual growth rate

DEFINITIONS

“Capitalisation Issue”	the issue of 298,500,000 Shares to be made upon capitalisation of the sum of HK\$2,985,000 standing to the credit of the share premium account of our Company as referred to in the paragraph headed “3. Resolutions in writing of the sole Shareholder passed on 17 June 2019” in Appendix IV to this prospectus
“Cayman Companies Law” or “Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961) of the Cayman Islands as amended, supplemental or otherwise modified from time to time
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Clearing Participant(s)”	person(s) admitted to participate in CCASS as a direct clearing participant(s) or general clearing participant(s)
“CCASS Custodian Participant(s)”	person(s) admitted to participate in CCASS as a custodian participant(s)
“CCASS Investor Participant(s)”	person(s) admitted to participate in CCASS as investor participant(s) who may be individual(s) or joint individual(s) or corporation(s)
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
“CCASS Participant(s)”	CCASS Clearing Participant(s), CCASS Custodian Participant(s) or CCASS Investor Participant(s)
“ChaoShang”	ChaoShang Securities Limited, a corporation licenced to carry out Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO, being the Sole Bookrunner, Sole Lead Manager and an Underwriter to the Share Offer
“Chip Card Project”	an IT integrated solutions project under the ATM Project with BAAC to upgrade the ATM system to support the change of magnetic ATM card to chip card

DEFINITIONS

“Cinda International”	Cinda International Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, being one of the Co-Lead Managers and an Underwriter to the Share Offer
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Co-Lead Manager(s)”	AFG, Alpha Fin, Aristo, Bluemount, Cinda International, Head & Shoulders, Supreme, Zeus
“Companies (Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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
“connected transaction(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. For further details, please refer to the paragraph headed “The ATM Project” under the section headed “Business” of this prospectus
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules and, in the context of this prospectus, means Pynk, Mr. Asvaplungprohm, Mr. Archadechopon and Ms. Talomsin
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules

DEFINITIONS

“Customer A”	a department under the government military organisation in Thailand
“Customer B”	a government judiciary department in Thailand
“Customer C”	a Thai state-owned company listed on the Stock Exchange of Thailand. It mainly engages in the oil and energy businesses
“Customer D”	a state-owned enterprise in Thailand responsible for provincial electricity supply
“Customer E”	a government agency of Thailand that mainly provides sales of school accessories and equipment
“Customer F”	a government-owned bank that provides various banking products and services in Thailand
“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
“Deed of Indemnity”	the deed of indemnity dated 25 June 2019 and executed by our Controlling Shareholders in favour of our Company (for itself and as trustee for each of our subsidiaries), particulars of which are set out in the paragraph headed “15. Estate duty, tax and other indemnities” in Appendix IV to this prospectus
“Director(s)”	the director(s) of our Company
“ electronic application instruction(s) ”	instruction(s) given by a CCASS Participant electronically via CCASS to HKSCC, being one of the methods to apply for the Public Offer Shares
“EUR”	Euros, the lawful currency of the Eurozone of the European Union
“Euromonitor”	Euromonitor International Limited, an industry consultant engaged by our Company to prepare the Euromonitor Report and an Independent Third Party
“Euromonitor Report”	the industry report prepared by Euromonitor International Limited and commissioned by our Company

DEFINITIONS

“Executive Director(s)”	the executive Director(s)
“FTTx case”	our current engagement in settlement negotiations and litigation proceedings arising from a dispute with a customer of our Group prior to the Track Record Period
“GISTDA”	Geo-informatics and Space Technology Development Agency (Public Organization), a governmental organisation under the supervision of the Ministry of Science and Technology in Thailand. It is responsible for providing satellite remote sensing and geographic information system data and services to both public and private sectors, nationally and internationally
“GREEN Application Form(s)”	the application form(s) to be completed by the HK eIPO White Form Service Provider
“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
“Head & Shoulders”	Head & Shoulders Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the SFO, being one of the Co-Lead Managers and an Underwriter to the Share Offer
“HK eIPO White Form”	the application form(s) for Public Offer Shares to be issued in the applicant’s own name by submitting applications online through the designated website of the HK eIPO White Form Service Provider at <i>www.hkeipo.hk</i>
“HK eIPO White Form Service Provider”	the HK eIPO White Form Service Provider designated by our Company, as specified on the designed website at <i>www.hkeipo.hk</i>
“HK\$”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“HKSCC Nominees”	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Branch Share Registrar”	Tricor Investor Services Limited, the share registrar of our Company in Hong Kong
“Hong Kong Government”	the Government of Hong Kong
“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 (BIC)”	Info Asset Holding Limited, a company incorporated in the BVI with limited liability on 23 November 2018, a subsidiary of our Company
“IAH Ordinary Share(s)”	the ordinary share(s) of nominal value of THB100 each in the share capital of IAH
“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
“Latest Practicable Date”	18 June 2019, being the latest practicable date for the purpose of ascertaining certain information contained in this prospectus prior to its publication
“Listing”	the listing of our Shares on the Main Board
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange

DEFINITIONS

“Listing Date”	the date, expected to be on or about Tuesday, 16 July 2019, on which our Shares are first listed and from which dealings thereof are permitted to commence on the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Lohaphantakit IAH Trust”	the certifications of shareholder’s representative each entered into between Mr. Asvaplunghrohm and Mr. Lohaphantakit dated 31 August 2018, 30 December 2018 and 17 January 2019, pursuant to which, Mr. Asvaplunghrohm nominated Mr. Lohaphantakit to hold on trust various shares of IAH on his behalf since 31 August 2018
“Lohaphantakit Trust”	the certifications of shareholder’s representative each entered into between Mr. Asvaplunghrohm and Mr. Lohaphantakit dated 30 November 2009, 4 January 2013, 4 January 2016, 3 June 2016, 7 August 2017 and 30 August 2017, 29 November 2018, 30 December 2018 and 17 January 2019, pursuant to which, Mr. Asvaplunghrohm nominated Mr. Lohaphantakit to hold on trust various shares of Platt Nera on his behalf since 30 November 2009
“Main Board”	the main board of the Stock Exchange
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company, adopted on 17 June 2019 and as amended from time to time, a summary of which is set out in the paragraph headed “Memorandum of Association” in Appendix III to this prospectus
“MOI”	Ministry of Interior, a government department in Thailand responsible for local administration, internal security, citizenship, disaster management and road safety
“Mr. Archadechopon”	Mr. Wison Archadechopon, our Executive Director and a Controlling Shareholder of our Company

DEFINITIONS

“Mr. Asvaplunghprohm” or “Chairman”	Mr. Prapan Asvaplunghprohm, our Executive Director, chairman and a Controlling Shareholder of our Company
“Mr. Lohaphantakit”	Mr. Wutiphan Lohaphantakit, an Independent Third Party
“Ms. Suphanantareuk”	Ms. Kanokwan Suphanantareuk, an Independent Third Party
“Ms. Talomsin”	Ms. Aranya Talomsin, a Controlling Shareholder of our Company
“Mutiarā”	Mutiara Smart Sdn Bhd, a Malaysia government-owned company which (amongst other), provides computer hardware, software application and telecommunications service
“MWA”	Metropolitan Waterworks Authority, a state-owned enterprise responsible for municipal water supply. It produces and distributes water across Bangkok, Nonthaburi and Samut Prakan
“Nomination Committee”	the nomination committee of the Board
“Novation Agreement”	the Assignment and Novation Agreement to the Deployment, Maintenance, Marketing and Distribution Agreement for the Territory of Thailand dated 15 October 2018 entered into between Platt Nera, Things On Net and Sigfox. For further details, please refer to the paragraph headed “Novation Agreement with Sigfox and Things On Net” under the section headed “Relationship with our Controlling Shareholders” of this prospectus
“Offer Price”	the final price per Offer Share in Hong Kong dollars (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of not more than HK\$1.55 per Offer Share and is expected to be not less than HK\$1.25 per Offer Share, which will be determined by agreement between the Sole Bookrunner (for itself and on behalf of the Underwriter(s)) and our Company on or around the Price Determination Date

DEFINITIONS

“Offer Share(s)”	the Public Offer Shares and the Placing Shares together, where relevant, with any additional Shares issued pursuant to the exercise of the Over-allotment Option
“Over-allotment Option”	the option granted by us to the Placing Underwriters exercisable at the sole discretion of the Sole Bookrunner (for itself and on behalf of the Placing Underwriters) at any time within 30 days from the last day for the lodging of applications under the Public Offer, to require the Company to allot and issue up to an aggregate of 15,000,000 additional Shares, representing in aggregate 15% of the initial size of the Share Offer, at the same price per Offer Share under the Placing, to cover, among other things, over-allocation in the Placing, if any
“Placing”	the conditional placing of the Placing Shares at the Offer Price to institutional, professional and/or other investors, subject to the terms and conditions described in this prospectus and the Placing Underwriting Agreement
“Placing Shares”	the 90,000,000 new Shares being offered for subscription by our Company at the Offer Price under the Placing (subject to reallocation and any additional Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option as described under the section headed “Structure and conditions of the Share Offer” of this prospectus)
“Placing Underwriter(s)”	the underwriter(s) who are expected to be appointed by the Company in relation to the Placing
“Placing Underwriting Agreement”	the conditional underwriting agreement expected to be entered into on or about the Price Determination Date, amongst others, by our Company, our Controlling Shareholders, our Executive Directors, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers and the Placing Underwriter(s) as further described under the section headed “Underwriting” of this prospectus, subject to adjustment and the exercise of the Over-allotment Option as further described in the section headed “Structure and conditions of the Share Offer” of this prospectus

DEFINITIONS

“Platt Nera”	Platt Nera Co., Ltd., a company incorporated with limited liability on 28 October 2004 under the laws of Thailand, a subsidiary of our Company
“PNS1(BVI)”	PNS1(BVI) Limited, a company incorporated in the BVI with limited liability on 14 January 2019, a subsidiary of our Company
“PNS2(BVI)”	PNS2(BVI) Limited, a company incorporated in the BVI with limited liability on 14 January 2019, a subsidiary of our Company
“PRC” or “China”	the People’s Republic of China, but for the purposes of this prospectus and unless otherwise indicated, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Price Determination Agreement”	the agreement to be entered into between our Company and the Sole Bookrunner (for itself and on behalf of the Underwriter(s)) on or about the Price Determination Date to record and fix the Offer Price
“Price Determination Date”	the date on which the Offer Price will be determined under the Price Determination Agreement, which is expected to be on or about Tuesday, 9 July 2019 or such other date as may be agreed between our Company and the Sole Bookrunner (for itself and on behalf of the Underwriter(s)), and in any event no later than 5:00 p.m. on Wednesday, 10 July 2019
“Public Offer”	the offer by our Company of the Public Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage, SFC transaction levy and Stock Exchange trading fees) (subject to the terms and conditions described in this prospectus and the Application Forms)
“Public Offer Shares”	the 10,000,000 new Shares initially being offered by our Company for subscription at the Offer Price under the Public Offer (subject to reallocation as described in the section headed “Structure and conditions of the Share Offer” of this prospectus)

DEFINITIONS

“Public Offer Underwriter”	the underwriter of the Public Offer named in the paragraph headed “Public Offer Underwriter” under the section headed “Underwriting” of this prospectus
“Public Offer Underwriting Agreement”	the conditional Public Offer Underwriting Agreement dated 27 June 2019 relating to the Public Offer entered into, amongst others, by our Company, our Controlling Shareholders, our Executive Directors, the Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Public Offer Underwriter, as further described under the section headed “Underwriting” of this prospectus
“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
“Reorganisation”	the restructuring of our Group in preparation for the Listing, details of which are set out in the paragraph headed “Reorganisation” under the section headed “History, Reorganisation and corporate structure” of this prospectus
“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 our Company
“Share Offer”	the Public Offer and the Placing
“Shareholder(s)”	holder(s) of 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
“Sole Bookrunner”	ChaoShang
“Sole Lead Manager”	ChaoShang

DEFINITIONS

“Stamp Duty Ordinance”	Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules, specifically referring to IAH, IAH (BIC), Platt Nera, PNS1(BVI) and PNS2(BVI)
“substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Suphanantareuk Trust”	the certification of shareholder’s representative entered into between Mr. Asvaplunghrohm and Ms. Suphanantareuk (an Independent Third Party) dated 28 October 2004, pursuant to which, Mr. Asvaplunghrohm nominated Ms. Suphanantareuk to hold on trust 89,996 shares of Platt Nera on his behalf
“Supreme”	Supreme China Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, being one of the Co-Lead Managers and an Underwriter to the Share Offer
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended supplemented or otherwise modified from time to time
“Thai Government”	the Government of Thailand
“Thai legal adviser”	Wissen & Co Ltd., our legal adviser as to Thai law
“Thai legal adviser as to the FTTx case”	Siamrapee Law Office, our Thai legal adviser as to the FTTx case
“Thailand”	the Kingdom of Thailand
“THB”	Thai Baht or Baht, the lawful currency of Thailand
“Things On Net”	Things On Net Co., Ltd., a company registered under the laws of Thailand which is an associate of Mr. Asvaplunghrohm and is therefore a connected person of our Group

DEFINITIONS

“Track Record Period”	the three years ended 31 December 2018
“Trading Day”	a day on which trading of the Shares takes place on the Stock Exchange
“Underwriter(s)”	the Public Offer Underwriter and the Placing Underwriter(s)
“Underwriting Agreement(s)”	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
“United States” or “U.S.”	the United States of America
“US\$” or “USD”	the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933 and the rules and regulations promulgated thereunder, as amended, supplemented or otherwise modified from time to time
“ WHITE Application Form(s)”	the application form(s) for use by the public who require(s) such Public Offer Shares to be issued in the applicant’s/applicants’ own name
“ YELLOW Application Form(s)”	the application form(s) for use by the public who require(s) such Public Offer Shares to be deposited directly into CCASS
“Zeus”	Zeus Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO, being one of the Co-Lead Managers and an Underwriter to the Share Offer
“%”	per cent.

Certain amounts and percentage figures have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Unless the context requires otherwise, translation of THB into HK\$ and vice versa are made in this prospectus, for illustration purposes only, at the rate of HK\$1.00 to THB4.0378. Such conversions shall not be construed as representations that any amount in THB and HK\$ were or may have been or may be converted into those currencies or vice versa at the above rates or at any other rates.

GLOSSARY OF TECHNICAL TERMS

This section sets out the glossary list of certain terms and definitions used in this prospectus in connection to our Group’s business and operations. The terms and their meanings may not correspond to the standard industry meanings, calculations or usage of those terms.

“active ATM card(s)”	ATM card(s) where our Group collected annual card fee within the past two years
“ATM” or “ATMs”	automated teller machine(s), an electronic telecommunication device that enables customers of financial institution to perform financial transactions, such as cash withdrawals, deposits, transfer funds, or obtaining account information
“ATM card(s)”	card(s) issued by a financial institution which enables a customer to access and amongst others, transfer and withdraw money from ATMs
“ATM switching system”	a system to route messages from ATM, decrypt secure protocol and perform other ATM related function
“Base 24”	a type of ATM switching system, which was included in the ATM Project
“breakeven point”	refers to the timing where the initial capital investment is recovered by the income generated by a project
“CDM”	cash deposit machine, an electronic telecommunication device that enables customers of financial institution to deposit cash
“database”	a computer hardware consisting of computer components and recording media used to retain digital data
“debit card(s)”	a type of ATM card that include debit card functions including direct payment function to retail businesses such as restaurants and convenience stores
“Fintech”	financial technologies
“FTTx”	fiber to the x, a generic term for any broadband network architecture
“government administrative sector”	customers under the government administrative sector include MOI, Customer B and Customer E
“hardware”	physical elements that constitute a computer system, such as server, processing unit and database

GLOSSARY OF TECHNICAL TERMS

“IoT” or “Internet of Things”	a type of network that realises intelligent identification, positioning, tracking, monitoring and management of targeted objects achieved by exchange of information and communication between such targets and the internet via intelligent terminal products under pre-determined protocol
“IT”	information technology
“IT system”	for the purpose of this prospectus, an integrated set of hardware and software components for computing usage
“network”	the linking of a number of devices for the purpose of sharing resources and information
“pipe leakage detection for water supply system”	a system that is designed to detect the presence of water and provide an alert in time to allow the prevention of water leakage
“server”	a hardware capable of accepting requests from the client and giving responses accordingly
“smart street light”	a lighting technology designed for energy efficiency by adjustments based on conditions such as occupancy or daylight availability
“software”	any set of machine-readable instructions that directs a computer’s processor to perform specific operations
“specification”	a description of hardware/software that specifies the technical standard
“telecommunications and utilities sector”	customers under the telecommunications and utilities sector include GISTDA, MWA, Customer C and Customer D
“Terms of Reference” or “ToR”	a document that defines the purpose and requirements of a project
“Thailand 4.0”	a vision initiated by the Thai government to transform Thai economy into an innovation-driven economy

FORWARD-LOOKING STATEMENTS

FORWARD-LOOKING STATEMENTS CONTAINED IN THIS PROSPECTUS MAY NOT MATERIALISE

This prospectus includes forward-looking statements. All statements other than statements of historical facts contained in this prospectus, including, without limitation, those regarding our future financial position, our strategies, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate and any statements preceded by, followed by or that include the words “aim”, “anticipate”, “believe”, “can”, “could”, “consider”, “continue”, “estimate”, “expect”, “forecast”, “going forward”, “intend”, “may”, “might”, “ought to”, “plan”, “potential”, “predict”, “project”, “propose”, “seek”, “should”, “will”, “would” and “wish”, or similar expressions or the negative thereof, are intended to identify a number of these forward-looking statements.

These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- our business prospects;
- our strategies, plans, objectives and goals;
- competition in our business activities and the actions and development of our competitors;
- financial conditions and performance of our Group;
- future development, trends and condition in the industry and markets in which we operate;
- expansion, consolidation or other trends in the industries in which we operate;
- policies, regulations and restrictions in Thailand, Hong Kong or any other countries or territories that may affect the industries in which we operate;
- general political and economic conditions in Thailand, Hong Kong or any other countries or territories that may affect the industries in which we operate;
- exchange rate fluctuations and the developing legal system, in each case pertaining to Thailand, Hong Kong and the industries and markets in which we operate;
- macroeconomic measures taken by the Thailand government and Hong Kong Government to manage economic growth and general economic trends in Thailand and Hong Kong;

FORWARD-LOOKING STATEMENTS

- capital market development that includes the interest rate environment;
- our dividend payment, if any;
- changes to our expansion plans and use of proceeds;
- other statements in this prospectus that are not historical facts;
- our ability to successfully implement the business plans and strategies; and
- other factors beyond our Group's control.

We believe that the sources of information and assumptions contained in such forward-looking statements are appropriate sources for such statements and we have taken reasonable care in extracting and reproducing such information and assumptions. We have no reason to believe that information and assumptions contained in such forward-looking statements are fake or misleading or that any fact has been omitted, which would render such forward-looking statements fake or misleading in any material respect.

The information and assumptions contained in the forward-looking statements have not been independently verified by us, our Controlling Shareholders, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers and the Underwriter(s), any other parties involved in the Share Offer or their respective directors, officers, employees, advisers or agents and no representation is given as to the accuracy or completeness of such information or assumptions on which the forward-looking statements are made. Additional factors that could cause actual performance or achievements of our Group to differ materially from those expressed or implied by the forward-looking statements include, but are not limited to, those discussed under the section headed "Risk factors" of this prospectus and elsewhere of this prospectus.

These forward-looking statements are based on current plans and estimates, and apply only as of the date they are made. Subject to the requirements of applicable laws, rules and regulations, we undertake no obligation to update or revise the forward-looking statements in this prospectus in light of new information, future events or otherwise. The forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect the current views of our Company with respect to future events and they are not a guarantee of future performance. We caution prospective investors that a number of important factors could cause actual outcomes to differ, or to differ materially, from those expressed in any forward-looking statement. Accordingly, prospective investors should not place undue reliance on any forward-looking information. All forward-looking statements contained in this prospectus are qualified with reference to the cautionary statements set forth under this section.

In this prospectus, statements of or references to our intentions or that of any our Directors are made as at the date of this prospectus. Any such intentions may change in light of future developments.

RISK FACTORS

Prospective investors should carefully consider all the information in this prospectus including the risks and uncertainties described below, prior to making an investment in the Share Offer. Prospective investors should pay particular attention to the fact that we conduct our operations in Thailand and are governed by the local legal and regulatory environment which in some respects may differ from that prevailing in other countries. The business, results of operations, financial conditions and prospects of our Group could be materially and adversely affected by any of these risks and uncertainties. The trading price of the Shares could decline due to any of these risks and uncertainties and prospective investors may lose all or part of their investment.

A. RISKS RELATING TO BUSINESS AND OPERATIONS OF OUR GROUP

We are reliant on the contracts awarded by our major customers

During the Track Record Period, a majority of our revenue is derived from a limited number of customers. Our Group's revenue derived from our top five customers accounted for 100.0%, 100.0% and approximately 99.6% of our Group's revenue during the three years ended 31 December 2018 respectively. Over the same periods, the largest customer of our Group accounted for approximately 89.8%, 95.7% and 65.8% of the total revenue of our Group respectively.

While we have entered into a long-term agreement with BAAC, being our top customer during the Track Record Period which is effective until June 2027, there can be no assurance that we will be able to maintain our relationship with BAAC and other customers and continue to be successful in securing projects from them in the future. We cannot guarantee that our business strategy in widening and diversifying our customer base will be successfully implemented to reduce the reliance on our existing customers for revenue contribution. In the event that there is a significant reduction of projects awarded from our existing customers in terms of contract value or number, or we fail to secure projects from new customers, or if our contracts are terminated prematurely, our business, results of operations and financial conditions may be adversely affected. In the case of the ATM Project, at the expiration of the contractual period, the ownership of the ATMs and related backend system will be transferred to BAAC.

Further, in the event that any of our major customers establish their own team to internalise IT solutions services of similar nature to ours, it may cause substantial reduction in potential IT solutions projects available to us and thus adversely affect our results of operations and financial conditions.

RISK FACTORS

Our financial performance may fluctuate from period to period due to its project-based nature

We have maintained business relationships with BAAC for over 12 years, under a long-term agreement which has been extended by another seven years (from June 2020). For further details, please refer to the paragraphs headed “Our relationship with BAAC” and “Phase three extension of the ATM Project” under the section headed “Business” of this prospectus. We do not have long-term commitments with our other customers, and hence, given the project-by-project nature of our industry, we cannot guarantee that we will continue to secure new projects, or to extend our existing long-term agreement with BAAC beyond June 2027. Further, when we secure new projects, their different nature may separately cause us to face volatility in our profits and margins from year to year. Our Group recorded gross profit margin of approximately 53.6%, 57.6% and 32.9% for the three years ended 31 December 2018 respectively. In particular, the lower gross profit margin for the year ended 31 December 2018 compared to 2017 was mainly attributable to (i) the Debit Card Project with BAAC had a relatively lower gross profit margin of approximately 25.5%. The lower gross profit margin was due to a high proportion of hardware enhancement; (ii) our project with MOI to develop the video conference system had a relatively lower gross profit margin of approximately 13.6%; and (iii) our project with Customer D relating to the security system project approximately 14.8% of our revenue from the IT integrated solutions business during the year had a relatively lower gross profit margin of approximately 4.1%. For further details, please refer to the paragraph headed “5.3 Gross profit and gross profit margin” under the section headed “Financial information” of this prospectus.

During the Track Record Period, the ATM Project which we cooperate with BAAC has provided a relatively stable source of revenue to our Group. We cannot guarantee that we will be able to continue to cooperate with BAAC under the revenue sharing model, nor replicate the revenue sharing model with our other customers, and if so, our Group’s business, results of operations and financial conditions may be materially and adversely affected.

During the Track Record Period, our tender success rates were approximately 40.0%, 50.0% and 87.5% for the three years ended 31 December 2018 respectively. For further details, please refer to the paragraph headed “Tendering” under the section headed “Business” of this prospectus. Whether we will continue to succeed in our tendering process depends on a number of factors, including but not limited to, our technical expertise, track record, financial capability and the competitive landscape. There is no assurance that we will be evaluated favourably by our customers during the tendering process. If we fail to secure new projects from our existing and/or new customers, our business, results of operations and financial conditions may be adversely affected.

RISK FACTORS

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

Our business model involves the provision of customer-centric IT solutions. During the tendering stage, we will devote significant amount of manpower, time and effort to analyse the customer's requirements and customise a proposal for them. In particular, we have to obtain letter of guarantee prior to submission of our proposal to the customer. For details of our tendering process, please refer to the paragraph headed "6. Our operations" under the section headed "Business" of this prospectus. During the Track Record Period, we incurred costs of approximately THB4.0 million, THB7.5 million and THB6.3 million for tendering projects during the three years ended 31 December 2018 respectively. For further details, please refer to the paragraph headed "5.6 Administrative expenses" under the section headed "Financial information" of this prospectus. However, there is no assurance that our proposal will be accepted by the customer and we will be awarded the project. Should we fail to win the tender, we would not be able to recover any costs incurred during the tendering stage and may adversely affect our results of operations and financial conditions.

In addition, some projects may involve significant upfront capital investment before we are able to collect payments from our customers. Such time lag between capital expenditure and returns necessitate substantial capital commitment at the initial stage of the project before it reaches its breakeven point. Should there be any significant delay in the project, we may extend the period to reach initially anticipated breakeven point, thereby encounter liquidity issue and our results of operation and financial conditions may be materially and adversely affected.

Besides projects involving significant upfront capital investment as abovementioned, in the course of our typical IT solutions projects, we may have to (i) purchase materials and equipment; (ii) pay subcontracting fees to subcontractors for specific tasks (depending on specific project requirements); and (iii) pay relevant staff costs, before we are able to generate revenue and receive payments from our customers (which require the achievement of certain progress of our projects as stipulated in the contract). As such, we generally need to finance the initial stages of our IT solutions projects due to time lag between our payments of project costs and receipt of payments from our customers. During the Track Record Period, we obtained new bank and other borrowings for project financing. The total new bank and other borrowings amounted to approximately THB150.9 million, THB107.5 million and THB262.7 million during the three years ended 31 December 2018 respectively. There can be no assurance that we will be able to obtain financing in a timely manner, on commercially reasonable terms, or at all. If we fail to obtain adequate financing to fund our operations, our business, results of operations and financial conditions may be materially and adversely affected.

RISK FACTORS

We estimate time and costs in determining our proposal and tender price. However, the actual implementation of the project may not accord with such estimates due to cost overruns and/or other related risks

During the tendering stage, we will provide a detailed proposal with tender price to our customers based on our estimation of costs and time required for completing the projects. For further details of the tendering stage, please refer to the paragraph headed “6. Our operations” under the section headed “Business” of this prospectus.

There may be various factors affecting the actual time taken and cost incurred by us in completing our projects, including, among others, technical difficulties, integration with third party suppliers’ products, and other unforeseeable problems and circumstances. Delay in project completion or cost overruns could be caused by any one of these factors. As we are required to complete the project within the agreed schedule as stipulated in the relevant contract, if we fail to deliver our IT solutions within the timeframe in accordance with our contractual obligations, we may be liable to compensation derived from such delay. Also, as we typically recognise our revenue and receive payments from customers in accordance with the achievements of project progress, any delay in project may adversely affect our results of operations and cash flows.

Cost management is critical in ensuring that the project meets its budgeted profit margin. Should there be any material inaccurate estimation of the amount of time and costs involved in completing the projects, this may affect our actual costs incurred and eventually adversely affect our profitability, results of operations and financial conditions.

We may fail to exercise sufficient control over our subcontractors in the event of projects involving significant construction and installation work

Depending on the specifications of the projects, we will from time to time engage subcontractors to perform construction and installation works. During the Track Record Period, our subcontracting cost amounted to approximately THB121.6 million, THB55.9 million, and THB456.0 million in the three years ended 31 December 2018 respectively. For further details, please refer to the paragraph headed “Our subcontracting arrangement” under the section headed “Business” of this prospectus. There is no assurance that our subcontractors will fully comply with our policies or measures, or we are able to monitor the performance or quality of work of our subcontractors effectively. If our subcontractors fail to complete the agreed scope of works within the required timeframe, we may need to incur extra time and cost in sourcing another subcontractor, which may adversely impact our business operation and profitability. In addition, if the subcontractor’s quality of work does not meet our standards, we may need to incur additional costs for reworks or even be exposed to claims by our customers arising from defective work performed by our subcontractors. Whilst we may attempt to seek compensation from the relevant subcontractors for their non-performance, the amount of claims that we are exposed to may not be timely recovered in full or at all from the subcontractors. In the event that we fail to exercise sufficient control over our subcontractors, our profitability, results of operations, financial conditions and reputation may be adversely affected.

RISK FACTORS

We rely on certain key personnel and are exposed to risks associated with retention and recruitment of competent personnel

Our success and growth is, to a significant extent, attributable to the strategies and vision of our Executive Directors and continuous contributions of our senior management team, who have a comprehensive understanding of our customers' requirements and play significant roles in our Group's day-to-day operations as set out under the section headed "Directors and senior management" of this prospectus. While we endeavour to provide a competitive remuneration package to our staff and ensure they are appropriately rewarded, the competition for competent personnel in our industry is intense and we may not be able to attract or retain the services of the key personnel for our business in the future. If any of our key personnel cease to be involved in our business and we fail to timely appoint suitable replacements, our operations, growth prospects and profitability could be materially and adversely affected.

Our Group is also reliant on our competent personnel in the technical sales support division and sales divisions for the preparation of tenders and our project implementation team for the execution of projects. The ability of our Group to maintain the loyalty of our competent personnel is vital to our Group's continual business operations. If we fail to retain and/or attract staff with the appropriate technical or sales expertise, our operations, growth prospects and profitability could be materially and adversely affected.

Leakage of confidential information could have an adverse impact on our reputation and business operation

During the course of our operations, we may be exposed to confidential information which our customers require us to maintain confidentiality. In particular, we transmit sensitive payment information entered by the end users to BAAC for authorisation through ATM switching system, but neither we nor our Consortium partners are permitted to access or store such information. We rely on various means to prevent leakage of our customers' confidential information, including our IT system as well as the integrity of our staff and physical security. Our servers may be vulnerable to hacking, data theft and subsequent leakage of confidential information to unauthorised third parties. For details of our Group's relevant internal control measures, please refer to paragraph headed "21. Risk management and internal control" under the section headed "Business" of this prospectus. There is no assurance that the steps taken by us will successfully prevent any leakage or misappropriation of confidential information of our customers. It is our contractual obligations to our customers to preserve confidentiality of information. Any leakage or misappropriation of confidential information of our customers could expose us to complaints or claims, which may have a material and adverse impact on our reputation and business operations.

RISK FACTORS

Our Group recorded net current liabilities as at 31 December 2016 and 2017

Notwithstanding our Group recorded net current liabilities of approximately THB254.9 million, THB177.3 million as at 31 December 2016 and 2017, our Group's net current liabilities position improved to net current assets of approximately THB69.1 million as at 31 December 2018. The net current liabilities positions was mainly attributable to the Shareholder's loan (together with the interest payable) from our Controlling Shareholder, Mr. Asvaplungprohm, amounted to approximately THB276.3 million, THB117.4 million and THB46.5 million as at 31 December 2016, 2017 and 2018 respectively. As at the Latest Practicable Date, our Group had fully settled the Shareholder's loan from Mr. Asvaplungprohm (and relevant amounts were subsequently injected by Mr. Asvaplungprohm into Platt Nera and capitalised as capital in Platt Nera) and the interest payable due to Mr. Asvaplungprohm.

The outstanding interest payable had been settled in accordance with the memorandum of agreement and the supplemental agreements entered into among Platt Nera, Things On Net and Mr. Asvaplungprohm. For further details of the memorandum of agreement and the supplemental agreements, please refer to the paragraph headed "Memorandum of agreement and supplemental agreements among Platt Nera, Things On Net and Mr. Asvaplungprohm" under the section headed "Relationship with our Controlling Shareholders" of this prospectus. For further details of our net current liabilities position, please refer to the paragraph headed "7.2 Net current assets/liabilities" under the section headed "Financial information" of this prospectus.

We cannot assure you that we will not record net current liabilities in the future. Net current liabilities positions expose us to certain liquidity risks and could constrain our operational flexibility as well as adversely affect our ability to expand our business. Our future liquidity, payment of trade and other payables, our capital expenditure plans and repayment of debt obligations as when they become due will depend on our ability to maintain adequate cash inflows from our operating activities and/or to obtain additional external financing. We may have net current liabilities in the future, which may limit our working capital for the purpose of operations or capital for implementation of our strategies and future plans and may adversely affect our business, financial conditions and results of operations.

We had recorded accumulated losses historically

Our Group recorded accumulated losses of approximately THB380.7 million as at the beginning of Track Record Period, which was mainly due to (i) our previous involvement in a litigation case arising from contractual dispute with one of our customers prior to the Track Record Period; and (ii) as at the Latest Practicable Date, our current engagement in litigation proceedings and settlement negotiations of the FTTx case. Please refer to the paragraph headed "7.4 Accumulated loss" under the section headed "Financial information" of this prospectus for further details. Our accumulated loss position improved from approximately THB380.7 million as at 1 January 2016 to approximately THB94.6 million as at 31 December 2018, resulting from our profit earned during the Track Record Period. The amount of our future net losses will depend, in part, on the rate of future growth of our expenses and our ability to generate

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revenues. We cannot assure you that we will be able to generate net profits in the future. If we are not able to continue to improve our financial performance in the future or if we incur further losses in the future, our business, results of operations and prospects may be materially affected. So far as the accumulated losses remain, we may not be able to distribute dividends.

Any litigation, legal disputes or claims may result in costs and liabilities and adversely affect our Group's performance

We may be in dispute with our customers, subcontractors, suppliers, staffs and other parties concerned with our projects for various reasons. Such disputes may be in connection with, among others, delay of works or payment disputes. For example, prior to the Track Record Period, there were two legal proceedings with two of our customers in relation to monetary dispute. These monetary disputes were arisen from the services rendered by our Group and the subject customer, who refused to pay the sum stipulated in the contract. As at the Latest Practicable Date, one of the litigation cases¹ has been concluded while the FTTx case is still on-going. For details of the FTTx case, please refer to paragraph headed "20. Litigation and legal matters" under the section headed "Business" of this prospectus.

The handling of disputes, litigation and other legal proceedings may sometimes involve or divert a high degree of our management's attention, resources and input and cause us to incur extra time and costs. If we are unable to defend our Group in any legal proceedings or disputes, we may be liable to pay for the damages or penalties. Further, should any claims against us fall outside the scope and/or limit of our insurance coverage, our financial position may be adversely affected.

We are subject to foreign exchange risks due to purchase of hardwares from foreign suppliers

Our reporting and functional currency is THB whilst our business transactions, besides those denominated in THB, also include other currencies, primarily US\$. Depending on the projects specifications, we may from time to time purchase hardwares from foreign suppliers for our projects. This exposed us to risks associated with fluctuations in foreign currencies. During the three years ended 31 December 2018, approximately 7.7%, 26.9% and 1.7% of our total purchases were denominated in foreign currency respectively. We recorded net gain on foreign exchange of approximately THB166,000, THB161,000 and THB245,000 during the three years ended 31 December 2018 respectively. Although we intend to use forward contracts to mitigate foreign exchange risks, there is no guarantee that such risks are fully eliminated. For further details, please refer to the paragraph headed "5.4 Other income and gain, net" under the section headed "Financial information" of this prospectus. Going forward, there is no assurance that the exchange rate of THB will not fluctuate significantly against US\$ (or any other foreign currencies) and foreign exchange rate fluctuations will continue to have an effect on our results of operations. In the event that the foreign exchange rate fluctuates unfavourably to us, our results of operations and financial conditions may be adversely affected.

¹ The information relating to the concluded litigation case is set out in Note 22 of the Accountants' Report contained in Appendix I to this prospectus.

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Our insurance may be insufficient to cover all loss and claims associated with our business, and any uninsured losses incurred could be substantial and therefore adversely affect our operations and financial results

We have taken out insurance policies to cover the risk associated with our business operation as described in the paragraph headed “18. Insurance” under the section headed “Business” of this prospectus. However, our insurance policies may be insufficient to cover all the risks associated with our business and operations. The insured limits may also be insufficient to fully cover our losses, damages or liabilities arising from our business and operations. In addition, there are certain types of losses for which full insurance coverage is not generally available on terms commercially acceptable to us, for examples, losses due to earthquakes, flooding or other natural disasters, war or civil disorder. There is no guarantee that we will be indemnified in part or in full in any given case. In the event that we suffer from any losses, damages or liabilities in the course of our business operations arising from events for which we do not have any or adequate insurance cover, we may be required to bear such losses, damages and liabilities out of our own funds, which may adversely affect our business, results of operations and financial conditions.

We are exposed to credit risk of our customers

We are exposed to credit risks associated with delay payment and/or default of payments by our customers. We generally grant our customers a credit period up to 30 days and our Group’s working capital and liquidity positions are subject to our customers’ timely payments. As at 31 December 2016, 2017 and 2018, our trade receivables amounted to approximately THB4.5 million, THB5.8 million and THB41.2 million, respectively. For further details on our credit terms granted to our customers, please refer to the paragraph headed “8. Customers” under the section headed “Business” of this prospectus. There is no assurance that we will be able to recover all or any part of the amount due from our customers, or we will be able to collect all or any part of the amount within the agreed credit terms. Any delay or difficulty in collecting our trade receivables may negatively affect our cash flows and financial performance.

We are exposed to counterparty risk

We are exposed to counterparty risks associated with our customers breaching their contractual obligations under the relevant agreements during the period of our projects. As detailed in the paragraph headed “6. Our operations” under the section headed “Business” of this prospectus, we will perform research and study on our potential customers before tendering for the projects. However, there is no assurance that our customers will perform and meet their contractual obligations stipulated in the agreements during the course of our projects. If there is any dispute with our customers, such as project status and project completion, which may in turn lead to commercial disputes or result in litigation cases, this may delay the settlement of payment or completion of projects and will adversely affect our Group’s cash flow, results of operations and financial conditions. As at the Latest Practicable Date, our Group was involved in the FTTx case, which is still ongoing. For further details, please refer to the paragraph headed “20. Litigation and legal matters” under the section headed “Business” of this prospectus.

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We may not be able to keep abreast of market trends or the latest technological advancement in the IT solutions industry to address the evolving demand of customers

The IT solutions we provide are subject to changes in customers' demand. In order to keep up with the latest developments and trends in the IT solutions industry and respond to the changing needs and preferences of our customers, we have to continually generate relevant know-how in response to the evolving demands and requirement of the market from time to time. If we fail to anticipate or adapt to the market trends or latest technological developments, we may not be able to meet our customers' expectations, it may result in customers' dissatisfaction, thereby causing an adverse impact on our business reputation and hindering our opportunity to secure future projects.

We may not be able to ensure a stable and adequate supply of materials on commercially acceptable terms in satisfactory quality and in a timely manner

We are dependent on reliable sources of materials to maintain the quality and timely delivery of our IT solutions. As our Group does not enter into long term agreements with our suppliers, there is no assurance that our suppliers will continue to provide and serve us at commercially acceptable terms and if the overall supply chain of materials is substantially disrupted or the delivery lead time materially extended, there may be delays in our delivery of IT solutions. Additional costs may be incurred to acquire sufficient quantities of such materials to maintain the commitments to our customers. There is no assurance that such material shortages or delays will not occur in the future and if we are unable to find suitable substitutes within a timely manner on commercially acceptable terms, our business and results of operations may be adversely affected.

Any claims during the warranty period could adversely affect our business, reputation, results of operations and financial conditions

We typically provide a warranty with duration of one to three years to our customers after the completion of the project. For further details, please refer to the paragraph headed "Major terms of contracts entered into with our customers" under the section headed "Business" of this prospectus. During the warranty period, we may be subject to claims in the event any of our products or solutions are alleged or found to be defective. Thus, the quality of our IT solutions is critical to the success of our business and depends significantly on the effectiveness of our quality control system, which is elaborated in the paragraph headed "11. Quality control" under the section headed "Business" of this prospectus. Whilst we also require our suppliers to provide warranties to us, the warranties may not be sufficient to cover our exposure during the warranty period. Malfunctions, if discovered, may require material product rework and/or repair and in turn may consume a substantial amount of time, effort and expenses to resolve. Further, our customer relationships, reputation and future business opportunities would be adversely affected whilst our Group may be exposed to product liability claims, the successful assertion of which would adversely affect our business, reputation, results of operations and financial conditions.

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We cannot be certain that our operations do not or will not infringe any patents, valid copyrights or other intellectual property rights held by third parties

A number of third party hardware and software are used in the formulation of our IT solutions. Therefore, we have to obtain licences for the use of such third party software and comply with the terms and restrictions therein. There can be no assurance that we will not be claimed against or alleged to have used any of our customers' or third party's source codes or hardware or software or for breaching any terms and restrictions under any licence or other obligations or infringe the intellectual property rights of others, including our customers. These claims could be costly and may divert the attention of our management from operating our business. If we become liable to third parties for infringing their intellectual property rights, we may be required to pay substantial damages, incur additional costs in searching for appropriate alternatives or to obtain licence, or to cease selling the software that contain the infringing properties.

There is no assurance that the implementation of our future plans will be successful

The future plans of our Group as described under the section headed "Future plans and use of proceeds" of this prospectus is based on current intentions and assumptions. The future plans execution may be subject to capital investment and human resources constraints. We plan to fund capital expenditures with (i) our existing cash and cash equivalents; (ii) cash flow generated from our operating activities; (iii) bank loans and borrowings; and (iv) net proceeds from the Share Offer. However, there can be no assurance that we will be able to raise sufficient capital in a timely manner, on commercially reasonable terms, or at all. If we fail to obtain adequate financing to fund our operations, our business, results of operations and financial conditions may be adversely affected. Furthermore, our future plans may also be hindered by other factors beyond our control, such as the general market conditions, the economic and political environment in Thailand and overseas. Therefore, our future plans may not materialise in accordance with the timetable or with the expected benefits or at all.

We may not be able to maintain our inventory in a timely manner and cannot efficiently manage our inventory risks

As at 31 December 2016, 2017 and 2018, our Group recorded inventory balance from ATM cards of approximately THB8.4 million, THB8.8 million and THB6.9 million, which was relatively stable. We maintain a certain level of ATM cards inventory to ensure timely delivery when required to meet demands from BAAC's customers. We make purchase orders of ATM cards to our supplier according to demand of BAAC and the ATM cards are delivered by our supplier to branches of BAAC directly, so the obsolete risk of inventory of ATM cards is relatively low. However, if there is a substantial increase in ATM card demand by BAAC's customers, we may not be able to maintain an adequate inventory level in a timely manner. On the other hand, we may also be exposed to increased inventory risks due to excessive inventory of ATM cards. Excessive inventory may increase our inventory holding costs, markdown allowances or write-offs, which could have adverse effect on our financial condition and results of operations.

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We are uncertain about the recoverability of our deferred tax assets, which may affect our financial positions in the future

As at 31 December 2016, 2017 and 2018, our deferred tax assets amounted to approximately THB55.7 million, THB45.7 million and THB18.1 million respectively. For details of the movements of our deferred tax assets during the Track Record Period, please refer to note 24 of the Accountants' Report in Appendix I to this prospectus. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. This requires significant judgement on the tax treatments of certain transactions and also assessment on the probability that adequate future taxable profits will be available for the deferred tax assets to be recovered. In this context, we cannot guarantee the recoverability or predict the movement of our deferred tax assets, and to what extent they may affect our financial positions in the future.

We may not be able to bill and receive the full amount of contract assets

Contract assets are recognised when our Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. There is no assurance that we will be able to bill and receive the full amount of contract assets as we may not be able to reach an agreement with customers on the value of our work done. If we are not able to do so, our results of operation, liquidity and financial position may be adversely affected.

Our revenue may fluctuate period to period due to variation orders

We may be given variation orders where our customers may request us to amend the specification and scope of work from that originally contracted. A variation order may increase, omit or vary the original scope and timing of work and adjust the original contract sum as well as the time schedule of a project. In the event of the occurrence of any variation orders, the scope for the variation order will be agreed in advance in writing by us and our customers. Variation orders may affect our profit margin as prices for additional purchases or subcontracting services and timing have to be negotiated with our suppliers and subcontractors, and we may not be able to maintain the same profit margin for a variation order as that for the original contract as a result of higher material costs or subcontracting charges and change in timing. As we recognise our revenue in accordance with the achievements of progress of the projects, in the event of any variation orders which prolonged the timing of a project, our timing to recognise revenue of a project upon completion may be lengthened and/or spanned across different financial years/periods, which may give rise to fluctuations on our revenue period to period.

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B. RISKS RELATING TO THE INDUSTRY IN WHICH OUR GROUP OPERATES

We may not be able to keep up with rapid technological changes and may be driven out by competition

The IT solutions industry in Thailand is featured by changing customer demands, changing technology, evolving industry standards and frequent introductions and enhancements of new products and services. More advanced software products and IT services are introduced continually. The introduction of new technology and the emergence of new industry standards may make our existing services obsolete and uncompetitive. As such, our future success will depend on our ability to continually generate know-how in response to the evolving demands and requirements of the market. Failing to adapt to such changes would have a material adverse impact on our business.

According to the Euromonitor Report, we face challenges from the rise of e-banking and cashless payment technologies. In particular, the improved secure payment technologies such as PromptPay, an initiative by the Bank of Thailand, enables direct funds transfers between individuals and reduced the need for cash transactions between individuals. Such transformation of payment system will gradually reduce the demand in cash withdrawal from the ATM machine. Notwithstanding that it would take some time before such trends reach the rural population served by BAAC, our major customer, due to the limited and unstable internet access, our Group may not be able to respond quickly, cost efficiently and adequately to the latest technologically changes to accommodate BAAC and their customers' needs. As a result, we may eventually lose our customers to other competitors, thereby adversely affecting our operations and financial performance. For further details of the rise of e-banking and cashless payment society, please refer to the paragraph headed "2.3.5 Market constraint" under the section headed "Industry overview" of this prospectus.

We may not be able to keep up with the rapid development of Fintech, which may affect our business sustainability

According to the Euromonitor Report, we face competition from the introduction of Fintech to customers in the banking and financial sector. In particular, the rise of Fintech such as big data analytics and blockchain technologies, helps to provide a safe and efficient connection for internal data flows amongst various financial bodies. Despite this, Thailand is at an initial stage of technological development in terms of Fintech, and our Group is looking to expand our team and resources to ride on such development. Our Group may not be able to respond quickly, cost efficiently and adequately to the rapid development of Fintech in providing such services to our customers. As a result, we may eventually lose our customers to other competitors thereby adversely affecting our operations and financial performance. For further details of the impact from the rise of Fintech, please refer to the paragraph headed "Opportunities for players to provide Fintech that is yet to be adopted in Thailand" under the section headed "Industry overview" of this prospectus.

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We face keen competition in our industry

We face keen competition in the IT solutions industry and our competitors may have better financial capabilities, marketing strategies, management and other resources than we do. According to the Euromonitor Report, although we are the only integrated ATM IT solutions provider in Thailand, we cannot assure you that our strategies will remain competitive or that we will continue to be successful. Increased competition could result in pricing pressure and loss of our market share, either of which could have an adverse impact on our business, results of operations and financial conditions. For further details of the competitive landscape of our industry, please refer to the paragraph headed “2.4 Competitive landscape” under the section headed “Industry overview” of this prospectus.

We also cannot assure you that our current or potential competitors will not market products comparable or superior to those we currently offer or adapt more quickly to the evolving industry trends. It is also possible that there will be consolidation in the IT solutions industry, integration of upstream and downstream businesses or alliances among competitors; and as a result, our competitors may rapidly acquire significant market share. Any of these events may cause our market share, business and results of operations to be adversely affected.

C. RISKS RELATING TO ECONOMICS AND POLITICAL CONDITIONS IN THAILAND

Our results of operations and financial conditions are prone to changes in the political, economic and social conditions in Thailand

Our business operations are located in Thailand. Therefore, our business, results of operations, financial conditions and future prospect are significantly exposed to economic, political and social developments in Thailand. Any unfavourable changes in the political, economic or social conditions could lead to social instability and uncertainty and adversely impact the economy and trading activities in Thailand. These could, in turn, affect demand for our Group’s services and have adverse impact on our business and financial performance.

Adverse changes in political, economic and social conditions in Thailand may lead to negative business sentiment and/or reduction in technological investment/development activities and in turn affect our business performance. Such adverse changes may also cause delays in the tendering process of projects published by the Thai Government or may lead to reduction in their procurement. Accordingly, our business, results of operation and financial condition may be adversely affected.

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Any restrictions imposed on import of goods in Thailand may adversely affect our business operations and financial results

Depending on the requirements of the project, we may from time to time purchase hardware and/or other materials from foreign suppliers, which generally require an import license. During the Track Record Period, we were successful in applying the relevant import license from the Office of the National Broadcasting and Telecommunication Commission for our purchase of satellite receiver in the U.S. for the project with GISTDA. There is no assurance that the actual time taken and costs incurred in applying the import license would not be affected by any change in import restrictions such as license requirement, which are beyond our control. Any changes in import restrictions may cause delay in our project or cost overruns and may adversely affect our business, results of operations and financial conditions. In the event the import restrictions become more stringent resulting in our Group unable to purchase from our foreign suppliers, we may need to locate for alternatives and there is no assurance that we can locate an alternative supplier in a timely manner or at all.

There are regulatory risks in Thailand hindering our Group's business and shareholding structure by means of preference shares arrangement

Platt Nera, our principal operating subsidiary, is a Thai company that engages in the IT solutions business in Thailand. Under the Foreign Business Act (“FBA”), a foreign company has to obtain license from the Ministry of Commerce, Thailand (“MOC”) to carry on certain businesses, including IT solutions business in Thailand. For the preparation of our Listing, we have undergone several reorganisation steps, including preference shares arrangement. For further details, please refer to the paragraph headed “Reorganisation” under the section headed “History, Reorganisation and corporate structure” of this prospectus. As confirmed by our Thai legal adviser, Platt Nera is still considered as a Thai entity after the Reorganisation.

We cannot assure that there will not be any amendments on existing rules and regulations or any implements of new laws regarding the definition of “foreigner” of FBA. In the event that our principal operating subsidiary, Platt Nera, is no longer being regarded as a Thai entity and cannot obtain the foreign business license, we may not be able to carry on our existing business or we may need to change our business model and adjust corresponding business strategies, plans and shareholding structure in Thailand and our operation and financial result may be adversely affected.

Changes in existing laws, regulations and government policies, including but not limited to the introduction of more stringent labour laws and regulations may cause us to incur additional costs

Pursuant to the amendment of Labour Protect Act, B.E. 2541 (A.D. 1998) which became effective on 5 May 2019, it imposes more stringent requirements on employers in relation to fixed term employment contracts and dismissal of employees. In particular, the cap for severance payment has been extended to 400 days at the latest wage rate and we are required to make more severance payment to our employees when the term of their employment contacts

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expire, unless such employee voluntarily rejects an offer to renew the contract in circumstances where the conditions offered by the employer are the same as or better than those stipulated in the current contract. The amount of severance payment varies according to the period that the employee has worked for the employer.

In order to dismiss an employee who has an indefinite employment agreement, we are required to give the employee advance notice of termination at the time or prior to the date on which wage are normally paid, and the termination becomes effective as of the subsequent date on which wages are normally paid. In addition, we are also required to provide payment in lieu of advance notice to the employee for immediate dismissal.

We cannot assure there will not be any amendments on the Thailand labour laws and regulations. Should there be more stringent laws, regulations and requirements applicable to the labour laws and regulations, we may incur additional cost in complying with the new law(s), regulation(s) and requirement(s), which in turn may adversely affect our business operations and financial results.

Catastrophes and other extraordinary events could severely disrupt our business operations and financial results

Our operations which also includes the product procurement process is vulnerable to interruption and damage from natural and other types of catastrophes, including earthquakes, tsunami, fire, floods, hail, windstorms, severe winter weather (including snow, freezing water, ice storms and blizzards), environmental accidents, power loss, communications failures, explosions, man-made events such as terrorist attacks, and similar events.

Due to their nature, we cannot predict the incidence, timing and severity of catastrophes. In addition, changing climate conditions, primarily rising global temperatures, may be increasing, or may in the future increase, the frequency and severity of natural catastrophes. If any such catastrophe or extraordinary event were to occur in the future, our ability to operate our business could be seriously impaired. Such events could make it difficult or impossible for us to deliver our services to our customers and could decrease demand for our services, which could materially and adversely affect our financial position and operating results in the event of any major catastrophic event.

D. RISKS RELATING TO THE SHARE OFFER

There has been no prior public market for the Shares

Prior to the Share Offer, there was no public market for our Shares. The initial issue price range to the public for our Shares was the result of negotiations between us and the Sole Bookrunner (for itself and on behalf of the Underwriter(s)), and it may not necessarily be indicative of the market price of our Shares after the Share Offer is completed. A Listing on the Stock Exchange, however, does not guarantee that an active trading market for the Shares will develop, or if it does develop, will be sustained following the Share Offer, or that the market price of the Shares will not decline following the Share Offer.

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The liquidity and market price of our Shares following the Share Offer may be volatile

The price and trading volume of our Shares may be highly volatile. Factors such as variations in our revenue, earnings, cash flows, new products/services/investments, changes in senior management and general economic conditions could cause the market price of our Shares to change substantially. Any such development may result in large and sudden changes in the volume and price at which our Shares will trade.

Future issues, offers, or sales of our Shares may adversely affect its prevailing market price

Prevailing market price of Shares may, after the public offering, be negatively impacted by future issue of Shares by our Company or the disposal of Shares by any of its Shareholders or the perception that issue or sale may occur. The Shares held by our Controlling Shareholders are subject to certain lock-up arrangements for periods up to 12 months after the public offering. However, there is no assurance that our Controlling Shareholders will not dispose of any or all of our Shares it may own in the future after the expiration of the applicable lock-up periods. Any future sales, or perceived sales, of substantial amounts of our Shares by our Controlling Shareholders could cause the market price of our Shares to decline significantly as well as materially hinder our ability to raise capital in the future.

The Shareholders' interests in our Company may be diluted as a result of additional equity fund raising

We may issue additional Shares to raise additional funds in the future to finance our business expansion. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company, other than on a pro rata basis to existing Shareholders, then (i) the shareholding percentage of those existing Shareholders may be reduced and they may experience subsequent dilution; and/or (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing Shareholders.

Potential conflict of interests between our Controlling Shareholders and other minority Shareholders

Immediately following the Share Offers, and without taking into account any Shares which may be allotted and issued pursuant to the Over-allotment Option, our Controlling Shareholders will beneficially hold an aggregate of 75% of the Shares in issue. The interest of our Controlling Shareholders may differ from that of the other Shareholders. There can be no assurance that our Controlling Shareholders will act in our best interests of the minority Shareholders. If there is any conflict of interests between our Controlling Shareholders and our minority Shareholders arises, our Controlling Shareholder may have power to prevent us from proceeding with any proposed transactions at the general meeting which could be beneficial to us and other Shareholders, regardless of the underlying reasons.

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Sale or perceived sale of substantial amounts of Shares in the public market after the Share Offer could adversely affect the prevailing market price of the Shares

The sale of a significant number of Shares by our Controlling Shareholders in the public market after the Listing, or the perception that such sale may occur, could adversely affect the market price of the Shares. Except as otherwise described under the section headed “Underwriting” of this prospectus and the restrictions set out by the Listing Rules, there is no restriction imposed on our Controlling Shareholders to dispose of their shareholdings. Any major disposal of Shares by any of our Controlling Shareholders may cause the market price of the Shares to fall. In addition, these disposals may make it more difficult for us to issue new Shares in the future at a time and price that our Directors deem appropriate, thereby limiting our ability to raise capital.

Dividend policy and payments are subject to the discretion of our Board

The declaration, payment and amount of any future dividend of our Company will be subject to the discretion of our Directors, and will depend upon, amongst others, our Group’s results of operations, cash flow and financial conditions, operating and capital requirements, the availability of sufficient reserves and other relevant factors prevailing at the time. As described in the paragraph headed “Civil and Commercial Code” under the section headed “Regulatory overview” of this prospectus, every time the company (in this case Platt Nera) distributes the dividend (either annual dividend or interim dividend), at least 5% of the profit to be distributed as dividend must be appropriated as the legal reserve, until the legal reserve reaches 10% of the registered capital according to CCC. We do not currently have any dividend plans in the foreseeable future, however, we may re-evaluate our dividend policy in the future and the amount of dividends to be distributed to our Shareholders, if any, in the future will depend upon our earnings and financial conditions, operating requirements, capital requirements and any other conditions that our Directors may deem relevant and will be subjected to the approval of our Shareholders. Prospective investors should be aware that there is no assurance that future dividend will be declared. For further details of our dividend policy, please refer to the paragraph “14. Dividends” under the section headed “Financial information” of this prospectus. We cannot guarantee if and when we will pay dividend in the future.

The protection to minority Shareholders under Cayman Islands law may be different from that under the laws of Hong Kong or other jurisdictions

Since our Company is incorporated in the Cayman Islands, and its affairs are governed by the Articles, the Cayman Companies Law and common law applicable in the Cayman Islands. The laws of the Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong or such other jurisdictions. As summary of the Cayman Islands company law on protection of minorities is set out in Appendix III to this prospectus.

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E. RISKS RELATING TO THE STATEMENTS MADE IN THIS PROSPECTUS

Certain statistics, projected industry data and other information relating to the economy contained in this prospectus are derived from third party market research reports or news sources and may not be reliable

This prospectus contains certain facts, forecasts and other statistics that have been extracted from government official sources and publications or other sources which we believe to be reliable and appropriate for such statistics and facts. We have taken reasonable care in extracting and reproducing such statistics and facts. We have no reason to believe such statistics and facts are false or misleading or that any fact has been omitted that would render such statistics and facts false or misleading. These statistics and facts have not been independently verified by us, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriter(s), any of their respective affiliates or advisers or any other party involved in the Share Offer. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, such statistics and facts may be inaccurate or may not be comparable to statistics produced for other economies. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. We, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriter(s), any of their respective affiliates or advisers or any other party involved in the Share Offer make no representation as to the accuracy or completeness of these statistics and facts. Prospective investors should not place undue reliance on any of such statistics and facts contained in this prospectus.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements that are “forward-looking” and uses forward looking terminology such as “aim”, “anticipate”, “believe”, “can”, “could”, “consider”, “continue”, “estimate”, “expect”, “forecast”, “going forward”, “intend”, “may”, “might”, “ought to”, “plan”, “potential”, “predict”, “project”, “propose”, “seek”, “should”, “will”, “would” and “wish”, or similar expressions or the negative thereof. Those statements include, amongst other things, the discussion of our growth strategy and the expectations of our future operation, liquidity and capital resources. Such forward-looking statements are based on numerous assumptions as to the present and future business strategies of our Group and the development of the environment in which our Group operates. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual financial results, performance or achievements of our Group to be materially different from the anticipated financial results, performance or achievements of our Group expressed or implied by these statements.

RISK FACTORS

Prospective investors should read the entire prospectus carefully and we strongly caution you not to place any reliance on any information contained in press articles or other media, including, in particular, any financial projections, valuations or other forward-looking information

We wish to emphasise to prospective investors that we do not accept any responsibility for the accuracy or completeness of any press articles or other media and that such press articles or other media were not prepared or approved by us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward looking information, or of any assumptions underlying such projections, valuations or other forward looking information, included in or referred to by the media. To the extent that any such statements are inconsistent, or in conflict, with the information contained in this prospectus, we disclaim them. Accordingly, prospective investors should not rely on any such information contained in press articles or other media. Prospective investors making a decision as to whether to apply for the Offer Shares should rely solely on the information contained in this prospectus and the Application Forms and not place any reliance on any other information.

WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation for the Listing, our Company has obtained the following waiver from strict compliance with certain requirements under the Listing Rules:

MANAGEMENT PRESENCE IN HONG KONG

According to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong and in normal circumstances, at least two of the issuer's executive directors must be ordinarily resident in Hong Kong.

The core business and operations of our Group are located, managed and conducted in Thailand. Accordingly, all of our Executive Directors ordinarily reside in Thailand to oversee the operations of our Group.

Given that our Group's principal business operations are managed and conducted in Thailand, it would be commercially impracticable and unfeasible for our Company either to relocate our Executive Directors to Hong Kong or to appoint two additional Executive Directors in Hong Kong. Therefore, our Company currently does not, and in the foreseeable future will not, have sufficient management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with Rule 8.12 of the Listing Rules on the following conditions:

- (i) we have appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our Company's principal channel of communication with the Stock Exchange and ensure that our Group complies with the Listing Rules at all times. The two authorised representatives appointed are Mr. Asvaplungprohm and Ms. Cheung Chit San. Each of the authorised representatives is authorised to communicate on behalf of our Company with the Stock Exchange;
- (ii) each of the authorised representatives has the means to contact all of our Directors (including our independent non-Executive Directors) promptly at all times as and when the Stock Exchange wishes to contact our Directors for any matters. Our Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time, when required. To enhance communication between the Stock Exchange, the authorised representatives and our Directors, we have implemented the following measures: (a) each Director has provided his or her mobile telephone number, office telephone number, facsimile number and email address to our authorised representatives; (b) in the event that a Director expects to travel and be out of office, he or she will provide the telephone number of the place of his or her accommodation to the authorised representatives or maintain an open line of communication via his or her mobile telephone; and (c) each of the Directors and authorised representatives have provided their respective mobile telephone numbers, office telephone numbers, facsimile numbers and email addresses to the Stock Exchange; and

WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

- (iii) we will inform the Stock Exchange as soon as practicable in respect of any change in our authorised representatives under the Listing Rules and/or our compliance adviser.

In compliance with Rule 3A.19 of the Listing Rules, we have appointed Altus as our compliance adviser for the period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. Altus will provide professional advice on matters relating to compliance with the Listing Rules and other obligations for companies listed in Hong Kong. Altus will have access at all times to our authorised representatives and Directors and will act as an additional channel of communication between the Stock Exchange and our Company.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to our Group. Each of our Directors, having made all reasonable enquiries, confirm that to the best of their respective knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive and there is no other matter, the omission of which would make any statement herein or in this prospectus misleading.

Copies of this prospectus required by the Listing Rules and the Companies (Miscellaneous Provisions) Ordinance are available, for information purpose only, at the respective offices of the Sole Bookrunner and the Underwriters during normal office hours from 9:00 a.m. to 5:00 p.m. from Friday, 28 June 2019 to Tuesday, 9 July 2019 (both dates inclusive).

ALL OFFER SHARES ARE UNDERWRITTEN

The Share Offer comprises the Placing and the Public Offer. The Share Offer is an offer of 10,000,000 new Shares under the Public Offer (subject to reallocation) and 90,000,000 new Shares under the Placing (subject to reallocation and the Over-allotment Option), in each case at the Offer Price. Details of the structure of the Share Offer are set out under the section headed "Structure and conditions of the Share Offer" of this prospectus. This prospectus is published solely in connection with the Public Offer which forms part of the Share Offer. For applicants under the Public Offer, this prospectus and the Application Forms set out the terms and conditions of the Public Offer.

The Listing is sponsored by Altus. All the Offer Shares will be underwritten by the Underwriters pursuant to the Underwriting Agreements and are subject to the agreement to the Offer Price between our Company and the Sole Bookrunner (for itself and on behalf of the Underwriter(s)). The Share Offer is managed by the Sole Bookrunner. For further information about the Underwriters and the Share Offer and underwriting arrangements, please refer to the section headed "Underwriting" of this prospectus.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by the Sole Bookrunner (for itself and on behalf of the Underwriter(s)) and our Company on or around Tuesday, 9 July 2019 (Hong Kong time) or such later date as may be agreed between the Sole Bookrunner (for itself and on behalf of the Underwriter(s)) and our Company, but in any event no later than 5:00 p.m. on Wednesday, 10 July 2019 (Hong Kong time). The Offer Price will be not more than HK\$1.55 per Offer Share and is currently expected to be not less than HK\$1.25 per Offer Share, unless otherwise announced. Investors applying for the Public Offer

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

Shares must pay, on application, the maximum Offer Price of HK\$1.55 per Offer Share, together with brokerage fee of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, subject to refund if the Offer Price is lower than HK\$1.55 per Offer Share.

The Sole Bookrunner (for itself and on behalf of the Underwriter(s)) may, with the consent of our Company, reduce the number of the Offer Shares and/or the indicative Offer Price range stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. In such case, a notice of reduction of the number of the Offer Shares and/or the indicative Offer Price range will be published on our Company's website at www.plattnera.com and the website of the Stock Exchange at www.hkexnews.hk, not later than the morning of the last day for lodging applications under the Public Offer. If applications for Offer Shares have been submitted prior to the day which is the last day for lodging applications under the Public Offer, then even if the Offer Price is so reduced, such applications cannot subsequently be withdrawn.

If, for any reason, the Offer Price is not agreed among our Company and the Sole Bookrunner (for itself and on behalf of the Underwriter) on or before 5:00 p.m. on Wednesday, 10 July 2019, the Share Offer will not proceed and will lapse.

INFORMATION ON THE SHARE OFFER

The Offer Shares are offered to the public in Hong Kong subscription solely on the basis of the information contained and the representations made in this prospectus and the Application Forms and on the terms and conditions set out herein and therein. No person has been authorised to give any information or make any representations other than those contained in this prospectus and the Application Forms and, if given or made, such information or representations must not be relied on as having been authorised by us, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriter(s), any of their respective directors, officers, agents, employees or advisers or any other party involved in the Share Offer. Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with our Shares shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information in this prospectus is correct as of any subsequent time.

Prospective applicants for Offer Shares should consult their financial advisers and take legal advice, as appropriate, to inform themselves of and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for the Offer Shares should inform themselves as to the relevant legal requirements of applying for the Offer Shares and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

RESTRICTIONS ON SUBSCRIPTION OF THE OFFER SHARES

Each person acquiring the Public Offer Shares under the Public Offer will be required to and is deemed by his acquisition of Offer Shares to, confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus and the Application Forms and that he is not acquiring and has not been offered, any Offer Shares in circumstances that contravene any such restrictions.

No action has been taken to permit any public offer of the Offer Shares or the distribution of this prospectus and the Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus and the Application Forms may not be used for the purpose of and does not constitute, an offer or invitation, nor are they calculated to invite or solicit offers (i) in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised; or (ii) to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus, the Application Forms and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made, except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant regulatory authorities or an exemption therefrom.

The Offer Shares are offered to the public in Hong Kong for subscription solely on the basis of the information contained and the representations made in this prospectus and the related Application Forms. No person is authorised in connection with the Share Offer to give any information or to make any representation not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorised by our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriter(s), any of their respective directors, agents or advisers or any other person involved in the Share Offer.

Prospective applicants for Offer Shares should consult their financial advisers and take legal advice, as appropriate, to inform themselves of and to observe, all applicable laws and regulations of any relevant jurisdictions. Prospective applicants for the Offer Shares should inform themselves as to the relevant legal requirements of applying for the Offer Shares and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

ELIGIBILITY FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of and permission to deal in, our Shares on the Stock Exchange and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. Prospective investors should seek the advice of their stockbrokers or other professional advisers for details of those settlement arrangements as such arrangements will affect their rights and interests.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

All necessary arrangements have been made enabling our Shares to be admitted into CCASS.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

Our Company has applied to the Listing Committee of the Stock Exchange for the granting of the listing of and the permission to deal in, our Shares in issue as at the date of this prospectus and to be issued pursuant to the Share Offer.

No part of the share or loan capital of our Company is listed on or dealt in on any other stock exchange and no such listing or permission to deal on any other stock exchange is being or proposed to be sought in the near future (without taking into account any shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option).

Pursuant to Rule 8.08(1)(a) of the Listing Rules, at least 25.0% of the total issued share capital of our Company must at all times be held by the public. Accordingly, a total of 100,000,000 Offer Shares, which represent 25.0% of the enlarged issued share capital of our Company immediately following completion of the Share Offer and the Capitalisation Issue will be made available under the Share Offer.

Under Section 44B(1) of the Companies (Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of and permission to deal in, the Offer Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

SHARE REGISTRAR AND STAMP DUTY

All the Offer Shares will be registered on our Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. Only securities registered on the register of members of our Company kept in Hong Kong may be traded on the Stock Exchange, unless the Stock Exchange otherwise agree.

Our Shares will be considered as Hong Kong stock for the purpose of the Stamp Duty Ordinance. Dealings in our Shares registered on our Hong Kong share register will be subject to stamp duty in Hong Kong. Unless our Company determines otherwise, dividends payable in HK\$ in respect of the Shares will be paid by cheque sent at the Shareholder's risk to the registered address of each Shareholder or, in the case of joint holders, the first-named holder.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

PROFESSIONAL TAX ADVICE RECOMMENDED

Prospective investors in the Share Offer are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of and dealing in the Offer Shares. None of our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriter(s), any of their respective directors, officers, employees, advisers or agents or any other person or party involved in the Share Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription for, purchase, holding, disposal of, or dealing in the Offer Shares.

PROCEDURE FOR APPLICATION FOR PUBLIC OFFER SHARES

The procedure for applying for the Public Offer Shares is set out under the section headed “How to apply for Public Offer Shares” of this prospectus and on the relevant Application Forms.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Further information on the structure and conditions of the Share Offer, including its grounds for termination, is set out under the section headed “Structure and conditions of the Share Offer” of this prospectus.

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of that version of this prospectus, the English version of this prospectus shall prevail. Names of any laws and regulations, governmental authorities, institutions, natural persons or other entities, for which an English equivalent has been provided or that have been translated into English and included in this prospectus and for which no official English translation exists, are unofficial translations for your reference only.

OVER-ALLOTMENT OPTION AND STABILISATION

Details of the arrangements relating to the Over-allotment Option and the related stabilisation exercise are set out in the section headed “Structure and conditions of the Share Offer” of this prospectus.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence on or about Tuesday, 16 July 2019. Shares will be traded in board lots of 2,000 Shares each.

INFORMATION ABOUT THIS PROSPECTUS AND THE SHARE OFFER

EXCHANGE RATE CONVERSION

Unless otherwise specified, for illustration purposes only, the following exchange rates are used in this prospectus:

HK\$1 = THB4.0378

No representation is made that any amounts in THB or HK\$ can be or could have been at the relevant dates converted at the above rates or any other rates, or at all.

ROUNDING

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments/are rounded to one decimal place.

Any discrepancies in any table between totals and sums of individual amounts listed in any table are due to rounding.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

DIRECTORS

Name	Residential address	Nationality
<i>Executive Directors</i>		
Mr. Prapan Asvaplungprohm	50 Soi Sukhumvit 99 Sukhumvit Road Khwaeng Bangjak Khet Phra Khanong Bangkok 10260 Thailand	Thai
Mr. Wison Archadechopon	377/242 Belle Park Residence 2 Condominium Soi Sathupradit 19 Sathupradit Road Chong Nonsi, Yannawa Bangkok, 10120 Thailand	Thai
<i>Independent non-Executive Directors</i>		
Mr. Tong Yee Ming (湯以銘先生)	Flat B, 6/F, Block 11 Double Cove Summit Ma On Shan New Territories Hong Kong	Chinese
Mr. Cheung Pan (張斌先生)	Flat E, 18/F., Tower 3 Discovery Park Tsuen Wan New Territories Hong Kong	Chinese
Mr. Julapong Vorasontharosoht	50/329 Moo. 2 Lalin Greenville, Rama 9-Onnut Chaloem Phrakiat Rama 9 Road Khwaeng Prawet, Khet Prawet Bangkok 10250 Thailand	Thai

Further information of our Directors can be found under the section headed “Directors and senior management” of this prospectus.

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

PARTIES INVOLVED IN THE SHARE OFFER

Sponsor

Altus Capital Limited

A corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO

21 Wing Wo Street
Central
Hong Kong

Sole Bookrunner and the Sole Lead Manager

ChaoShang Securities Limited

A corporation licenced to carry out Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activities under the SFO

Room 2206-2210, 22nd Floor
China Resources Building
26 Harbour Road
Wan Chai
Hong Kong

Co-Lead Managers

AFG Securities Limited

A corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO

Room B, 17/F
Fortune House
61 Connaught Road Central
Central
Hong Kong

Alpha Financial Group Limited

A corporation licensed to carry out Type 1 (dealing in securities), regulated activity under the SFO

Room A, 17/F
Fortune House
61 Connaught Road Central
Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

Aristo Securities Limited

A corporation licensed to carry out Type 1 (dealing in securities), regulated activity under the SFO

Room 101, 1st Floor
On Hong Commercial Building
145 Hennessy Road
Wanchai
Hong Kong

Bluemount Securities Limited

A corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) regulated activities under the SFO

Room 2403-05
Jubilee Centre
18 Fenwick Street
Wan Chai
Hong Kong

Cinda International Securities Limited

A corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO

45/F Cosco Tower
183 Queen's Road Central
Hong Kong

Head & Shoulders Securities Limited

A corporation licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the SFO

Room 2511, 25/F
Cosco Tower
183 Queen's Road Central
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

Supreme China Securities Limited

*A corporation licensed to carry out Type 1
(dealing in securities) regulated activity
under the SFO*

Suites 2701-2, 27/F
Everbright Centre
108 Gloucester Road
Wan Chai
Hong Kong

Zeus Securities Limited

*A corporation licensed to carry out Type 1
(dealing in securities) regulated activity
under the SFO*

2220, Jardine House
1 Connaught Place
Hong Kong

Public Offer Underwriter

ChaoShang Securities Limited

*A corporation licenced to carry out Type 1
(dealing in securities) and Type 2
(dealing in futures contracts) regulated
activities under the SFO*

Room 2206-2210, 22nd Floor
China Resources Building
26 Harbour Road
Wan Chai
Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

Legal advisers to our Company

As to Hong Kong law
Wong Heung Sum & Lawyers
Rooms 911-912
Wing On Centre
111 Connaught Road Central
Hong Kong

As to Thai law
Wissen & Co Ltd.
17th Floor, Suite 1701
253 Asoke Building
253, Sukhumvit 21 Road (Asoke)
Klongtoey Nua
Wattana, Bangkok 10110
Thailand

*As to Thai law in relation to
the FTTx case*
Siamrapee Law Office
No. 78/392 Moo 9
Lahan Sub-District
Bangbuathong District
Nonthaburi Province 11110
Thailand

As to Cayman Islands law
Conyers Dill & Pearman
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman
KY1-1111
Cayman Islands

**Legal adviser to the Sponsor,
the Sole Bookrunner,
the Sole Lead Manager,
the Co-Lead Managers and
the Underwriter(s)**

As to Hong Kong law
P. C. Woo & Co.
12/F, Prince's Building
10 Chater Road
Central
Hong Kong

Reporting accountants

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

DIRECTORS AND PARTIES INVOLVED IN THE SHARE OFFER

Auditors*

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

Receiving bank

Hang Seng Bank Limited
83 Des Voeux Road Central
Central
Hong Kong

Independent industry consultant

Euromonitor International Limited
60-61 Britton Street
Clerkenwell
London EC1M 5UX
United Kingdom

* Going forward our Company will appoint Ernst & Young upon Listing.

CORPORATE INFORMATION

Registered office in the Cayman Islands	Cricket Square Hutchins Drive PO Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters and principal place of business	170/9-10 Ocean Tower 1 4th Floor, Soi Sukhumvit 16 (Sammit) Ratchadapisek Road, Klongtoey Bangkok 10110 Thailand
Principal place of business in Hong Kong registered under Part 16 of the Companies Ordinance	Rooms 911-912 Wing On Centre 111 Connaught Road Central Hong Kong
Company's website	<i>www.plattnera.com</i> <i>(Information contained in this website does not form part of this prospectus)</i>
Company secretary	Ms. Cheung Chit San (ACIS, ACS) Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Authorised representatives	Mr. Prapan Asvaplungprohm 50 Soi Sukhumvit 99 Sukhumvit Road Khwaeng Bangjak, Khet Phra Khanong Bangkok 10260 Thailand Ms. Cheung Chit San Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Audit committee	Mr. Tong Yee Ming (<i>chairman</i>) Mr. Cheung Pan Mr. Julapong Vorasontharoso

CORPORATE INFORMATION

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

Compliance adviser

Altus Capital Limited
A corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
21 Wing Wo Street
Central
Hong Kong

Hong Kong Share Registrar

Tricor Investor Services Limited
Level 22
Hopewell Centre
183 Queen's Road East
Hong Kong
(with effect from 11 July 2019:
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong)

Principal bankers

Bangkok Bank Public Company Limited
333 Silom Road
Bangrak
Bangkok 10500
Thailand

Government Savings Bank
470 Phaholyothin Road
Phayathai
Bangkok 10400
Thailand

CORPORATE INFORMATION

KasikornBank Public Company Limited
I Soi Rat Burana 27/1
Rat Burana Road
Rat Burana Sub-district
Rat Burana District
Bangkok 10140
Thailand

**Principal share registrar and transfer
office in the Cayman Islands**

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

INDUSTRY OVERVIEW

The information presented under this section has been prepared by Euromonitor and reflects estimates of market conditions based on publicly available sources and trade opinion surveys, and is prepared primarily as a market research tool. References to Euromonitor should not be considered as the opinion of Euromonitor as to the value of any securities or the advisability of investing in the Company. The Directors believe that the sources of information contained under this section are appropriate sources for such information and have taken reasonable care in reproducing such information. The Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading. The information has not been independently verified by our Group, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriters or any other party involved in the Share Offer and none of them give any representations as to its accuracy and the information should not be relied upon in making any investment decision.

SOURCES OF INFORMATION

We have commissioned Euromonitor, an independent market research and consulting company to conduct an analysis of, and to report on, the IT solutions market in Thailand. A total fee of USD86,500 was paid to Euromonitor for the preparation of the Euromonitor Report for the IT solutions market in Thailand.

Established in 1972, Euromonitor is the world leader in strategy research for both consumer and industrial markets. In compiling and preparing the Euromonitor Report, Euromonitor used various methodologies to collect multiple sources, validate the data and information collected, and cross-check each respondent's information and views against those of others, namely (i) primary research, which involved interviews with leading industry participants and experts for the latest data and insights into future trends, supplemented by verification and cross-checking of data, and research estimates for consistency; (ii) secondary research, which involved reviewing published sources, including national statistics and official sources such as the Office of The National Economic and Social Development Board and Bank of Thailand, specialist trade press and publications from associations, company reports (including audited financial statements where available), independent research reports, and data based on Euromonitor's own research database; (iii) projected data were obtained from a historical data analysis plotted against macroeconomic data, with reference to specific industry-related drivers; and (iv) review and cross-check of all sources and independent analysis were used to build final estimates, including the size, shape, drivers and future trends of the IT solutions industry in Thailand to prepare the report.

INDUSTRY OVERVIEW

FORECASTING BASES AND ASSUMPTIONS

Euromonitor based the Euromonitor Report on assumptions, including (i) the economy of Thailand is expected to maintain steady growth over the forecast period from 2019 to 2023; (ii) there will be no external shock, such as financial crisis or direct material shortage that affects the IT solutions industry in Thailand during the forecast period; (iii) the social, economic, and political environment of Thailand is expected to remain stable during the forecast period; and (iv) the growth of the rural economy in Thailand is expected to be of the key drivers of future growth in the country's ATM IT solutions industry market.

The research results may be influenced by the accuracy of these assumptions and the choice of these parameters. The market research was completed in March 2019 and all statistics in the Euromonitor Report are based on information available at the time of reporting. Euromonitor's forecast data is derived from an analysis of the historical development of the market, the economic environment, and underlying market drivers, and it is cross-checked against established industry data and trade interviews with industry experts.

Our Directors confirm that, so far as they are aware, there are no material adverse changes in the market information since the date of the industry report from Euromonitor which may qualify, contradict or have an impact on the information in this section.

1. OVERVIEW OF THE THAI ECONOMY

Rural regions expected to catch up in economic growth

Thailand recorded a nominal GDP of approximately THB16,316 billion in 2018, which places it as the eighth largest economy in Asia. The nominal GDP of Thailand is expected to grow during the forecast period at a CAGR of approximately 5.9%, from approximately THB17,195 billion in 2019 to approximately THB21,633 billion in 2023.

The rural population is concentrated in the Central (excluding Bangkok and its vicinity), Northeastern and Northern regions of Thailand, where much of the agriculture industry is concentrated. In terms of the regional growth of nominal GDP, during the forecast period, the nominal GDP of the Central region is expected to continue its strong momentum with a CAGR of approximately 6.6%. The government plans to continue developing smart and connected metropolitan areas, allowing people to travel more conveniently between cities and creating the opportunity for business expansion. The expansion of urban development and better economic conditions due to growing agricultural production in the Northeastern region will also bring about nominal GDP growth at a CAGR of approximately 4.8%. Apart from these two regions, the North region is also seeing a rising trend in its tourism sectors with its nominal GDP growth expected to be at a CAGR of approximately 4.9%.

INDUSTRY OVERVIEW

Table 1 Central, North and Northeast nominal GDP in Thailand (2014-2023F)

GDP (THB, billion)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	CAGR	CAGR
											2014-	2019-
											2018	2023F
Central Region	3,608	3,683	3,923	4,194	4,479	4,781	5,102	5,441	5,800	6,177	5.6%	6.6%
Northern Region	1,113	1,091	1,133	1,199	1,255	1,315	1,378	1,446	1,518	1,593	3.1%	4.9%
Northeastern Region	1,319	1,364	1,423	1,506	1,574	1,646	1,723	1,806	1,894	1,987	4.5%	4.8%

Source: Office of The National Economic and Social Development Board and Euromonitor Report

Notwithstanding the agricultural sector accounted for less than 10% of Thailand’s 2018 nominal GDP, the sector is expected to grow with a CAGR of approximately 8.6% from 2019 to 2023 as compared to a CAGR of approximately -0.9% from 2014 to 2018. In order to promote the growth of agricultural sector in Thailand, the government implemented Agricultural 4.0 since 2016 with the aim of increasing the average annual income of farmers from THB56,450 in 2017 to THB390,000 by 2037. In particular, the government has adopted precision agriculture, a smart farming solution with the integration of IoT technology, which helps the farmers to overcome the challenges in relation to climate change, plant diseases and soil moisture. Together with other technological advances such as agricultural robotics and biotechnology, the agricultural sector is expected to grow with enhanced productivity and efficiency.

2. IT SOLUTIONS IN THAILAND

2.1 Thailand 4.0 – a policy for transformation to a smart nation

The Thai government has embraced the importance of digitalisation as the key driver to achieve economic and societal prosperity for Thailand. According to Thailand Digital Economy and Society Development Plan, Thailand’s digital vision entails a “transformed country that maximises the use of digital technologies in all socioeconomic activities”, in order to “develop infrastructure, innovation, data, human capital and other digital resources that will ultimately drive the country towards wealth, stability and sustainability”.

In April 2016, Thailand’s Ministry of Digital Economy and Society (MDES) has initiated a 20-year strategic plan, the Thailand 4.0 policy, which is an overarching policy that outlines the government’s focus on attracting investment in technological development, developing industries including smart electronics, high-income tourism, agriculture, and next-generation automotive.

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2.2 Market overview of the Thai Government IT solutions

The government IT solutions market in Thailand refers to the provision of hardware, software and IT-related services to Thailand’s public sector. This supply of IT goods and services is to meet demand from Thailand’s Prime Minister’s Office and 19 Ministries, the public organisations and departments under their charge, as well as the more than 50 state-owned enterprises they oversee. Currently, the provision of hardware deployment as well as IT support services make up the majority of Thailand’s government IT solutions market.

In line with the Thailand 4.0 policy, Thailand’s long-term digital ambition is laid out in four phases in its 20-year strategic plan: Phase I – building digital infrastructure; Phase II – participation of Thai society in digital economy; Phase III – full transformation into a digital society; Phase IV – achieve digital leadership. Thailand is currently in the first phase of the strategic plan.

2.3 Government spending on IT solutions in telecommunications and utilities sector

IT Solutions in telecommunications and utilities sector account for a large proportion of government’s IT spending. In line with the Thailand 4.0 plan, the government is channelling more resources to improve the infrastructure and enhance the quality of the country’s telecommunications and utilities services. The infrastructural development of the public telecommunications and utilities sector in Thailand is covered by nine government agencies and state-owned enterprises, namely: (i) CAT Telecom Public Company Limited; (ii) TOT Public Company Limited; (iii) National Disaster Warning Center (“NDWC”); (iv) GISTDA; (v) Electricity Generating Authority of Thailand (“EGAT”); (vi) Metropolitan Electricity Authority (“MEA”); (vii) Provincial Electricity Authority (“PEA”); (viii) MWA; and (ix) Provincial Waterworks Authority (“PWA”). In order to achieve the goals outlined in the Thailand 4.0 plan, the government will need to integrate advanced technologies across all government agencies and state-owned enterprises in data collection and management.

Table 2 Government spending on IT solutions in telecommunications and utilities sector in Thailand (2014-2023F)

Government spending on IT solutions in telecommunications and utilities	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F	2023F	CAGR	
											2014- 2018	2019- 2023F
Total market size (THB billion)	21.0	21.9	22.9	24.0	25.2	26.4	27.8	29.2	30.7	32.3	4.6%	5.1%
y-o-y growth		4.3%	4.6%	4.8%	4.9%	5.0%	5.0%	5.1%	5.2%	5.2%		

Source: Euromonitor Report

2.4 Government spending on IT solutions in administrative sector

Under the Thailand Digital Government Development Plan spearheaded by Electronic Government Agency (“**EGA**”), broad plans are being laid out to increase e-governance. The objective of the Digital Thailand strategy is to digitise Thai government agencies, to develop an integrated information network, with a high level of efficiency and transparency. The Thai government is establishing new digital standards. More government procedures and processes are expected to be digitised as part of the Paperless Thailand initiative, with the goal of introducing a complete cloud storage system to more than 700 Thai agencies by 2021.

As part of the process of transforming the Thai government into a digital government, it intends to redesign the existing government services and processes using digital information, which will be easily assessable by the Thai public through mobile and cloud technology.

Market drivers of the Thai Government IT solutions industry

Promotion of Thai government’s Thailand 4.0 plan: The Thai government’s Thailand 4.0 plan focuses on the areas of public services, education and economic-related affairs, with heavy deployment of IT solutions such as IoT data centre and big data analytics, and cloud services. This would require investment in setting up the necessary servers and infrastructure to support the operations of such IT services. A positive CAGR of approximately 5.1% is predicted for government spending on IT solutions over the forecast period from 2019 to 2023, with spending reaching approximately THB32.3 billion in 2023.

Need for better resource planning and greater resource efficiency: The incorporation of modern telecommunication technologies can be very valuable in the development of natural disasters early warning systems, which enable the delivery of timely information so that individuals and communities can respond and prepare before natural disasters hit. To reduce water loss from water pipe leaks, MWA invested in water leakage detection software and tools. Such detection software makes use of technology such as the IoT, heat sensors and data analytics to identify leaks and schedule regular maintenance works.

Government outsources IT software and services to private sector: There is an increasing trend of the Thai Government outsourcing IT-related projects to the private sector. According to trade sources, most of the hardware utilised in the public sector is currently imported. For software and IT services, while the government used to develop its own proprietary systems, it has recently shifted to employing packaged commercial enterprise software, which provides business opportunities for vendors.

Opportunities for players to provide Fintech that is yet to be adopted in Thailand: Given Thailand’s digitalisation plans driven by the Thailand 4.0 policy, it is natural that the nation’s technological development trend will be aligned with the international community, which is marked by the introduction of Fintech such as increasing automation, and the adoption of big data analytics and blockchain technologies. Big data analytics is a major focus of the Thai Government, given that each individual ministry currently operates with a silo mentality, and

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collects data without any consolidation. Particularly, the combination of a central cloud that pools data across agencies, and big data technologies that can analyse this data, will appeal to the Thai Government. International and local vendors that specialise in technologies that can expand and maintain the security of this network will have an edge to capture related projects. In fact, the Thai Government is increasingly wary of cyber-security issues, which provides opportunities for the use of secure blockchain technology in sectors that entail the flow of sensitive personal data, such as in the Immigration Bureau and the Public Health Service.

Market constraint of the Thai Government IT solutions industry

Increasing challenge to identify competent IT experts: With the launch of Thailand 4.0 by the Thai government and the commercial sector expediting their digitalisation process to accommodate the global trend, there is an increasing demand for IT experts. However, the demand for IT experts far exceeds the growth in the number of IT experts trained and graduated each year from education institutions, which in turn, creates a gap on the talent pool of IT experts. As the gap continues to expand, it will be increasingly challenging to identify and/or retain competent IT experts, which may potentially hinder the speed to implement Thailand 4.0 and/or the digitalisation process of the commercial sector.

Low digital readiness amongst government personnel impedes roll-out of IT initiatives: According to the latest available data from the EGA, the digital readiness of Thai Government agencies' personnel stood at 66% for the central government, and just 37% in the rural provinces in 2017. Digital readiness refers to the ability of government officials to make use of digital technologies not only to improve operational efficiency, but also achieve wider policy goals. This problem is compounded by the limited pool of talents, where those with necessary skills are more likely to be drawn to larger organisations, where salaries, incentives and job securities are comparatively better.

Entry barrier of the Thai Government IT solutions industry

Relationships with government agencies and strong track record impose an entry barrier for new entrants: The importance of relationships with government agencies and a strong track record in delivering solutions can be a barrier to new entrants to the government IT solutions market. Companies that have not been previously worked for government projects would not have a track record and may face difficulties in landing projects. This is compounded by the fact that specifications spelled out by government procurement committees inherently skew the award of projects towards larger local players that have delivered past projects at fair value and maintain a good working relationship with government agencies.

Substantial upfront capital outlay requirements: IT solutions providers are generally required to make significant initial capital investment for procurement and installation of customised IT solutions to customers based on their specific requirements before generating revenue and receive payments from the customers upon achieving certain progress. This significant upfront capital requirement may exert financial/liquidity pressure on new/small entrants with limited track record and financial backings; and in turn, create obstacles for new/small entrants to compete with the existing market players.

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2.5 Competitive Landscape

2.5.1 Fragmented market with high barriers to entry

The market for provision of IT solutions to the Thai Government is highly fragmented, and companies face high barriers to entry due to the requirements of strong track record and substantial upfront capital. Market players in Thailand include large international vendors, mid-sized international vendors, international implementers, local distributors, as well as local system integrators. While most of the international vendors are inclined towards Business to Business projects, the local distributors and system integrators take up the lion's share of the government projects, particularly those in the human resources, accounting, hospitality and food production sectors, due to their advantages with local language and culture.

2.5.2 Steady growth of IT solutions in Thai public sector

Thailand's government IT solutions market is estimated to have grown at a steady CAGR of 3.8% from approximately THB28 billion in 2014 to approximately THB32.5 billion 2018, driven by the government's commitment to improve Thailand's digital infrastructure, rising demand for IT solutions to deliver public services digitally, the government's drive to enhance public security and safety through IT solutions, and outsourcing of IT solutions to the private sector. Thailand's government IT solutions market is projected at a value of approximately THB33.8 billion in 2019 and expected to reach approximately THB40.1 billion by 2023. This reflects a stable CAGR of 4.4% over the 2019-2023 forecast period, due to the trends and factors laid out above.

Table 3 Government IT Solutions in Thailand, (2014 – 2023F)

Business Receipts	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F	2023F	CAGR	CAGR
											2014-2018	2019-2023F
Total market size												
(THB, billion)	28.0	29.0	30.1	31.3	32.5	33.8	35.3	36.8	38.4	40.1	3.8%	4.4%
y-o-y growth		3.6%	3.8%	4.0%	4.0%	4.1%	4.2%	4.3%	4.4%	4.5%		

Source: Euromonitor Report

2.5.3 Keen competition with premium on relationship with government agencies

Due to the high entry barriers as mentioned above, international players are deterred from bidding directly for the government procurement tenders. Instead, they usually collaborate with local partners such as the system integrators. Similarly, each government organisation is also inclined to engage the services of system integrators familiar with their requirements. Local system integrators that have a strong background and experience with a range of end-to-end solutions have the edge in being engaged as partners to both the Thai public sector and international vendors, given their familiarity with Thai language and working culture. For

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instance, local telecommunications service provider Loxley Wireless participated in the National Education Network (“NedNet”) Project to expand the fibre-optic cable network to connect schools in the lower part of Thailand’s north-east, and in the south, to the national system.

2.6 ATM IT Solutions in Thailand

2.6.1 Banks and specialised financial institutions (“SFI”) in Thailand

The banking industry in Thailand is competitive comprise of players of different scales. There are 24 licensed banks which offer ATM services. Among the 24 licensed banks, BAAC, one of the SFIs, is the state-owned bank with the aim to promote and support the economic development and to meet the banking needs of the rural population, such as providing low interest rate loans to farmers for their seasonal needs, and agricultural investment. Amongst the six SFIs in Thailand, BAAC is considered to be the second largest state-owned bank in terms of its ATM distribution network, after Government Savings Bank (“GSB”). According to statistics from Euromonitor, there were a total of approximately 88.8 million active ATM cards in issue and approximately 69,690 ATM machines in operation in Thailand in 2018. In 2018, our Group supported BAAC in operating (i) approximately 2,000 ATMs mainly located in rural areas of Thailand, representing approximately 2.9% of the total ATMs in Thailand; and (ii) approximately 8.7 million active ATM cards, representing approximately 9.8% of the total active ATM cards in Thailand.

2.6.2 Growth in number of ATMs driven by growth in rural regions

The number of ATMs in Thailand grew at a CAGR of approximately 3.1% between 2014 and 2018, in line with the GDP per capita CAGR of approximately 4.3% over the same period.

Table 4 Number of ATMs in Thailand (2014-2023F)

Number of ATMs ('000)	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F	2023F	CAGR	CAGR
											2014-2018	2019-2023F
All Thailand												
Total number of ATM												
Machines	61.6	63.4	64.1	66.9	69.7	72.5	75.4	78.4	81.5	84.7	3.1%	4.0%
Bangkok	16.7	16.8	16.7	17.2	17.4	17.6	17.8	17.9	18.0	18.1	1.1%	0.7%
Central Region	21.3	21.9	22.1	23.5	24.5	25.5	26.5	27.5	28.5	29.6	3.6%	3.8%
Northeast Region	9.3	9.7	7.9	10.2	11.1	12.1	13.2	14.5	15.8	17.4	4.6%	9.5%
North Region	6.9	7.1	8.6	7.6	8.0	8.4	8.8	9.2	9.6	10.0	3.8%	4.6%
South Region	7.5	7.9	8.8	8.5	8.7	9.0	9.1	9.3	9.5	9.6	3.9%	1.8%

Sources: Bank of Thailand and Euromonitor Report

Note: The figures included both ATMs and CDMs.

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More than half of the Thai population lives in rural areas, concentrated in the agricultural areas of Central Thailand, as well as the Northern and Northeastern regions. As the GDP per capita of these rural areas rises, banks are introducing banking to the largely unbanked population. Overall growth in the number of ATMs is being driven by growth in these rural areas, as banks aim to make ATMs easily accessible for new users in order to build their habit of using ATM services.

The number of ATMs in Thailand is expected to increase at a CAGR of approximately 4.0% from 2019 to 2023. Bangkok is expected to see a lower growth rate than other regions because the number of ATMs has almost reached its plateau. High penetration in different locations within the Bangkok area and the limited space set constraints for its further growth. However, in other regions of Thailand, such as the Central region excluding Bangkok and its vicinity, the number of ATMs still experience a growth of approximately 3.8% due to the development of the metropolitan areas. The Northeast region is also expected to enjoy more favourable growth of approximately 9.5% in the number of ATMs due to promising agricultural return on investment and urbanisation in its big cities.

2.6.3 Market overview of ATM IT solutions

ATM IT Solutions in Thailand

The total market size of ATM IT solutions in Thailand in terms of revenue registered a CAGR of approximately 3.8% from 2014 to 2018, increasing from approximately THB4,127 million to THB4,796 million. Going forward, the demand for financial services is expected to grow in general, including transactions performed on ATMs, which will thus drive demand for ATM IT solutions in Thailand. The total market size for ATM IT solutions in terms of revenue receipts is expected to achieve a CAGR of approximately 2.4% over the forecast period, increasing from approximately THB5,054 million in 2019 to approximately THB5,552 million in 2023.

Table 5 Industry revenue receipts of ATM IT solutions in Thailand, (2014-2023F)

Industry revenue Receipts	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F	2023F	CAGR	CAGR
											2014-2018	2019-2023F
Total market size (THB, million)	4,127	4,228	4,293	4,486	4,796	5,054	5,201	5,321	5,438	5,552	3.8%	2.4%
y-o-y growth		2.4%	1.5%	4.5%	6.9%	5.4%	2.9%	2.3%	2.2%	2.1%		

Source: Euromonitor Report

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ATM IT solutions categorised as frontend or backend

ATM IT solutions can be categorised into frontend services and backend services. Frontend services include any IT services relating to the software or the hardware of the ATM terminal unit, as well as any related installation and regular maintenance services. Backend services is the part that manages and monitors the switching process, when transactions are performed on an ATM terminal. The switching process is the communication process between a bank's main payment system and the ATM terminal, for the purpose of getting authorisation from the issuing bank to proceed the requested ATM transaction for a designated bank account.

Banks outsourced frontend and backend ATM IT services

According to the latest available data from the trade sources, frontend services account for approximately 60.0% of the total market value in 2018. In general, banks either procure the ATM IT hardware and software directly from the frontend service provider, or assign a contractor, normally a backend services operator, to coordinate the sourcing of the frontend hardware and software. Nonetheless, it is at the discretion of the banks to outsource certain aspect of their backend ATM IT services depending on their available resources. According to the trade sources, most banks outsourced backend ATM IT services to service operator and at the same time retain control of some of the backend portion of the entire ATM IT solutions.

2.6.4 Market drivers of ATM IT solutions

Migration to chip-based cards initiated the continuous growth for ATM IT solutions: To improve the security of ATM cards and debit cards, the Payment Systems Committee of Thailand set up a policy in 2013 for financial institutions to replace the magnetic cards with chip cards. As a result, all ATM cards and debit cards issued after May 2016 are chip-based; all existing magnetic cards must be replaced by chip cards complying with the Thai Bank Chip Card Standard by the end of 2019. With the implementation of such policy, banks have been upgrading their ATM terminals to support the chip cards. In particular, the ATM IT solutions providers have been engaged in upgrading the frontend systems to support both magnetic cards and chip cards throughout the transition period, as well as the backend switching system, such as the BASE24-ATM system, to be able to support chip card transactions.

With the enhanced functionalities and security of the chip cards, more payment functions can be launched, such as utility bill payment and top ups, which are useful functions for consumers, including for farmers. This should lead to increasing transaction volume using chip cards and rising demand for ATM IT solutions in both frontend and backend arena. In addition, according to trade sources, banks are increasing their presence by installing ATM terminals rather than opening physical outlets/branches, or are opening small outlets complemented by ATM terminals nearby to reduce their costs, which will also drive the demand for ATM IT solutions service.

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Outsourcing ATM IT solutions reduces reliance on banks internal IT resources: Currently, banks mainly outsource their frontend portion of ATM IT solutions. As the banking landscape in Thailand becomes more competitive and cost conscious, banks are looking to optimise their operations to reduce costs. SFIs, such as GSB and BAAC, being state-owned financial institutions have relatively limited resources to develop their own ATM IT backend systems compared to private commercial banks. Hence, by outsourcing their ATM IT solutions will help the SFIs like GSB and BAAC to reduce manpower costs and cut the time required to build expertise.

2.6.5 Market constraint

Rise of e-banking and cashless payment society: In 2017, the Bank of Thailand launched PromptPay, a peer-to-peer payment system, which reduces the need for cash transactions. With the government's support for Digital Thailand, more retailers are using digital payment technologies, such as QR code payment and one-tap credit card payment, allowing customers to make payments without cash. The rise of such technologies has reduced the need for cash transactions, which affects demand for ATMs and, consequently, ATM IT solutions. However, even with the rise of new financial and banking technologies, the ATMs will not be replaced in the near future, given that ATM cards are still necessary part of the banking ecosystem since online accounts are linked with the bank's ATM cards. In particular, the rise of e-banking and cashless payment is expected to be more prevalent in the urban areas vis-à-vis the rural areas. In the rural areas, where banking services have just been introduced to the population and internet access may not be sufficiently stable or secure yet, it would take some time before such trends reach the rural population.

2.6.6 Market outlook

Expected growth of banks catering to rural population: Growth in GDP in the rural regions of Thailand will drive demand for ATM services, as the population is being introduced to banking and other financial services. Farmers are taking loans from banks to invest in their agricultural businesses, and the ATM is expected to become one of the key channels for banks to reach these farmers in the rural regions. This is expected to benefit the SFIs, such as BAAC and GSB.

2.6.7 Entry barrier

New entrants must provide value-added services to stand out: For new players seeking to enter the ATM IT solutions industry, their technology must be up-to-date and they must provide strong coverage of key areas of interest to banks, such as ATM security, ATM user interface and maintenance services. At the same time, pricing is also a factor taken into consideration by banks. Banks will seek the best value-for-money service provider, so there is a need for service providers to price in consideration of costs, as well as competition in the market.

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2.7 COMPETITIVE LANDSCAPE

2.7.1 Competitive environment – Highly consolidated industry

In the ATM IT solutions industry, suppliers are often classified by the scope of their service offering, which could be classified as (i) frontend, relating to the consumer-facing ATM terminal unit and operating systems; or (ii) backend, relating to the mid-office and back-office systems. An integrated IT solutions provider would offer their clients an integrated IT solutions, covering a range of services from the typical frontend software/hardware of ATMs sourcing and arrangement, to backend switching software, server support and implementation. Added value services, such as production of ATM cards, support of and marketing of ATM cards are also part of the services.

Most players have been in the market for a long time, and the competitive landscape has remained relatively stable, with only a few acquisition activities. Among ATM frontend IT solutions service providers, there is likely to be slightly more competition compared with that for the backend. This is because the cost of some components of frontend solutions, such as ATM hardware, may be reduced with economies of scale, which will allow ATM frontend IT solutions service providers to price their products and services more competitively.

Table 5 Major ATM IT solutions providers in Thailand in 2018

Ranking	Company	Brief introduction	Business receipts in 2018 (THB, million)	Company status	Estimated market share (%)
1	Company A	Company A focuses on providing frontend ATM software and hardware to its customers in financial and retail sectors.	1,710	private	35.7
2	Company B	Company B provides various IT services, including both frontend and backend IT services such as IT consulting services, systems integration services and IT outsourcing services.	995	private	20.7
3	Company C	Company C focuses on frontend solutions such as ATMs and its related software services.	812	private	16.9
4	Company D	Company D focuses on providing backend IT solutions, such as ATM switching systems and undertakes electronic card printing.	659	private	13.7
5	The Group	Platt Nera focuses on providing IT solutions to Thai financial institutions, government departments and agencies predominantly in administrative, telecommunications and utilities sectors. In particular, Platt Nera provides integrated ATM IT solutions to BAAC as described below.	517	private	10.8

Source: Euromonitor Report

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As shown in Table 5 above, there are four companies focus on either the ATM IT frontend or backend solutions industry. Notwithstanding the similarity of the services provided by the major ATM IT solutions providers, none of these players offer the same level of integrated ATM IT solutions services like that provided by the Group to BAAC, which covers all parts of the value chain of ATM IT solutions, such as the provision of card printing, frontend ATM terminal software/hardware arrangement (as a partner of a frontend operator), and outsourced backend services to bank clients. On top of the above services, Platt Nera also supports its banking clients in marketing and educating customers in the rural community to use the ATM cards and ATM terminals in proximity (e.g. drawing loans from the ATM machines). The Group is the only integrated ATM IT solutions provider who adopted a revenue and cost sharing model with the client bank in Thailand.

2.7.2 The Group's key competitive strengths

Well-established name in the industry. The Group is a well-established IT solutions company in the market. Established in 2004, the Group positions itself as an integrated ATM IT solutions provider, and has carved out niches for itself in each of the different industries which it serves. The Group has a knowledgeable team of employees, which is very valuable since Thailand is in demand for IT experts from the limited pool of IT talents.

Clients serving top-growth segments. The Group is preferred by its clients as it customises its services, tailoring the services provided to each client bank, to increase the operational efficiency of each bank and to support them to focus on other areas of their businesses. By leveraging on the Group's expertise in ATM IT solutions services, its clients have begun exploring new business opportunities with other banks serving the rural community. This is expected to support the Group's future growth, since it is forecast that the growth in ATMs will be concentrated in the rural regions.

Integrated ATM IT solutions provider. The Group enjoys a strong position in the market as it has been able to apply its expertise in ATM IT solutions on a broader spectrum than most of its competitors. While its competitors focus on either frontend or backend ATM IT solutions services, the Group is the only operator that provides an integrated ATM IT solutions, from the printing of ATM cards, marketing and educating cardholders in rural community, supporting with a 24-hour operational support services for its client banks. By outsourcing ATM IT services to an integrated solutions provider, banks can save time and resources by working only with a single company instead of multiple companies to meet their ATM IT solutions needs. It will be very challenging for newcomers to compete with the Group in the medium term, not only because customers' aversion to switching cost and risks, but also to comply with the requirements stated in the IT Best Practices recommended by the Bank of Thailand.

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REGULATORY FRAMEWORK IN THAILAND

The following paragraphs set out an overview of Thai laws, regulations and rules applicable, though not exhaustive, which have a material impact on business of our Group.

Civil and Commercial Code

Under Thai law, the principal forms of business organisations are:

- Sole proprietorship
- Ordinary partnership (unregistered)
- Ordinary partnership (registered)
- Limited partnership
- Representative office
- Regional office
- Branch office of foreign company
- Private company limited
- Public company limited
- Joint venture

Platt Nera was incorporated as a private company limited. The formation of a private company is governed by the Civil and Commercial Code (the “CCC”). According to the CCC, private limited companies are required to have a minimum of three shareholders at all times. The initial step in forming a private limited company is to reserve a name with the Department of Business Development, Ministry of Commerce (the “DBD”) and, if approved, file a memorandum of association.

After the memorandum of association has been approved and full subscription of shares has taken place, the promoters are required to call a statutory meeting of the share subscribers to formally bring the company into existence. After the statutory meeting has been held, the promoters shall hand over the business to the director(s). The directors shall then require the promoters and subscribers to pay forthwith upon each share payable in money such amount not less than 25%. The company is then registered as a legal entity (or juristic person). Platt Nera was duly incorporated with limited liability and is valid and duly existing in accordance with the Thai laws and has legal capacity to sue and be sued in its own name.

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A Thai limited company is managed by a board of directors, which is appointed by its shareholders. Meetings of shareholders and directors must conform to the requirements set forth in the CCC or the articles of association of the company. Provided below is the summary of company law of Thailand:

(i) Board of directors

The director of the private company limited is appointed by the shareholders. There is no requirement on the minimum member of the board of directors or the nationality of the director. A director has power to manage a company by all lawful means necessary, within the bounds of the company's memorandum of association, articles of association, resolution of shareholders' meetings, and applicable Thai law. As long as directors act within such scope, their actions are legally binding on the company and they shall not be held personally liable to the third party. The general role of directors is setting goals, policies, strategies, overseeing, and decision making. Directors' legal position is representatives of the company. In addition, the directors may delegate their powers to any manager(s), who may then exercise powers according to what has been delegated to him/her/them by the directors.

(ii) Shareholder

The private company limited is required to have a minimum of three shareholders at all times. Principally, the rights of the shareholder include the right to attend and vote in the shareholders' meeting, the right to nominate and appoint the director, the right to receive dividend, the right to call the shareholders' meeting. Certain matters of the company must be approved by the shareholders only, such as the amendment of the articles of association and memorandum of association, the amendment of the company's objectives, the appointment of new director and authorised signatories, the decrease and increase of the registered capital, the amalgamation and the dissolution.

(iii) Shares

The capital of the company must be divided into shares, each with an equal par value of at least THB5.0. Minimum paid-up amount on the shares issued is 25%, which can be used as working capital. The transfer of the shares in the company must be made in writing and signed by the transferor and the transferee in the presence of at least one witness. The transfer of the shares is invalid against the company and the third party until such share transfer is recorded in the company's register of shareholder. The register of shareholders is the prima facie evidence of the shareholders of the company, including whether the shares are subject to any pledge or encumbrance.

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(iv) Dividend and legal reserve

According to the CCC, the dividend may be distributed to the shareholders only by the resolution of the shareholders. However, the director of the company may distribute the interim dividend from time to time if the company has enough profits to do so. The dividend must be paid from the profits only. In case the company has incurred loss, such company cannot distribute the dividend until such loss has been made good. Every time the company distributes the dividend (either annual dividend or interim dividend), at least 5% of the profit to be distributed as dividend must be appropriated as the legal reserve, until the legal reserve reaches 10% of the registered capital. There is no restriction under the law for the company to use the legal reserve for business purpose but such legal reserve or other reserves cannot be distributed as the dividend to the shareholders until liquidation. Pursuant to the CCC, there is no requirement on the minimum amount of the dividend to be distributed. The company has the discretion on the amount of dividend to be distributed as long as it has enough profits and such dividend distribution has no effect to its financial status and investment plan.

(v) Financial statement

A private limited company must prepare its statement of financial position to be audited by a certified public auditor. The audited financial statements must be approved by the shareholders in a general meeting within four months from the end of its financial year and be submitted with DBD within one month thereafter.

(vi) Increase or decrease of registered capital

Increase and decrease of registered capital of the private limited company requires a special resolution in the shareholders' meeting. Under the CCC, in order to hold a general meeting, the company must send an invitation notice, which shall be also published in a local newspaper, to each shareholder of the company at least seven days prior to the meeting date. The period shall extend to 14 days if there is an agenda that requires the special resolution. With respect to the increase of registered capital, the company must register such special resolution within 14 days from the date of shareholders' meeting and the increase of registered capital will be completed when relevant application to amend the memorandum of association and the article of association are filed with the DBD. With respect to the decrease of registered capital, the company must also register such special resolution within 14 days from the date of shareholders' meeting. However, the CCC provides for the process of decrease of registered capital that a notice of the proposed capital reduction must be published at least once in a local newspaper and be sent to all creditors of the company if they have any objection. If there is no objection within 30 days, the company shall file the relevant application to amend the memorandum of association and the articles of association accordingly.

According to the CCC, three-fourths of shareholders attending the meeting, either in person or by proxy, and being eligible to cast votes shall give the special resolution.

REGULATORY OVERVIEW

Foreign Business Act

The Foreign Business Act B.E.2542 (1999) (the “**FBA**”) restricts a foreigner including a company majority owned by foreigners from conducting certain types of businesses.

According to Section 4 of the FBA, “foreigner” means:

- (a) An individual who does not have Thai nationality;
- (b) A legal entity not registered in Thailand;
- (c) A legal entity registered in Thailand and having following characteristics:
 - (i) Half or more of its share capital held by a person under paragraph (a) or (b) above, or in which a person under paragraph (a) or (b) invests half or more of the total capital; or
 - (ii) Being a limited or registered ordinary partnership having an individual under paragraph (a) above serve as managing partner or manager; and
- (d) A legal entity registered in Thailand and having half or more of its share capital held by a person under paragraph (a), (b) or (c), or in which a person under paragraph (a), (b) or (c) invests half or more of the total capital.

For the purpose of the FBA, the FBA considers the number of shares held by foreigners or Thais regardless of whether such shares are preference shares or ordinary shares. In addition, the FBA also disregards the voting rights or economic interest held by foreigners.

There are three categories of businesses which the foreigner is prohibited or restricted pursuant to the FBA.

List 1 consists of businesses which are not permitted to be operated or conducted by the foreigner due to special reasons as follows:

- Newspaper, radio and television broadcasting
- Farming, plantation or orchard operations
- Animal husbandry
- Forestry operation and timber conversion from natural forests
- Fishery, especially fishery in Thai territorial waters and in the specific economic area of Thailand

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- Extracting Thai herbs
- Trade and auction sale of Thai antiques or valuables having historical value
- Making or casting of Buddha images and alms bowls
- Landing trading

List 2 consists of businesses relating to national safety or security, art, culture and local customs that the foreigners require permission from the Ministry of Commerce with the approval of the Cabinet of Thailand as follows:

- Production, distribution or maintenance of:
 - Firearms, ammunition, gun powder, or explosive materials
 - Components of firearms, ammunition, and explosive materials
 - Armaments, ships aircraft, or military vehicles, equipment or components of all types of military equipment
- Inland, waterborne, and airborne transportation in the country including domestic aviation
- Trading of antiques, or art objects that are fine arts, or Thai handicrafts
- Wood carvings
- Manufacturing of Thai silk yarn, Thai silk weaving or Thai silk printing
- Manufacturing of Thai musical instruments
- Manufacturing of goldware, silverware, nielloware, bronzeware or lacquerware
- Making Thai cultural plates and dishes or pottery
- Manufacturing of sugar from sugarcane
- Salt farming including underground salt
- Rock salt mining
- Mining including dynamiting or quarrying of rocks
- Timber processing for making furniture and utilities

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List 3 consists of businesses in area that Thais are not yet ready to compete with foreigners. The foreigners may carry on businesses in List 3 only if permission is obtained from the Director General and a committee on the foreign business as follows:

- Rice milling and production of flour from rice and plants
- Fishery, only aquatic breeding
- Forestry from planting
- Production of plywood, veneer board, chipboard or hardboard
- Production of white lime
- Accounting service operation
- Legal service business
- Architectural service operation
- Engineering service operation
- Construction, except:
 - Construction of basic services for the public in public utilities or communication requiring tools, technology or special experience, having minimum foreign capital of more than THB500 million
 - Other construction as prescribed in the Ministerial Regulations
- Commission agent or brokerage, except:
 - Being a broker or representative for the purchase/sale of securities or service in purchase/sale of future of agricultural commodities or financial instrument or securities
 - Being a broker or representative for the purchase/sale of goods or services necessary for production or rendering services among affiliated enterprises
 - Brokerage or agency service for trading, purchasing or distribution or seeking of markets both domestically and abroad for the distribution of productions being produced domestically or imported that are in the nature of an international business operations, with a minimum foreign capital of not less than THB100 million
 - Other brokerage or agency as stipulated by the Ministerial Regulations

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- Auctioning, except:
 - International auctioning of not being for antiques, heirlooms or fine art objects that are Thai fine arts works, handicraft works, or antique objects or with historical value of Thailand
 - Other types of auctioning as stipulated under the Ministerial Regulations
- Domestic trade related to native or local agricultural products that are still not prohibited by laws
- Retail trade of all types having minimum capital less than THB100 million or having the minimum capital in each shop less than THB20 million
- Wholesale trade of all types with capital less than THB100 million
- Advertising business
- Hotel operations, except hotel management services
- Guide tours
- Selling food or beverages
- Plant cultivation and propagation
- Other categories of service business except for those prescribed in the Ministerial Regulations

Businesses not specified in any of List 1-3 are open to be majority owned or 100% owned by foreigners. Platt Nera's business activities in Thailand are categorised in List 3 as "other categories of service business". Since Platt Nera is completely owned by IAH, a company which has 51% of total issued shares owned by Thai shareholders, it is deemed as a Thai company. Accordingly, Platt Nera qualifies as a Thai company under the FBA and is allowed to carry on its business in Thailand provided that other relevant licenses or permits are duly obtained.

Overview of Contract Laws

Thai law allows persons to freely enter into contractual agreements which establish the rights and obligations of the parties involved. The principle of freedom of contract is recognised under the CCC and by the Thai courts, provided that the terms and conditions agreed upon by the contracting parties are not contrary to the public order or good morals of Thailand and are not illegal. The general legal requirements for contracts are contained in the CCC. Restrictions on certain types of contracts or certain terms can be found in both the CCC and the Unfair Contract Terms Act B.E.2540 (1997).

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Generally, a contract is an act made by two or more parties expressing their intention which will constitute legally binding effect amongst themselves. An act is void under the CCC if its object is expressly prohibited by law or it is impossible or is contrary to public order or good morals. In addition, acts do not have to be in a particular form, unless the law provides otherwise. As such, an act which is not in a form prescribed by law is void (e.g., the sale of immovable property or certain properties, the sale with right of redemption, a share transfer document, etc.). Therefore, a contract which is (i) prohibited by law; (ii) impossible; (iii) contrary to public order or good morals; or (iv) not in the form prescribed by law will be void.

The law regarding most contract types can be found in the CCC. The CCC provides requirements and formalities for several specific types of contracts. As a general proposition, an act or juristic act does not have to be in a particular form unless the law provides otherwise. As such, an act or juristic act which is not in the form prescribed by law is void. For instance, examples of contracts which conform with the requirements on the contractual formality are share transfer documents.

The transfer of share shall be made in writing and signed by the transferor and the transferee whose signatures shall be certified by a signature of at least one witness. In addition, to defend against any third party, such share transfer must be recorded in the share register book as well. Failure to comply with these requirements shall render such transfer void and unenforceable.

Exchange control

The fund or cash, flowing into and out of Thailand, is subject to the Exchange Control Act B.E.2485 (1942) (the “**ECA**”) as amended and relevant rules (“**Exchange Control Regulations**”). According to the ECA and Exchange Control Regulations, a private limited company in Thailand may purchase foreign currency with a local authorised bank for distributing dividend to shareholders not residing in Thailand without obtaining approval from the Bank of Thailand in advance. In this regard, the company must provide and substantiate details of the foreign exchange transaction and supporting documents prescribed by the Exchange Control Regulations such as a resolution of the board of directors’ meeting and/or the shareholders’ approving the dividend payment, list of shareholders, etc.

Radio Communication Act

The Radio Communication Act B.E.2498 (1955) (the “**RCA**”) is a statute enacted for the purpose of controlling the usage of radio communication device.

Under RCA, any production, possession, usage, bringing in, taking out, or trading of radio communication device is not permitted unless it obtains license from the Office of The National Broadcasting and Telecommunications Commission (the “**NBTC**”) or it is exempted by the Notification of NBTC. In this regard, radio communication device means a radio communication transmitter, radio communication receiver, or radio communication transmitter receiver, excluding a radio broadcasting receiver, radio-television receiver, radio

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communication transmitter, radio communication receiver, or radio communication transmitter-receiver by Hertzian wave of the feature and category prescribed in the Ministerial Regulation. The violation of this provision shall be liable to a fine not exceeding THB100,000 or imprisonment penalty not exceeding two years or both. In this regard, the sale of satellite receiver system by our Group under the Sale and Purchase Agreement between our Group, as the seller, and GISTDA, as the purchaser, also require this license and our Group confirms that it has already been granted such license by the NBTC.

Telecommunication Business Act

The Telecommunication Business Act B.E.2544 (2001) (the “**TBA**”) classifies the type of telecommunication business license into three categories as follows:

- (1) Type One License: a license for the telecommunications business operator who does not have his or her own telecommunications network and the characteristics of his or her business are deemed appropriate to provide services on the basis of liberalisation;
- (2) Type Two License: a license for the telecommunications business operator who has or does not have his or her own network and whose business is intended to provide services for a limited group of people or has no significant impact on free and fair competition or on public interest and consumers; and
- (3) Type Three License: a license for the telecommunications business operator who has his or her own network and whose business is intended to provide services to a large number of the general public or may have significant impact on free and fair competition or on public interest or requires special consumer protection.

Our Group was granted the Type Three License for providing service for the FTTx Provincial Project with CAT Telecom Public Company Limited. However, our Group has applied to NBTC to remove this license since the project is no longer operated. According to our Thai legal adviser, the NBTC has approved to do so and our Group has complied with the regulation of NBTC for discontinuance of service according to the Approval Letter from the NBTC No. SorTorChor 5009/12790 dated 29th March 2016.

Furthermore, to provide IoT service to the general public, our Group has also been granted the Type Three License of the Telecommunication Business License since 11 April 2018, with a duration of 15 years which expires on 10 April 2033. According to our Thai legal adviser, the Type Three License is required upon commencement of provision of IoT service to the customer. Our Executive Directors confirmed that, prior to obtaining the Type Three License, our Group has not applied any IoT service to any projects.

REGULATORY OVERVIEW

Revenue Code

The Revenue Code (the “**RC**”) is a statute enacted for the purpose of imposing taxes on property, value added tax, stamp duty, earnings and profits in Thailand.

The RC provides, amongst other things, subject to the Double Taxation Agreement between the Kingdom of Thailand and each relevant countries, that profits tax shall be charged on every person carrying on a trade, profession or business in Thailand in respect of his or her assessable profits arising in or derived from Thailand at the standard rate at 20% for corporate taxpayers according to the income tax rate schedule of the RC. The RC also contains detailed provisions relating to deductible expenditures, loss carry forward and allowances for depreciations or amortisations of capital expenditures or assets. As Platt Nera is a company incorporated in Thailand, it is subject to corporate income tax in Thailand based on its worldwide income pursuant to the RC.

According to the RC, a half-year corporate income tax return (PND.51) must be submitted within two months after ending of six months period of its financial year and the annual corporate income tax return (PND.50) must be submitted within 150 days from the end of its financial year as stipulated in the Notification of Revenue Department (No. 107) issued under section 11 and section 67 Bis of the RC. If any juristic person fails to file the tax return within the specified period, there will be a maximum fine of THB2,000 according to section 35 of the RC. In addition, in the case where the juristic person intentionally fails to file tax returns in order to evade or in an attempt to evade tax, there will be a maximum fine of THB200,000 or a maximum imprisonment period of one year or both pursuant to section 37 Bis of the RC. For the annual corporate income tax return, apart from the punishment provision as mentioned above, according to the Act on Prescribing Offences Related to Registered Partnerships, Limited Partnerships, Limited Companies, Associations and Foundations B.E.2499 (A.D.1956), if the juristic person (i) fails to make a balance-sheet or fails to cause its balance-sheet to be examined by auditors; (ii) fails to submit the balance-sheet for adoption by a general meeting; or (iii) fails to send a copy of the balance-sheet, there will be a maximum fine of THB20,000. Moreover, any director who fails to send a copy of the balance-sheet to the DBD shall also be liable to a maximum fine of THB50,000.

For withholding tax, the juristic person paying assessable income shall withhold income tax during each time of payment and handover to the authority. Otherwise, there will be a maximum fine of THB2,000 as stipulated in the Order of the Revenue Department No. Por.91/2542.

Regarding the Value-Added Tax (“**VAT**”), a VAT registrant is obligated to file a tax return in such form as prescribed by the Director-General on the basis of tax month together with tax payment if any, whether or not sale of goods or provision of service are made in that tax month. In this regard, the tax return filling and payment of tax for any tax month shall be made within 15 days of the following month pursuant to section 83 of the RC. If the VAT registrant fails to do so, there will be a maximum fine of THB2,000 according to section 90(2) of the RC.

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In addition, the RC section 65 Bis (4) also provides that “The calculation of net profit and net loss under this Part shall follow the following conditions: (4) In the case of transfer of assets, provision of service or lending of money without remuneration, fee or interest; or with remuneration, fee or interest that is lower than the market price without reasonable cause, an assessment official shall have the power to assess such remuneration, fee or interest in accordance with the market price on the date of transfer, provision or lending”. Therefore, the transaction of our Group as mentioned in section 65 Bis (4) of the RC must be made with remuneration at the market price.

Employment and labour legislation

The principal employment and labour statutes in Thailand include section 575 to 586 of the CCC, the Labour Protection Act B.E.2541 (1998) (the “**LPA**”), the Labour Relation Act B.E.2518 (1975) (the “**LRA**”), the Social Security Act B.E.2533 (1990) (the “**SSA**”) and the Workmen Compensation Act B.E.2537 (1994) (the “**WCA**”) as amended.

The CCC and LPA are the principal laws enacted for, amongst other things, the protection of the general working conditions of employees and the regulation of the general conditions of employment and employment agencies. Under the CCC and LPA, an employment contract is not required to be made in writing.

Pursuant to the LPA, an employee is generally entitled to a notice period prior to the termination of his or her employment contract and is also entitled to leave, severance payments and holidays.

The SSA and WCA are laws enacted for the purpose of providing payment of compensation to employees injured in the course of employment. An employer is required to make contribution to the Social Security Fund and the Workmen Compensation Fund to insure against the injury risk of his or her employees. Any employer who contravenes this requirement commits a criminal offence and is liable on conviction to a fine or imprisonment or both.

Recently, amendment to the LPA has been published in the Royal Thai Government Gazette and became effective on 5 May 2019. In this regard, our Thai legal adviser has summarised the changes that may affect our Group as follows:

(i) Severance pay

There is a cap extension for severance pay from the current cap of 300 days at the latest wage rate for an employee with 10 years of consecutive employment to 400 days at the latest wage rate for an employee with 20 or more years of consecutive employment.

(ii) Payment in lieu of advance notice

Currently, in order for an employer to terminate an employee who has an indefinite employment agreement, the employer must give the employee advance notice of termination at the time of or prior to the date on which wages are normally paid, and the termination becomes effective as of the subsequent date on which wages are normally paid.

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If an employer wishes to terminate an employee immediately, the employer must provide payment in lieu of advance notice to the employee equivalent to the amount which would have been paid if notice had been given as stated in the paragraph above on the termination date.

An interest rate of 15% a year will be imposed on the employers, if the employer fails to make the payment in lieu of advance notice.

For the risk related to our Group, please refer to the paragraph headed “Changes in existing laws, regulations and government policies, including but not limited to the introduction of more stringent labour laws and regulations may cause us to incur additional costs” under the section headed “Risk factors” in this prospectus.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

OVERVIEW

The history of our Group can be traced back to October 2004 when Platt Nera, our principal operating subsidiary, was established with the intention of engaging in long term IT solutions projects in the banking sector and our Group was subsequently awarded the ATM Project in 2006. At the time of its establishment, the registered share capital of Platt Nera was THB10.0 million and was held as to approximately 90.0% and 10.0% by Ms. Suphanantareuk and Mr. Archadechopon respectively. The shares held by Ms. Suphanantareuk were controlled by Mr. Asvaplunghprohm through trust arrangements with Ms. Suphanantareuk and was funded by Mr. Asvaplunghprohm's own financial resources. For further details of the trust arrangements between Mr. Asvaplunghprohm and Ms. Suphanantareuk, please refer to the paragraph headed "Platt Nera" below. After a series of share transfers and allotments that occurred during the period from 30 November 2009 to 31 October 2017, approximately 96.0%, 2.0% and 2.0% of the shares of Platt Nera was owned directly and/or indirectly by Mr. Asvaplunghprohm, Mr. Archadechopon and Ms. Talomsin respectively since 31 October 2017 before our Group underwent the Reorganisation.

BUSINESS DEVELOPMENT AND KEY MILESTONES

The following are the major developments and milestones of our Group:

Year	Events
2004	Platt Nera, our principal operating subsidiary, was incorporated in October 2004.
2006	Our Group was awarded the ATM Project with BAAC, the second largest state-owned bank in Thailand in terms of ATM distribution network. For further details of the ATM Project, please refer to the paragraph headed "5. Our projects – The ATM Project" under the section headed "Business" of this prospectus.
2009-2010	Entered into a service agreement with the Thai Meteorological Department in the telecommunications sector to set up three satellite stations, which was completed in 2010. Entered into a service agreement with the National Disaster Warning Center of Thailand in the government administrative sector for the installation of tsunami detection buoys in the Andaman sea off the western coast of Thailand, which was completed in 2010.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

2011-2013 The operation period of the ATM Project was extended to 6 June 2020 with an expanded scope.

Our Group established itself as a reputable IT solutions provider by entering into a service agreement with the National Electronics and Computer Technology Center of Thailand, a statutory government organisation of Thailand responsible for supporting and promoting the research and development of electronics and computer technologies, to setup and maintain a high performance computing system for a period of three years, which was completed in 2014.

2014 Entered into a service agreement with GISTDA in the telecommunications sector to set up and maintain a satellite station dish that incorporates technology developed in the U.S.

2016 Worked with BAAC in their migration from a magnetic card system to the current chip card system in compliance with the policies laid out by the Bank of Thailand.

We expanded the sales division of our Group by splitting it into two teams, respectively each specialising in the banking and financial sector and the other on the telecommunications, utilities and government administrative sector.

2017-2018 After our Group proposed various IT solutions to BAAC, we expanded our working relationship with BAAC by entering into a service agreement to develop, set up and maintain various advanced IT banking solutions, namely, (a) upgraded BAAC's ATM system to support the debit cards; (b) to set up an internal IT system that detects fraudulent transactions; (c) to develop various mobile banking applications and implementing cardless withdrawal capabilities throughout their ATM (and CDM) network.

Entered into a service agreement with Customer B in the government judicial sector for the development, installation and maintenance of a digitised record-keeping system in Thailand.

Leveraging on our past experience and track record, we entered into a service agreement with MOI in the government administrative sector for the development, installation and maintenance of a video conferencing system.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Entered into a service agreement with the Customer D in the government utilities sector, to set up and maintain unmanned security and surveillance systems at 82 substations in the Northeast region of Thailand.

Entered into a service agreement with the MWA in the government utilities sector to maintain a water leak detection system.

Received the Certificate of Registration Quality Management System – ISO 9001 : 2015 from BSI (British Standards Institution) in 2017.

2019

The ATM Project was extended by another seven years (from June 2020). For major terms of the supplementary contract, please refer to the paragraph headed “Phase three extension of the ATM Project” under the section headed “Business” of this prospectus.

HISTORY AND CORPORATE DEVELOPMENT

The Company

The Company was incorporated in the Cayman Islands on 23 November 2018. Upon completion of the Reorganisation, the Company became the investment holding company of our Group, details of which are set out in the sub-section headed “Reorganisation” in this section.

Our operating subsidiary

Platt Nera

As the principal operating subsidiary of our Group, Platt Nera was incorporated in Thailand as a limited liability company with an initial registered share capital of THB10,000,000 divided into 100,000 shares on 28 October 2004. The following table sets forth the shareholding structure of Platt Nera as at the date of its incorporation.

Shareholder	Number of shares	Capital contribution (THB)	Approximate shareholding percentage	Relationship with the Company (other than being a shareholder)	Relationship with other connected persons
Ms. Suphanantareuk <i>(Note 1)</i>	89,996	8,999,600	90.0%	None	Held on trust for Mr. Asvaplungprohm ^(Note 2)
Mr. Archadechopon	9,999	999,900	10.0%	Executive Director	None
Ms. Kesenee Sumethasorn	1	100	0.0%	None	Co-habitee with Mr. Archadechopon
Ms. Nuntana Phunsawas	1	100	0.0%	None	None
Ms. Phunpasu Kachavaree	1	100	0.0%	None	None
Mr. Prapol Anukroadilok	1	100	0.0%	None	None
Mr. Suwan Wongsriwong	1	100	0.0%	None	None
Total	100,000	10,000,000	100.0%		

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Notes:

- Ms. Suphanantareuk was a close acquaintance of Mr. Asvaplunghrohm and a trusted confidante of his family. Save for the above, Ms. Suphanantareuk has no other relationships with our Group, our Directors, Shareholders and senior management or any of their respective associates.
- Pursuant to the Suphanantareuk Trust, the 89,996 shares of Platt Nera legally held by Ms. Suphanantareuk were held on trust for and were beneficially owned by Mr. Asvaplunghrohm. Notwithstanding the Suphanantareuk Trust arrangement, Mr. Asvaplunghrohm has always been the controlling and beneficial shareholder of Platt Nera since its incorporation in 2004. For further details, please refer to the paragraph headed “The Suphanantareuk Trust and Lohaphantakit Trust arrangements” under this section.

On 30 November 2009, 400,000 shares of Platt Nera were allotted and issued as fully paid at THB100 per share to Mr. Lohaphantakit, thereby increasing the total issued share capital of Platt Nera to THB50,000,000. On the same day, upon Mr. Asvaplunghrohm’s instruction, Ms. Suphanantareuk transferred 89,995 of her shares of Platt Nera to Mr. Lohaphantakit. The following table sets forth the shareholding structure of Platt Nera as at 30 November 2009.

Shareholder	Number of shares	Capital contribution (THB)	Approximate shareholding percentage	Relationship with our Company (other than being a shareholder)	Relationship with other connected persons
Mr. Lohaphantakit <i>(Note 1)</i>	489,995	48,999,500	98.0%	None	Held on trust for Mr. Asvaplunghrohm ^(Note 2)
Mr. Archadechopon	9,999	999,900	2.0%	Executive Director	None
Ms. Suphanantareuk	1	100	0.0%	None	Held on trust for Mr. Asvaplunghrohm
Ms. Kesenee Sumethasorn	1	100	0.0%	None	Co-habitee with Mr. Archadechopon
Ms. Nuntana Phunsawas	1	100	0.0%	None	None
Ms. Phunpasu Kachavaree	1	100	0.0%	None	None
Mr. Prapol Anukroadilok	1	100	0.0%	None	None
Mr. Suwan Wongsriwong	1	100	0.0%	None	None
Total	500,000	50,000,000	100.0%		

Notes:

- Save for Mr. Lohaphantakit being a then brother-in-law of Mr. Asvaplunghrohm, Mr. Lohaphantakit has no other relationships with our Group, our Directors, Shareholders and senior management or any of their respective associates.
- Pursuant to the Lohaphantakit Trust, the 489,995 shares of Platt Nera legally held by Mr. Lohaphantakit were held on trust for and were accordingly beneficially owned by Mr. Asvaplunghrohm. The Lohaphantakit Trust was entered into pursuant to a family arrangement of Mr. Asvaplunghrohm. Notwithstanding the Lohaphantakit Trust arrangement, Mr. Asvaplunghrohm has always been the controlling and beneficial shareholder of Platt Nera since its incorporation in 2004. For further details, please refer to the paragraph headed “The Suphanantareuk Trust and Lohaphantakit Trust arrangements” under this section.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The Suphanantareuk Trust and Lohaphantakit Trust arrangements

Background

Owing to sibling inflections between Mr. Asvaplunghrohm and his two brothers, which led to frictions in the relationship with his siblings since the 1990s, Mr. Asvaplunghrohm entered into the two trust arrangements to avoid unnecessary confrontation from his brothers.

Accordingly, in 2004, Mr. Asvaplunghrohm set up Platt Nera with Ms. Suphanantareuk as his trustee under the Suphanantareuk Trust. Mr. Asvaplunghrohm decided to nominate Ms. Suphanantareuk as his trustee for the following main reasons:

- (1) Ms. Suphanantareuk was not known to Mr. Asvaplunghrohm's brothers; and
- (2) Ms. Suphanantareuk was in the banking profession and a close friend of Mr. Asvaplunghrohm's then wife since the 1970s; they attended primary and secondary school together. Hence, Ms. Suphanantareuk was considered trustworthy and professional.

In 2009, Ms. Suphanantareuk decided not to continue the Suphanantareuk Trust and Mr. Asvaplunghrohm subsequently approached his then brother-in-law, Mr. Lohaphantakit, to replace the Suphanantareuk Trust with the Lohaphantakit Trust. Mr. Asvaplunghrohm nominated Mr. Lohaphantakit as his trustee as he was not known to Mr. Asvaplunghrohm's brothers.

Compensation

Save for insignificant reimbursements paid, Ms. Suphanantareuk and Mr. Lohaphantakit did not receive any compensation or benefits from Mr. Asvaplunghrohm or our Group or any of their respective associates in each of the years/periods during the subsistence of the two trust arrangements.

Legality

Our Thai legal adviser confirmed that (i) the Suphanantareuk Trust and Lohaphantakit Trust were enforceable between the relevant parties; (ii) the Suphanantareuk Trust and Lohaphantakit Trust were in compliance with the laws and regulations of Thailand; (iii) no legal concerns on the Foreign Business Act as all shareholders are Thai at all material times; and (iv) the reasons for entering into the Suphanantareuk Trust and Lohaphantakit Trust due to family arrangement did not violate any applicable Thai laws.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Sponsor's view

The Sponsor has conducted due diligence on the Suphanantareuk Trust and Lohaphantakit Trust arrangements, including but not limited to, (i) obtaining written confirmation from Mr. Asvaplungprohm, Ms. Suphanantareuk and Mr. Lohaphantakit; (ii) reviewing documents of Mr. Asvaplungprohm's involvement in Platt Nera's business during the subsistence of the trust arrangements; (iii) reviewing the two trust letters; (iv) conducting independent background search; and (v) reviewing capital contribution documents of Mr. Asvaplungprohm and loan agreements of our Group and is of the view that Mr. Asvaplungprohm is the ultimate beneficial owner of the relevant shareholdings.

On 4 January 2012, upon the instruction of Mr. Asvaplungprohm, Ms. Suphanantareuk transferred her remaining one share of Platt Nera to Mr. Lohaphantakit for him to hold on trust for Mr. Asvaplungprohm. Following the completion of the aforesaid transfer, the trust arrangement between Mr. Asvaplungprohm and Ms. Suphanantareuk ceased.

Preparation for Thailand listing¹

Set out below is a table of the *changes* in shareholdings of Platt Nera between January 2016 to October 2017 before and after the preparation for Thailand listing.

Shareholder	Prior to preparing for the Thai listing		Transfers					After preparing for the Thai listing	
			Transfers on 4 Jan 2016	Transfers on 3 June 2016	Transfers on 7 August 2017	Transfers on 30 August 2017	Transfers on 31 October 2017		
			Number of shares	Number of shares	Number of shares	Number of shares	Number of shares		
Mr. Asvaplungprohm	-	-	+200,000	(200,000)	+469,997	+939,994	(30,000)	1,379,991	92.0
Mr. Lohaphantakit (held on trust for Mr. Asvaplungprohm)	489,996	98.0	(229,999)	+230,000	(469,997)	+40,000	-	60,000	4.0
Mr. Archadechophon	9,999	2.0	+1	-	-	+20,000	-	30,000	2.0
Ms. Kesenee Sumethasorn	1	-	(1)	-	-	-	-	-	-
Ms. Aranya Talomsin	-	-	+30,000	(30,000)	-	-	+30,000	30,000	2.0
Minor shareholders	4	-	(1)	-	-	+6	-	9	-
	500,000	100.0	-	-	-	1,000,000	-	1,500,000	100.0

1 Our Executive Directors subsequently decided to list on the Stock Exchange instead. No listing application of Platt Nera was submitted to the Stock Exchange of Thailand. Please refer to the reasons set out in the paragraph headed "Reasons for Listing on the Stock Exchange" under the section headed "Future plans and use of proceeds" of this prospectus.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

- (1) On 4 January 2016, Mr. Archadechopon acquired one share of Platt Nera from Ms. Kesenee Sumethasorn at a nominal consideration of THB100, (ii) Mr. Asvaplungprohm acquired one share of Platt Nera from Mr. Suwan Wongsriwong at a nominal consideration of THB100; (iii) Mr. Lohaphantakit returned 199,999 shares of Platt Nera at nil consideration to Mr. Asvaplungprohm; and (iv) Mr. Lohaphantakit sold on behalf of Mr. Asvaplungprohm 30,000 shares of Platt Nera to Ms. Talomsin at a nominal consideration of THB3,000,000. As a result, Mr. Asvaplungprohm held 200,000 shares of Platt Nera.
- (2) The transfers in (1) above was completed without seeking professional advice and before any reorganisation plan for seeking a listing in Thailand was finalised, and incorrectly reflected that Mr. Lohaphantakit was still the controlling shareholder of Platt Nera (rather than Mr. Asvaplungprohm). Upon the advice of its then financial adviser, Platt Nera decided to restart on a clean slate, and reversed the aforesaid transactions on 3 June 2016. Accordingly, (i) Mr. Asvaplungprohm transferred his 200,000 shares of Platt Nera at nil consideration to Mr. Lohaphantakit; and (ii) Mr. Lohaphantakit purchased on behalf of Mr. Asvaplungprohm 30,000 shares of Platt Nera from Ms. Talomsin at a nominal consideration of THB3,000,000. Pursuant to the Lohaphantakit Trust, the 200,000 and 30,000 shares of Platt Nera transferred to Mr. Lohaphantakit were held on trust for Mr. Asvaplungprohm.
- (3) On 7 August 2017, upon the advice of the then financial adviser and at the request of Mr. Asvaplungprohm, Mr. Lohaphantakit transferred the legal ownership of 469,997 shares of Platt Nera at nil consideration back to Mr. Asvaplungprohm in order to properly reflect Mr. Asvaplungprohm as the ultimate controlling shareholder prior to the Thailand listing.
- (4) On 30 August 2017, 939,994, 40,000, 20,000, 2, 2 and 2 shares of Platt Nera were allotted and issued as fully paid at THB100 per share to Mr. Asvaplungprohm, Mr. Lohaphantakit, Mr. Archadechopon, Ms. Nuntana Phunsawas, Ms. Phunpasu Kachavaree and Mr. Prapol Anukroadilok respectively, thereby increasing the total issued share capital of Platt Nera from THB50,000,000 to THB150,000,000. Pursuant to the Lohaphantakit Trust, the 40,000 shares of Platt Nera allotted and issued to Mr. Lohaphantakit were held on trust for Mr. Asvaplungprohm. Mr. Lohaphantakit retained a small amount of shares of Platt Nera in trust in order to maintain his relationship with banks and customers as both shareholder and director. The share capital was increased to better meet the share capital requirement for the then intended Thailand listing.
- (5) On 31 October 2017, in resumption of 1(iv) above, Mr. Asvaplungprohm sold 30,000 shares of Platt Nera to Ms. Talomsin at a nominal consideration of THB3,000,000.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

On 17 August 2018, Mr. Asvaplungprohm acquired 9 shares of Platt Nera from Ms. Nuntana Phunsawas, Ms. Phunpasu Kachavaree and Mr. Prapol Anukroadilok, respectively, at a nominal total consideration of THB900.

The considerations of all the above share transfers were determined with reference to nominal value as they were part of a corporate restructuring.

The following table sets forth the shareholding structure of Platt Nera as at 17 August 2018.

Shareholder	Number of shares	Capital contribution (THB)	Approximate shareholding percentage	Relationship with our Company (other than being a shareholder)	Relationship with other connected persons
Mr. Asvaplungprohm	1,380,000	138,000,000	92.0%	Executive Director	None
Mr. Lohaphantakit	60,000	6,000,000	4.0%	None	Held on trust for Mr. Asvaplungprohm ^(Note 1)
Ms. Talomsin	30,000	3,000,000	2.0%	None	None
Mr. Archadechopon	30,000	3,000,000	2.0%	Executive Director	None
Total:	<u>1,500,000</u>	<u>150,000,000</u>	<u>100.0%</u>		

Note:

- Pursuant to the Lohaphantakit Trust, the 60,000 shares of Platt Nera legally held by Mr. Lohaphantakit were held on trust for and were accordingly beneficially owned by Mr. Asvaplungprohm.

Save for insignificant reimbursements paid, Mr. Lohaphantakit did not receive any compensation or benefits from Mr. Asvaplungprohm or our Group or any of their respective associates in each of the years/periods during the subsistence of the trust arrangement.

Our Thai legal adviser confirmed that (i) the Lohaphantakit Trust was enforceable between the relevant parties, i.e. Mr. Asvaplungprohm and Mr. Lohaphantakit; (ii) the Lohaphantakit Trust was in compliance with the laws and regulations of Thailand; (iii) no legal concerns on the Foreign Business Act as all shareholders are Thai at all material times; and (iv) the reason for entering into the Lohaphantakit Trust due to family arrangement did not violate any applicable Thai laws.

Since 17 August 2018 and immediately prior to the Reorganisation, there had been no further change in the share capital of Platt Nera. For details of the changes in the share capital of Platt Nera that occurred during the Reorganisation, please refer to the paragraph headed “Increase in the share capital of IAH and Platt Nera and the acquisition of Platt Nera” under this section.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

REORGANISATION

Incorporation of the Company

The Company was incorporated as an exempted company under the laws of the Cayman Islands with limited liability on 23 November 2018. The initial authorised share capital of the Company was HK\$380,000 divided into 38,000,000 Shares of par value HK\$0.01 each. Upon incorporation of the Company, one Share was allotted and issued nil paid to the initial subscriber to the memorandum and articles of association of our Company, which was subsequently transferred to Mr. Asvaplungprohm on the same day.

On 23 November 2018, 1,499,999 Shares were allotted and issued nil paid to Mr. Asvaplungprohm, Ms. Talomsin and Mr. Archadechopon in the following manner:-

Shareholders	Shares issued
Mr. Asvaplungprohm	1,439,999
Mr. Archadechopon	30,000
Ms. Talomsin	30,000
Total:	1,499,999

On 23 January 2019, the Company was registered in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance.

Incorporation of investment holding companies

IAH (BIC)

IAH (BIC), an intermediate holding company of our Group, was incorporated on 23 November 2018 in the BVI as a limited liability company authorised to issue a maximum of 50,000 shares of a single class with no par value. As at the date of incorporation, 50 shares of IAH (BIC) were allotted and issued at US\$1 each to the following shareholders in the manner set out in the table below:

Shareholder	Number of shares	Approximate shareholding percentage
Mr. Asvaplungprohm	48	96.0%
Mr. Archadechopon	1	2.0%
Ms. Talomsin	1	2.0%
Total:	50	100.0%

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

PNS1(BVI)

PNS1(BVI), an intermediate holding company of our Group, was incorporated on 14 January 2019 in the BVI as a limited liability company authorised to issue a maximum of 50,000 shares of a single class with no par value. As at the date of incorporation, one share was allotted and issued at US\$1 to IAH (BIC).

PNS2(BVI)

PNS2(BVI), an intermediate holding company of our Group, was incorporated on 14 January 2019 in the BVI as a limited liability company authorised to issue a maximum of 50,000 shares of a single class with no par value. As at the date of incorporation, one share was allotted and issued at US\$1 to IAH (BIC).

IAH

IAH, an intermediate holding company of our Group, was established in Thailand under the name of Intel Asset Holding Co., Limited on 6 September 2018 with limited liability, with a registered capital of THB4,000,000 divided into (i) 19,600 ordinary shares of THB100 each (“**IAH Ordinary Shares**”) and (ii) 20,400 preference shares of THB100 each (“**IAH Preference Shares**”). Details of the shares of IAH comprising ordinary shares and preference shares are set out in the paragraph headed “Preference shares structure arrangement of IAH” in this section. On 19 April 2019, IAH’s company name was changed to Info Asset Holding (Thailand) Co., Limited.

As at the date of incorporation, 19,600 IAH Ordinary Shares were issued to and subscribed by, at a subscription price of THB100 each, to the following shareholders in the manner set out in the table below:

IAH Ordinary Shares Shareholders	Number of IAH Ordinary Shares	Approximate shareholding percentage of IAH Ordinary Shares
Mr. Asvaplungprohm	18,032	92.0%
Mr. Lohaphantakit ^(Note 1)	784	4.0%
Mr. Archadechopon	392	2.0%
Ms. Talomsin	392	2.0%
Total:	19,600	100.0%

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

As at the date of incorporation, 20,400 IAH Preference Shares were issued to and subscribed by, at a subscription price of THB100 each, to the following shareholders in the manner set out in the table below:

IAH Preference Shares Shareholders	Number of IAH Preference Shares	Approximate shareholding percentage of IAH Preference Shares
Mr. Asvaplungprohm	18,768	92.0%
Mr. Lohaphantakit ^(Note 1)	816	4.0%
Mr. Archadechopon	408	2.0%
Ms. Talomsin	408	2.0%
Total:	20,400	100.0%

Note:

- Pursuant to the Lohaphantakit IAH Trust, the 784 IAH Ordinary Shares and 816 IAH Preference Shares legally held by Mr. Lohaphantakit are held on trust for and are accordingly beneficially owned by Mr. Asvaplungprohm.

The Lohaphantakit IAH Trust was entered into pursuant to a family arrangement of Mr. Asvaplungprohm.

Our Thai legal adviser confirmed that (i) the Lohaphantakit IAH Trust is enforceable between the relevant parties, i.e. Mr. Asvaplungprohm and Mr. Lohaphantakit; (ii) the Lohaphantakit IAH Trust is in compliance with the laws and regulations of Thailand; and (iii) the reason for entering into the Lohaphantakit IAH Trust due to a family arrangement did not violate any applicable Thai laws.

Increase in the share capital of IAH and Platt Nera and the acquisition of Platt Nera

From 1 October 2018 to 17 January 2019, as part of the Reorganisation of our Group, the following series of share transfers and issuances of shares occurred:

- On 1 October 2018, IAH acquired 1,499,950 shares of Platt Nera from Mr. Asvaplungprohm (as to 1,379,954 shares), Mr. Lohaphantakit (as to 59,998 shares which were held on trust for Mr. Asvaplungprohm pursuant to the Lohaphantakit Trust), Mr. Archadechopon (as to 29,999 shares) and Ms. Talomsin (as to 29,999 shares) at a total nominal cash consideration of THB4,049,867 being approximately THB2.7 per share as this relates only to an internal restructuring and is based on approximately the net asset value of Platt Nera at 31 July 2018¹;

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

- (2) On 29 November 2018, IAH transferred 950 shares in Platt Nera to Mr. Asvaplunghprohm (as to 874 shares), Mr. Lohaphantakit (as to 38 shares, which were held on trust for Mr. Asvaplunghprohm pursuant to the Lohaphantakit Trust), Mr. Archadechopon (as to 19 shares) and Ms. Talomsin (as to 19 shares) at a total nominal cash consideration of THB10,926 being approximately THB11.5 per share which, having been an internal restructuring, is based on approximately the net asset value of Platt Nera as at 30 September 2018¹;
- (3) On 30 December 2018, 294,000 IAH Ordinary Shares and 306,000 IAH Preference Shares were issued to and subscribed by, at par value of THB100 each, to Mr. Asvaplunghprohm (as to 270,480 IAH Ordinary Shares and 281,520 IAH Preference Shares), Mr. Lohaphantakit (as to 11,760 IAH Ordinary Shares and 12,240 IAH Preference Shares, which were held on trust for Mr. Asvaplunghprohm pursuant to the Lohaphantakit IAH Trust), Mr. Archadechopon (as to 5,880 IAH Ordinary Shares and 6,120 IAH Preference Shares) and Ms. Talomsin (as to 5,880 IAH Ordinary Shares and 6,120 IAH Preference Shares);
- (4) On 30 December 2018, 600,000 shares of Platt Nera were issued to and subscribed by, at par value of THB100 each, to Mr. Asvaplunghprohm (as to 368 shares), Mr. Lohaphantakit (as to 16 shares, which were held on trust for Mr. Asvaplunghprohm pursuant to the Lohaphantakit Trust), Mr. Archadechopon (as to 8 shares), Ms. Talomsin (as to 8 shares) and IAH (as to 599,600 shares);
- (5) On 17 January 2019, 49,000 IAH Ordinary Shares and 51,000 IAH Preference Shares were issued to and subscribed by, at par value of THB100 each, to Mr. Asvaplunghprohm (as to 45,080 IAH Ordinary Shares and 46,920 IAH Preference Shares), Mr. Lohaphantakit (as to 1,960 IAH Ordinary Shares and 2,040 IAH Preference Shares, which were held on trust for Mr. Asvaplunghprohm pursuant to the Lohaphantakit IAH Trust), Mr. Archadechopon (as to 980 IAH Ordinary Shares and 1,020 IAH Preference Shares), Ms. Talomsin (as to 980 IAH Ordinary Shares and 1,020 IAH Preference Shares);
- (6) On 17 January 2019, 100,000 shares of Platt Nera were issued to and subscribed by, at par value of THB100 each, to Mr. Asvaplunghprohm (as to 61 shares), Mr. Lohaphantakit (as to three shares, which were held on trust for Mr. Asvaplunghprohm pursuant to the Lohaphantakit Trust), Mr. Archadechopon (as to one share), Ms. Talomsin (as to one share) and IAH (as to 99,934 shares);
- (7) On 17 January 2019, IAH acquired 1,464 shares of Platt Nera from Mr. Asvaplunghprohm (as to 1,347 shares), Mr. Lohaphantakit (as to 59 shares, which were held on trust for Mr. Asvaplunghprohm pursuant to the Lohaphantakit Trust), Mr. Archadechopon (as to 29 shares) and Ms. Talomsin (as to 29 shares) at a total nominal cash consideration of THB3,955 being approximately THB2.7 per share as this relates only to an internal restructuring; and

1 The significant difference between net asset values as at 31 July 2018 and 30 September 2018 was due to our profits earned during the period from 31 July 2018 to 30 September 2018 and the low net asset value of approximately THB4.0 million as at 31 July 2018.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

- (8) On 17 January 2019, Mr. Asvaplunghrohm transferred his remaining two shares of Platt Nera to PNS1(BVI) (as to one share) and PNS2(BVI) (as to one share) at a total nominal cash consideration of THB6.0 being approximately THB2.7 per share as this relates only to an internal restructuring.

Acquisition of IAH by IAH (BIC)

On 23 January 2019, IAH (BIC) acquired 362,600 IAH Ordinary Shares being 100% of the IAH Ordinary Shares from Mr. Asvaplunghrohm, Mr. Lohaphantakit (which were held on trust for Mr. Asvaplunghrohm), Mr. Archadechopon and Ms. Talomsin at a total nominal cash consideration of THB362,600 being THB1.0 per IAH Ordinary Share.

Preference shares structure arrangement of IAH

To comply with the relevant Thai laws and regulations on foreign invested companies, after the acquisition of 100.0% of the IAH Ordinary Shares by IAH (BIC) on 23 January 2019, 49.0% of the share capital of IAH is held by IAH (BIC) through its ownership of 100.0% of the IAH Ordinary Shares and 51.0% of the share capital of IAH is held by four Thai nationals, namely, Mr. Asvaplunghrohm (as to 46.92%), Mr. Lohaphantakit (as to 2.04% and held on trust for Mr. Asvaplunghrohm pursuant to the Lohaphantakit IAH Trust), Mr. Archadechopon (as to 1.02%) and Ms. Talomsin (as to 1.02%). Under the preference shares structure arrangement, one IAH Ordinary Share is equivalent to ten IAH Preference Shares in term of voting rights. Accordingly, IAH (BIC) has 90.57% of the voting rights in IAH.

The holders of IAH Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per IAH Ordinary Share on any resolution of IAH.

The holders of IAH Preference Shares 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. The holders of 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 holders of IAH Ordinary Shares, but limited to the paid up amount of each of the IAH Preference Shares and any accrued dividend.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The following table sets out the shares, voting rights and ordinary dividend entitlement in respect of IAH held by each of the shareholders of IAH as at 23 January 2019:

	IAH Ordinary		IAH Preference		Total		Voting	Ordinary
	Share capital		Share capital ⁽²⁾		share capital		rights	dividend
	<i>No. of shares</i>	%	<i>No. of shares</i>	%	<i>No. of shares</i>	%	(approx.) %	entitlement ⁽³⁾ %
IAH (BIC)	362,600	100.00	–	–	362,600	49.00	90.57	100.00
Mr. Asvaplungprohm	–	–	347,208	92.00	347,208	46.92	8.67	–
Mr. Lohaphantakit ⁽¹⁾	–	–	15,096	4.00	15,096	2.04	0.38	–
Mr. Archadechopon	–	–	7,548	2.00	7,548	1.02	0.19	–
Ms. Talomsin	–	–	7,548	2.00	7,548	1.02	0.19	–
	<u>362,600</u>	<u>100.0</u>	<u>377,400</u>	<u>100.0</u>	<u>740,000</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Notes:

- Pursuant to the Lohaphantakit IAH Trust, the 15,096 IAH Preference Shares legally held by Mr. Lohaphantakit are held on trust for and are accordingly beneficially owned by Mr. Asvaplungprohm.
- The IAH Preference Shares are classified as financial liabilities instead of equity in our Group's combined financial information in accordance with the applicable accounting standards because, although they are not redeemable, the holders of which are entitled to receive 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 when IAH has sufficient profit. Accordingly, any dividend accrued on the IAH Preference Share will be accounted for as finance costs of our Group.
- Each holder of IAH Ordinary Shares shall receive any dividend declared by IAH equally on each share, after distribution of the fixed cumulative dividend to holders of the IAH Preference Shares.

As advised by our Thai legal adviser, Section 4 of the FBA is not concerned with the different classes of shares in determining whether an entity is a “foreigner” and Sections 4(3) and 4(4) are only concerned with whether half or more of an entity's total share capital is being held by “foreign” entities. Our Thai legal adviser also confirmed that as IAH (BIC) invested in less than half of the total share capital of IAH, IAH would not be regarded as a “foreign” entity under section 4(3) of the FBA. Our Thai legal adviser, is of the opinion that the preference shares structure arrangement between IAH (BIC) and the four Thai shareholders of IAH Preference Shares is in compliance with (i) the existing Thai laws including the FBA; (ii) rules and regulations, including, without limitation, those applicable to the business of our Company and IAH; and (iii) the relevant provisions in the Thai Civil and Commercial Code and IAH's articles of association.

Up to the Latest Practicable Date, our Thai legal adviser confirmed that, to the best of their knowledge, currently, they were not aware of any proposals/pending proposals to change the rules and regulations by the relevant Thai authorities which would prohibit or take actions to prohibit the preference shares arrangement.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

According to our Thai legal adviser, IAH has been incorporated legally in Thailand, and there is no specific license required for the operation of business of IAH as holding company.

As advised by our Thai legal adviser, the following matters required 75% majority approval under Thai law and the constitutional document, namely the articles of association of IAH:

- alteration of the articles of association;
- alteration of any details in memorandum of association e.g. company name, company's seal, company address or objectives of the company;
- reduction or increase of a company's share capital;
- voluntary winding up of the company; and
- amalgamation of the company.

As advised by our Thai legal adviser, at general meetings of IAH, there must be shareholders representing at least one fourth of the capital of IAH. In other words, general meeting of shareholders of IAH requires a quorum of shareholders holding at least 25% of the share capital.

Our Thai legal adviser also confirmed that as at the Latest Practicable Date, the IAH Preference Shares only carry a total of 9.43% voting rights in IAH. As such, the holders of IAH Preference Shares can neither block any resolutions requiring simple or 75% majority, nor can they force through any resolutions.

As a result, the IAH Preference Shares have no impact in terms of shareholders protection at the level of the Company as beneficial owner of all the IAH Ordinary Shares and at the level of the Shareholders as investors of the Company.

Our legal adviser as to Cayman Islands law confirms that (i) the Articles are in substantially the same form as those adopted by other Cayman companies whose listing of shares on the Stock Exchange they have acted on in recent years; and (ii) the Articles contain similar shareholder protections to those adopted by other Cayman companies whose listing of shares on the Stock Exchange they have acted on in recent years.

Based on the opinion of our Thai legal adviser and our legal adviser as to Cayman Islands law, our Directors are of the view, and the Sponsor concurs, that the constitutional document of IAH does not contain any provision which would lower the shareholder protection standards of our Group after Listing, as compared to those commonly adopted in Hong Kong by other listed Cayman companies.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Acquisition of IAH (BIC)

Pursuant to a sale and purchase agreement dated 17 June 2019 entered into between Mr. Asvaplunghprohm, Mr. Archadechopon and Ms. Talomsin as vendors and the Company as purchaser, the Company acquired all the issued shares of IAH (BIC) from Mr. Asvaplunghprohm, Mr. Archadechopon and Ms. Talomsin respectively and in consideration the Company credited as fully paid at par the (i) 1,440,000 nil-paid Shares held by Mr. Asvaplunghprohm, (ii) 30,000 nil-paid Shares held by Ms. Talomsin, and (iii) 30,000 nil-paid Shares held by Mr. Archadechopon.

Upon the completion of the above acquisition on 17 June 2019, IAH (BIC) became a wholly-owned subsidiary of our Company.

Incorporation of Pynk and acquisition of the Company

Pynk

Pynk, the holding company for Mr. Asvaplunghprohm, Mr. Archadechopon and Ms. Talomsin was incorporated on 8 January 2019 in the BVI and is authorised to issue a maximum of 50,000 shares of a single class with no par value. As at the date of incorporation, 50 shares were allotted and issued at US\$1.0 each to the following shareholders in the manner set out in the table below:

Shareholders	Number of shares	Approximate shareholding percentage
Mr. Asvaplunghprohm	48	96.0%
Mr. Archadechopon	1	2.0%
Ms. Talomsin	1	2.0%
Total:	50	100.0%

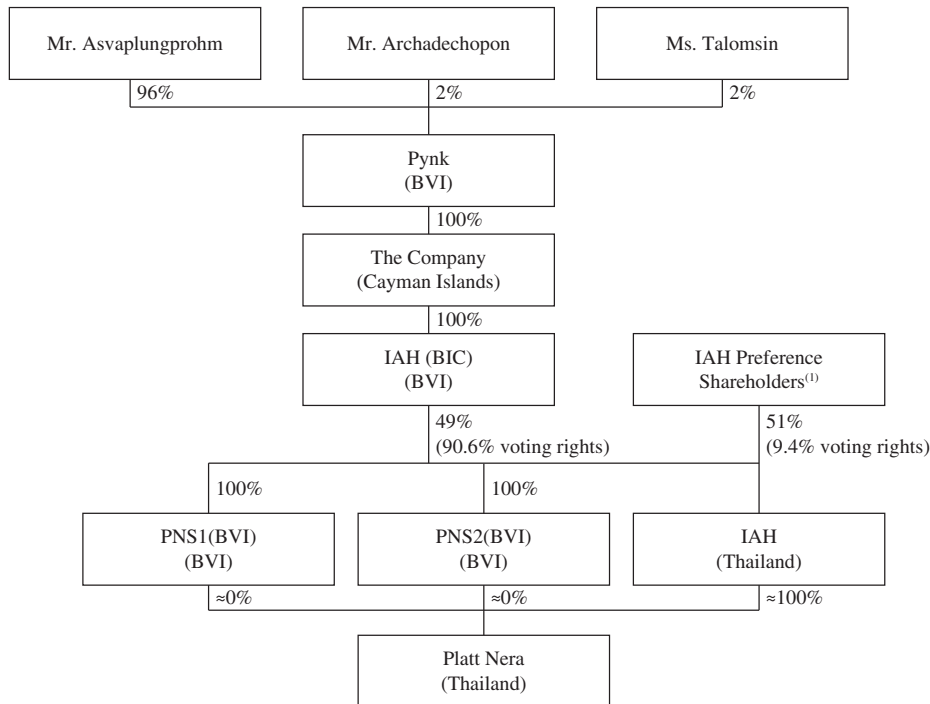
Pursuant to a sale and purchase agreement dated 17 June 2019 entered into between Mr. Asvaplunghprohm, Mr. Archadechopon and Ms. Talomsin as vendors and Pynk as purchaser, Pynk acquired all the issued shares of the Company (namely, 1,500,000 Shares) from Mr. Asvaplunghprohm, Mr. Archadechopon and Ms. Talomsin respectively and in consideration Pynk allotted and issued an aggregate of 50 shares at US\$1.0 each, credited as fully paid, to Mr. Asvaplunghprohm (as to 48 shares), Mr. Archadechopon (as to 1 share) and Ms. Talomsin (as to 1 share) respectively. After the aforesaid transfer and allotment of shares, the entire issued share capital of Pynk was owned in the following manner:

Shareholders	Number of shares	Approximate shareholding percentage
Mr. Asvaplunghprohm	96	96.0%
Mr. Archadechopon	2	2.0%
Ms. Talomsin	2	2.0%
Total:	100	100.0%

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Upon the completion of the above acquisition on 17 June 2019, the Company became a wholly-owned subsidiary of Pynk.

The following chart sets out the shareholding and corporate structure of our Group immediately after the Reorganisation but before the Share Offer and the Capitalisation Issue:



Note:

- The IAH Preference Shareholders consist of four Thai nationals, namely, Mr. Asvaplunghroh (as to 92% of the IAH Preference Shares), Mr. Lohaphantakit (as to 4% of the IAH Preference Shares), Mr. Archadechopon (as to 2% of the IAH Preference Shares) and Ms. Talomsin (as to 2% of the IAH Preference Shares). Pursuant to the Lohaphantakit IAH Trust, the 15,096 IAH Preference Shares legally held by Mr. Lohaphantakit are held on trust for and are accordingly beneficially owned by Mr. Asvaplunghroh.

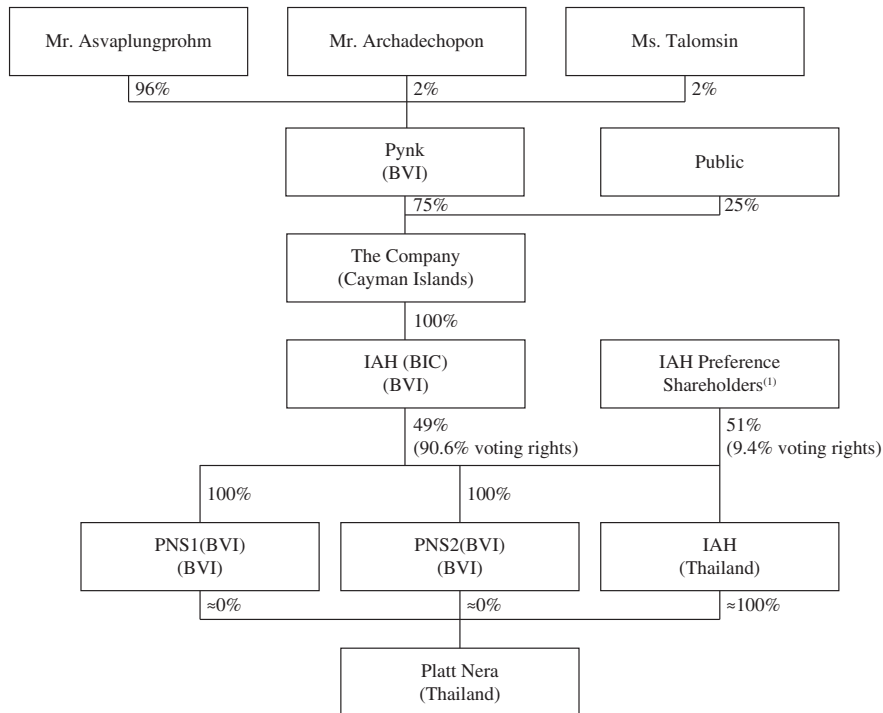
THE CAPITALISATION ISSUE AND SHARE OFFER

On 17 June 2019, the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares by the creation of an additional 9,962,000,000 Shares.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Conditional upon the Share Offer becoming unconditional, and assuming the Over-Allotment Option is not exercised, the Company will offer 100,000,000 Shares, being an aggregate of 25.0% of the total issued share capital of the Company (as enlarged by the Shares offered under the Share Offer and Shares issued under the Capitalisation Issue), for subscription by the public in Hong Kong and by placing with professional, institutional and private investors. Conditional upon the share premium account of the Company being credited with the proceeds of the Share Offer, an appropriate sum will be capitalised and applied in paying up in full at par a total of 298,500,000 Shares to be allotted and issued to Pynk, being the then existing Shareholder so that the number of Shares so allotted and issued, when aggregated with the number of Shares already owned by Pynk, will constitute 75.0% of the enlarged issued share capital of the Company.

Set forth below is the corporate structure and shareholding structure of our Group immediately after the Capitalisation Issue and the Share Offer (assuming that the Over-allotment Option is not exercised at all):



Note:

- The IAH Preference Shareholders consist of four Thai nationals, namely, Mr. Asvaplunghprohm (as to 92% of the IAH Preference Shares), Mr. Lohaphantakit (as to 4% of the IAH Preference Shares), Mr. Archadechopon (as to 2% of the IAH Preference Shares) and Ms. Talomsin (as to 2% of the IAH Preference Shares). Pursuant to the Lohaphantakit IAH Trust, the 15,096 IAH Preference Shares legally held by Mr. Lohaphantakit are held on trust for and are accordingly beneficially owned by Mr. Asvaplunghprohm.

Each of the acquisitions and share transfers pursuant to the Reorganisation has been properly and legally completed and settled, including all applicable regulatory approvals having been obtained.

1. OVERVIEW

We were founded in 2004 and have built ourselves into an established IT solutions provider in Thailand. During the Track Record Period, we mainly served Thai financial institutions, as well as government departments and agencies predominantly in the administrative, telecommunications and utilities sectors. Since our establishment, we have secured a number of sizable projects including the ATM Project in 2006, tsunami detection system in 2010 and satellite system project in 2014.

Headquartered in Bangkok, we aim to secure a mix of projects of various duration and profitability in order to build a robust and sustainable business. Our Group secured a long-term strategic business cooperation with BAAC in 2006 for the ATM Project that involved a revenue sharing model.

BAAC is a government-owned bank established in 1966 that focuses on providing banking services to farmers in the rural area of Thailand. For the ATM Project, we provided a complete ATM IT solution that allowed BAAC to quickly set up and thereafter to operate, support and maintain its ATM network in the rural areas. The ATM Project was also BAAC's maiden entry into utilising ATMs to serve its customers, particularly in using ATMs to allow its rural customers to gain wider access to loans and cash management solutions. This arrangement allows BAAC to focus on its core business of serving its unique rural customer base in Thailand which is a cash based economy according to the Euromonitor Report, whilst enabling our Group to develop a presence in serving the highly regulated banking industry.

Under the ATM Project, we, together with our Consortium partner, led the setting up of BAAC's nationwide ATM system, encompassing (i) procurement and installation of frontend and backend hardware (such as ATMs and servers) and software (such as the ATM switching system); (ii) integration of the ATM system with BAAC's internal core banking system; and (iii) provision of in-house 24-hour operational, upgrade and maintenance support. Our initial success in meeting BAAC's ATM needs and building a strong working relationship with BAAC was reaffirmed when all parties further entered into the second phase of the ATM Project in 2011, which, *inter alia*, involved the setting up of a new in-house ATM data processing centre within BAAC's headquarters and extended the revenue sharing partnership to June 2020. For further details of the ATM Project, please refer to the paragraph headed "The ATM Project" under this section.

In 2018, our Group supported BAAC in operating (i) approximately 2,000 ATMs mainly located in rural areas of Thailand, representing approximately 2.9% of the total ATMs in Thailand; and (ii) approximately 8.7 million active ATM cards, representing approximately 9.8% of the total active ATM cards in Thailand.

Under this arrangement, we receive portion of the card issuance fee, annual card fee and transaction fee from BAAC every month. The revenue derived from the ATM Project amounted to approximately THB328.4 million, THB281.6 million and THB489.3 million for the three years ended 31 December 2018 respectively. This provided us with a reliable and steady

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revenue source from which could support our expansion to other projects and customers. In 2019, the ATM Project with BAAC has been extended over another seven years. For major terms of the supplementary contract, please refer to the paragraph headed “Phase three extension of the ATM Project” under the section headed “Business” of this prospectus.

Having served BAAC since 2006, we have gone on to secure a project with another bank, Customer F, and have broadened our customer base to include other government departments and agencies. During the Track Record Period and up to the Latest Practicable Date, our Group’s revenue was contributed by 29 projects including projects with Thailand’s utilities, military, administrative as well as judiciary authorities, amongst others. As at the Latest Practicable Date, we had 14 on-going projects on hand.

Our revenue is attributable to the following revenue streams:

<i>Revenue stream</i>	<i>Description</i>	Revenue generated for the year		
		ended 31 December		
		<i>2016</i>	<i>2017</i>	<i>2018</i>
		<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
IT integrated solutions	<p>Nature of business: project design and planning, procurement of hardware and/or software, system installation, trial operation and system upgrades</p> <p>Sample of projects: the satellite system project provided to GISTDA in 2014 and the video conferencing system provided to MOI in 2018</p>	184,144	47,333	533,876
IT support services	<p>Nature of business: on-going operational, support and maintenance services for IT systems developed by our Group</p> <p>Sample of projects: the ATM Project since 2006 and various maintenance contracts entered into with BAAC</p>	183,621	251,471	238,257
Total		367,765	298,804	772,133

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Our Group's business model, comprising the provision of IT integrated solutions and IT support services, has been devised to (i) capture growth opportunities in the IT solutions industry; and (ii) mitigate our business risk and withstand fluctuations in the market. We aim to actively pursue IT integrated solutions projects as they are our key growth drivers. Such projects also build the base for IT support services that shall follow thereon. Such IT support services shall in turn provide a relatively stable source of revenue to sustain ourselves through market fluctuations and establish a solid basis for expansion. This virtuous circle between IT integrated solutions and IT support services shall help us to build a robust and sustainable business model. To cultivate sustainable project flow, we have devised our business model to focus on the followings:

- **providing customer-centric IT solutions** that engage our Group to provide integrated solutions to our customers' business problems and build long-term relevance to them; and
- **developing long-term relationship with our customers** through sustained engagement to build deep understanding of their needs and gain customer mindshare in the customers' sourcing decisions.

Going forward, with the backdrop of "Thailand 4.0" plan, an economic model devised by the Thai Government to propel new economic growth through knowledge, technology and innovation, which encourages the usage of digital tools as platforms to enhance productivity, quality and innovation in various economic activities within agriculture, industrial, service and education sectors, our Executive Directors expect growing demand for our IT integrated solutions and we intend to leverage on our established track record and reputation to capture opportunities arising therefrom. In particular, we have been (i) proactively seeking cooperation opportunities with our customers such as the provision of cardless ATM mobile banking application, digitalisation of data system and video conferencing system; and (ii) looking to apply the IoT technology of Sigfox to enable our customers to stay up to date with suitable IT solutions for their organisation.

We intend to continue with our existing business model and expand our services scope offered to our customers. For further details of our business plans, please refer to the paragraph headed "3. Business strategies" under this section and the section headed "Future plans and use of proceeds" of this prospectus.

2. COMPETITIVE STRENGTHS

Timely delivery of integrated customer-centric solutions

We believe one of our key strengths that distinguishes us from our competitors is our ability to provide integrated solutions that closely address our customers' needs and solve their problems effectively and efficiently. In particular, benefitting from the deep customer understanding, we are able to proactively identify potential opportunities where our IT integrated solutions can solve their problems and bring this to their attention. Further, we endeavour to apply our technological know-how and industry network to provide appropriate IT solutions to our customers. This is of particular value as our customers, who generally specialise in disciplines other than IT, may not be aware of such solutions and opportunities.

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With more than 12 years of accumulated experiences, extensive network of suppliers and partners as well as close collaboration between our dedicated sales teams and in-house technical experts, we are able to formulate customised solutions addressing both the customers' commercial requirements and technical specifications.

Established reputation and business relationship with our customers

To succeed in open tenders held by Thai government departments and agencies, the bidder is generally evaluated on its competencies, technical specification and price of its proposal. The competencies of the bidder are generally demonstrated through their track record of the scale and nature of their completed projects. In this regard, we believe that we possess an advantage over our competitors as our track record includes notable projects as set out in the paragraph headed "Business development and key milestones" under the section headed "History, Reorganisation and corporate structure" of this prospectus. Leveraging on our established business relationship with our customers and reputation amongst the government departments and agencies, we have enjoyed word of mouth recommendations as well as projects from our returning customers. During the Track Record Period, we recorded tender success rates for projects secured from returning customers of approximately 42.9%, 71.4% and 85.7% respectively.

Strong and stable management team with extensive technical expertise and industry experience in serving the government departments and agencies

Each of our Executive Directors, Mr. Asvaplungprohm and Mr. Achadechopon, has over 24 years of experience with in-depth knowledge in the IT solutions industry. They are supported by a senior management team and each of them possesses over eight years of experience in the industry. Save for our Chief Financial Officer, Mr. Thanasit, all of our management team members have been with us for more than eight years. Our senior management have accumulated many years of experience in serving government departments and agencies, which allow them to build up an in-depth understanding of the culture and needs of our customers. We are well equipped with technological know-how and possess extensive knowledge in technical matters involving IT solutions provided to industries such as the banking and financial, telecommunications and utilities, and government administrative sectors. For further information with regard to our Directors and senior management, please refer to the section headed "Directors and senior management" of this prospectus.

3. BUSINESS STRATEGIES

Building on our competitive strengths, we aim to further strengthen our market position and expand our business by pursuing the following strategies.

Expanding our services offered to the banking and financial sector

According to the Euromonitor Report, we occupy a unique market position for the ATM Project with BAAC, as most of the industry players primarily only serve certain aspects of the ATM IT solutions but none of them offer the same level of integrated ATM IT solutions as us. This provides us with a robust base in expanding our services to the banking and financial sector.

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Leveraging on our foundation established with BAAC, our Group aims to secure ATM related projects with other banks. For instance, we have recently secured an ATM project focusing on the backend system with Customer F whose ATM network consists of approximately 6,000 ATMs in Thailand. Thereafter, we were invited by Customer F to bid for the building or replacing of 5,030 machines (including 2,900 ATMs and 2,130 automatic cash deposit machines) and provision of the respective operations, support and maintenance services. Similarly, we aim to capture potential opportunities arising from the white-label ATM project, a current proposal of the central bank of Thailand that proposes the open up of the ATM market to non-bank institutes. Our Executive Directors expect such proposal, if implemented, would increase the demand of ATM IT solutions and benefit our Group accordingly. Besides, our Group also intends to continuously cooperate closely with BAAC to develop new banking and financial solutions, such as the cardless ATM mobile banking applications and debit cards system.

We intend to apply approximately HK\$6.9 million and HK\$23.2 million (equivalent to approximately THB27.7 million and THB93.8 million) of the net proceeds raised from the Share Offer to finance our project with Customer F and the ATM Project.

Enhancing our reach to customers in telecommunications and utilities and government administrative sectors

Since 2016, our Group has split our sales division into two teams with one focusing on serving customers in our traditionally strong banking and financial sector while the other concentrates on our expansion into the telecommunications and utilities sector as well as the government administrative sector. According to the Euromonitor Report, the government departments and agencies have been promoting a digital government and a digital society. Our Executive Directors believe such initiative by the Thai government would increase their demand on IT solutions such as the digitalisation, smart monitoring system and intelligent information system.

Since the restructuring of our sales division, we have successfully secured an engagement to develop the pipe leakage detection system for water supply system provided to MWA. We have also substantially completed our first security system project for Customer D in northeastern Thailand as at the Latest Practicable Date and moved on to secure three similar projects for Customer D in northern, central and southern Thailand. Furthermore, we are currently working with Mutiara, a Malaysian government-owned company, to explore participating in the telecommunications towers business in Malaysia. We are currently in discussions with Mutiara to determine an optimal and mutually beneficial cooperation model for this new venture. This venture could portend an opportunity for our Company to extend beyond its home market in Thailand and secure a new revenue stream.

Going forward, with the backdrop of “Thailand 4.0” plan, our Executive Directors believe the demand of IT solutions arising therefrom will continue to benefit our Group. Our Group intends to continue to cultivate our expertise and customer base in the telecommunications and utilities and the government administrative sectors.

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We intend to apply approximately HK\$58.6 million (equivalent to approximately THB236.5 million) of the net proceeds raised from the Share Offer to finance the projects with Customer D.

Offer the latest technology solutions relevant to our customers

We shall maintain and continue to build on our established knowledge base and expertise in the IT solutions industry with the latest market development to enhance our value-add to our customers. Based on the market development, we have proposed our IT solutions to various customers, such as Customer B to upgrade, automate or digitalise their internal operating systems. We are currently looking into applying the IoT technology of Sigfox and in March 2019, we secured a smart street light project with a contract value of approximately THB83.8 million with Customer D, which we have worked closely in the trial runs in 2018. With the adoptions of IoT technology, we are able to enhance the ability to monitor and regulate street light performance and usage levels, thereby reducing costs and improving efficiency in the long run. As Sigfox's IoT technology can transmit data in a more efficient and cost effective manner, we intend to continuously utilise IoT technology into our IT solutions as appropriate to enhance our value-add to our customers. Going forward, we shall continue to collaborate closely with our suppliers and where appropriate, proactively seek strategic partnerships with our suppliers, so as to ensure that we will be able to deliver IT solutions to customers utilising the most appropriate and latest technologies.

4. OUR BUSINESS MODEL

Our business model comprises two revenue streams, being the IT integrated solutions and IT support services. We aim to actively pursue IT integrated solutions projects as they are our key growth drivers. Such projects also build the base for IT support services that shall follow thereon. Such IT support services shall in turn provide a relatively stable source of revenue to sustain ourselves through market fluctuations and establish a solid basis for expansion. This virtuous circle between IT integrated solutions and IT support services shall help us to build a robust sustainable business model. In addition, as some of our larger-scale IT integrated solutions projects will incur a substantial net cash outflow during the early stage of project (for further details, please refer to the paragraph headed "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" under the section headed "Risk factors" of this prospectus), the stable source of revenue generated from our IT support services is able to support and finance our undertaking of large-scale and high potential IT integrated solutions projects. Set out below is the summary of the two revenue streams.

- (i) **IT integrated solutions**, involving the development of tailor-made system which comprise a comprehensive range of services from project design and planning, assessment of hardware and/or software options and suitability, sourcing and sale of hardware and/or software, system installation and launch of trial operation and acceptance, including system upgrades for existing systems, to our customers to address their specific needs. The degree of customisation in different projects

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depends on the complexity of the system and requirements of our customers. Some projects, such as the pipe leakage detection system for water supply system provided to MWA and the satellite system provided to GISTDA, require extensive customisation; whereas some projects, such as the chemical modelling system and security system, require a lesser degree of customisation; and

- (ii) **IT support services**, consisting of operational, support and maintenance services to the IT system developed by us. Considering the complexity of the customised IT system developed by us, our customers usually rely on our expertise for the continuous operation, support and maintenance. Hence, we enter into operation and maintenance services contract for many of our IT integrated solutions projects. In particular, the ATM Project was a major IT support services project contracted to our Group.

4.1 Source of revenue

During the Track Record Period, all of our revenue was generated in Thailand. The table below sets out the revenue contribution of our IT solutions and their respective percentages of our total revenue during the Track Record Period.

	Year ended 31 December					
	2016		2017		2018	
	<i>THB'000</i>	%	<i>THB'000</i>	%	<i>THB'000</i>	%
IT integrated solutions						
– The ATM Project	145,932	39.7	33,756	11.3	252,660	32.7
– Other projects	38,212	10.4	13,577	4.5	281,216	36.4
Sub-total	<u>184,144</u>	<u>50.1</u>	<u>47,333</u>	<u>15.8</u>	<u>533,876</u>	<u>69.1</u>
IT support services						
– The ATM Project	182,421	49.6	247,871	83.0	236,673	30.7
– Other projects	1,200	0.3	3,600	1.2	1,584	0.2
Sub-total	<u>183,621</u>	<u>49.9</u>	<u>251,471</u>	<u>84.2</u>	<u>238,257</u>	<u>30.9</u>
Total	<u><u>367,765</u></u>	<u><u>100.0</u></u>	<u><u>298,804</u></u>	<u><u>100.0</u></u>	<u><u>772,133</u></u>	<u><u>100.0</u></u>

As shown in the above table, our IT support services projects provide relatively stable revenue sources to our Group. Amongst those projects, the ATM Project contributed a substantial part of the revenue during the Track Record Period, amounting to approximately THB328.4 million, THB281.6 million and THB489.3 million, representing approximately 89.3%, 94.3% and 63.4% of our revenue for the three years ended 31 December 2018 respectively. The increase in revenue contributed by our IT integrated solutions projects for the year ended 31 December 2018 compared to the corresponding period in 2017 are mainly due to the commencement of the security system project with Customer D and the video conferencing system with MOI.

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For the ATM Project, as consideration for the services performed, BAAC shares with our Group the annual fees, card issuance fees and transaction fees (“Fees”) paid by BAAC’s end customers, under the revenue sharing arrangement. Such Fees form an overall pool of revenue available for recognition.

The abovementioned pool of revenue is then allocated to IT integrated solutions and IT support services in accordance with the guidelines set out in IFRS 15. This is based on the relative stand-alone selling prices (computed by the expected cost plus margin approach on labour and material costs) of our services, and recognised in the financial statements upon actual performance of the services. Please refer to the paragraph headed “5.1 Revenue” under the section headed “Financial information” for allocation basis among two revenue streams and note 2.4 in the Accountants’ Report contained in Appendix I to this prospectus for further details on the revenue recognition policies.

Our revenue by customer segments and their respective percentages of our total revenue over the Track Record Period is set out in the table below.

	Year ended 31 December					
	2016		2017		2018	
	<i>THB’000</i>	%	<i>THB’000</i>	%	<i>THB’000</i>	%
Banking and financial	330,309	89.8	285,928	95.7	516,518	66.9
<i>The ATM Project</i>	328,353	89.3	281,627	94.3	489,333	63.4
<i>Other BAAC projects</i>	1,956	0.5	4,301	1.4	19,059	2.5
<i>Customer F</i>	–	–	–	–	8,126	1.0
Telecommunications						
and utilities	37,360	10.2	5,729	1.9	81,911	10.6
Government						
administrative	96	*	7,147	2.4	173,704	22.5
Total	<u>367,765</u>	<u>100.0</u>	<u>298,804</u>	<u>100.0</u>	<u>772,133</u>	<u>100.0</u>

* Denotes percentage below 0.1%.

As shown in the table above, our Group derived a majority of revenue from the banking and financial sector during the Track Record Period. This is primarily contributed by the ATM Project. The increase in revenue from telecommunications and utilities and government administrative sectors for the year ended 31 December 2018 compared to the corresponding period in 2017 was due to the commencement of the security system project with Customer D and the video conferencing system with MOI.

4.2 IT integrated solutions

Our IT integrated solutions comprise a comprehensive range of services, from design of IT system, assessment of hardware and/or software options, sourcing and sale of hardware and/or software (either bundled or separately), system installation and integration to the customers’ core IT system, launch to trial operation, as well as system upgrades for existing IT systems.

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Our IT integrated solutions includes a wide range of projects ranging from highly specialised projects to more general IT systems for our customers, including satellite system provided to GISTDA, the Chip Card Project with BAAC and video conferencing system provided to MOI.

Our IT integrated solutions require a deep understanding of our customers' business and industry and require the use of complicated technologies. Hence, extensive communications with our customers are required to better understand their needs and to solve their problems efficiently and effectively. Based on our understanding, we assess our customers' needs and their existing system to provide the IT integrated solutions. We generally configure the hardware and/or software in accordance with their requirements and install the systems and integrate with their core IT system. Depending on the complexity of the project, the duration of our IT integrated solutions projects during the Track Record Period generally ranged from six months to two years.

During the Track Record Period, we provided, among other things, the following IT integrated solutions to our customers:

- | | | |
|---|---|--|
| Upgrading of ATM cards provided to BAAC | : | This involves the upgrading of magnetic cards to chip cards and debit cards. |
| ATM backend systems provided to BAAC | : | ATM backend systems include the server and system to connect (i) the ATM terminals to the core banking system; and (ii) the ATM system to the system of other banks for inter-bank transactions. The ATM backend system also includes functions of producing transactions records. |
| Pipe leakage detection system for water supply system provided to MWA | : | Pipe leakage detection system for water supply system utilises a hydraulic modelling system to analyse data for pin-pointing the leakage point of the underground water pipe systems. |
| Satellite system provided to GISTDA | : | The satellite system includes the antenna of a satellite, the dish and the computer hardware and software to translate the signal into readable information. |
| Digitalisation of data system provided to Customer B | : | The use of software to digitalise physical devices or resources, such as equipment, computers and peripherals, allowing the system to link all devices within the court. |
| Chemical modelling system provided to Customer C | : | Chemical modeling system is applied to simulate chemical reaction. |

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- Security system provided to Customer D : Security system connects multiple devices including smoke detection alarm, fire alarm and surveillance system as one system and the system can be used to control the equipment and deploy security measures.
- Video conferencing system provided to MOI : Video conferencing system includes functions for enabling connection between different offices in different locations.
- Uninterruptible power supply system provided to MWA : Uninterruptible power supply is an electrical appliance to provide power instantaneously when the main power fails to prevent any disturbance to the operation of important IT servers.

Set out below are photos of some of our IT integrated solutions projects provided to customers during the Track Record Period.



Satellite system provided to GISTDA



ATM system provided to BAAC

4.3 IT support services

IT support services are an integral part of our IT solutions as all IT systems require proper operational and maintenance support after their installation. In particular, systems developed by our Group require more expertise and resources to maintain due to the complexity arising from the customisation of the systems. Hence, our Group is often engaged by our customers for the provision of operational and maintenance services as other market players may not have the relevant knowledge and expertise in the IT systems developed by us.

Our customers may discuss with our Group for entering into an IT support services contract for the IT system that we have developed. Depending on the life cycle of the IT system, our IT support services contract generally lasts for approximately one to four years. During the Track Record Period, our Group provided our IT support services to some of our completed projects, including the maintenance contracts of the CDM control system and the payment gateway system with BAAC. In particular, the ATM Project is our major IT support services project that generated a substantial portion of our revenue during the Track Record Period.

5. OUR PROJECTS

Summary of our projects

As at 1 January 2016, we had six on-going projects. During the Track Record Period, our Group was awarded 19 new projects with a total contract value of approximately THB380.3 million and completed nine projects. From 1 January 2019 up to the Latest Practicable Date, our Group was awarded four new projects and completed six projects. As at the Latest Practicable Date, we had 14 on-going projects with an outstanding contract value of approximately THB23.3 million (excluding the ATM Project). Set out below are the summary of our projects during the Track Record Period and up to the Latest Practicable Date:

Projects awarded during the Track Record Period and up to the Latest Practicable Date:

	Year ended 31 December			From
	2016	2017	2018	1 January 2019 up to the Latest Practicable Date
Projects				
Projects awarded in previous year(s)	6	7	9	16
Number of new projects awarded during the year/period	4	6	9	4
Number of projects completed during the year/period	3	4	2	6
Projects carried forward to the next year/period	7	9	16	14

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The following table sets out the movement of the contract values of our Group during the Track Record Period and up to the Latest Practicable Date.

	Year ended 31 December			From
	2016	2017	2018	1 January
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>	2019 up to the Latest Practicable Date
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Projects				
Outstanding contract value as at the beginning of the year/period	36,781	6,787	35,988	77,671
Value of new contracts secured during the year/period	9,418	46,378	324,483	17,615
Revenue recognised excluding revenue from the ATM Project during the year/period	(39,412)	(17,177)	(282,800)	(71,987)
Outstanding aggregate contract value as at the end of the year/period	6,787	35,988	77,671	23,299

In the above table, the contract value excludes the ATM Project as the project do not have a fixed contract value. During the Track Record Period, the revenue of the ATM Project amounted to approximately THB328.4 million, THB281.6 million and THB489.3 million for the three years ended 31 December 2018 respectively.

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Details terms of our projects

Set out below is the summary of the details of all the projects of our Group carried/carrying out during the Track Record Period and up to the Latest Practicable Date:

Project	Revenue stream	Customer	Details of the project	Date of contract	Completion date/expected completion date ^(Note 3)	Contract sum ^(Note 4) (THB'000)	Revenue generated			Revenue to be recognised for the year ending 31 December 2020 (THB'000) (Estimated)
							For the year ended 31 December 2016 (THB'000)	For the year ended 31 December 2017 (THB'000)	For the year ended 31 December 2018 (THB'000)	
Completed projects										
1	Completed Project A	BAAC	Develop payment gateway system	27/6/2014	October 2016	4,841	1,706	-	-	-
	IT support services	BAAC	Maintenance of Completed Project A	-	October 2017	-	-	1,199	-	-
2	Completed Project B	GISTDA	Develop and install the satellite receiving station	23/9/2014	February 2016	158,625	29,800	-	-	-
	IT support services	GISTDA	Maintenance of Completed Project B	-	February 2019	-	-	540	496	765
3	Completed Project C	Customer E	Develop security system	21/10/2014	October 2017	288	96	80	-	-

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Project	Revenue stream	Customer	Details of the project	Date of contract	Completion date/ date/expected completion date ^(Note 3)	Contract sum ^(Note 4) (THB'000)	Revenue generated			Revenue to be recognised for the year ending	
							2016	2017	2018	2019	2020
							(THB'000)	(THB'000)	(THB'000)	(THB'000)	(THB'000)
4	Completed Project D	Customer C	Provision of software licence	6/10/2015	October 2017	2,400	900	-	-	-	-
5	Completed Project E	MWA	Provide data base server to monitor water usage	14/3/2016	May 2016	2,976	-	-	-	-	-
6	Completed Project F	MWA	Provide uninterrupted power supply system	4/5/2016	August 2016	3,384	-	-	-	-	-
7	Completed Project G	BAAC	Installation of the payment gateway system	18/11/2016	November 2016	250	-	-	-	-	-
8	Completed Project H	Customer C	Procurement of software system	15/3/2017	April 2017	4,446	4,289	-	-	-	-
		Customer C	Maintenance of Completed Project H	-	April 2019	-	-	126	31	-	-
9	Completed Project I	Customer A	Develop surveillance system	6/6/2017	August 2017	5,575	5,575	-	-	-	-

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Project	Revenue stream	Customer	Details of the project	Date of contract	Completion date/expected completion date ^(Note 3)	Contract sum ^(Note 4) (THB'000)	Revenue generated			Revenue to be recognised for the year ending 31 December 2020 (THB'000) (Estimated)
							For the year ended 31 December			
							2016 (THB'000)	2017 (THB'000)	2018 (THB'000)	
10	Completed Project J	BAAC	Develop fraud detection system in Base 24	22/8/2017	February 2019	5,794	2,140	2,728	926	-
11	Completed Project K	BAAC	Provide interface node system	22/12/2017	June 2018	9,076	-	9,076	-	-
12	Completed Project L	BAAC	Development of the cardless ATM mobile banking application (Note 7)	30/4/2018	March 2019	8,393	-	6,294	2,099	-
13	Completed Project M	MWA	Development of pipe leakage detection system for water supply system	5/6/2018	December 2018	2,096	-	2,096	-	-
14	Completed Project N	BAAC	Relocate and configure Interface Node System	22/1/2019	January 2019	299	-	-	299	-

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Project	Revenue stream	Customer	Details of the project	Date of contract	Completion date/ date/ expected completion date ^(Note 3)	Revenue generated				Revenue to be recognised for the year ending 31 December 2020 (THB'000) (Estimated)	
						Contract sum ^(Note 4) (THB'000)	For the year ended 31 December				
							2016 (THB'000)	2017 (THB'000)	2018 (THB'000)		2019 (THB'000) (Estimated)
15	Completed Project O	BAAC	Relocate Base 24 system	24/4/2019	May 2019	3,120	-	-	-	3,120	-
On-going projects											
1	Phase One Contract and its supplementary contracts	BAAC	The ATM Project ^(Note 1)	23/8/2006	June 2027	Revenue-sharing model ^(Note 2)	152,272	214,728	199,937	Revenue-sharing model ^(Note 2)	Revenue-sharing model ^(Note 2)
	- Chip Card Project	BAAC	The ATM Project ^(Note 1)	30/3/2016	June 2027	Revenue-sharing model ^(Note 2)	145,932	33,756	7,501 ^(Notes 8,11)	Revenue-sharing model ^(Note 2)	Revenue-sharing model ^(Note 2)
	- Debit Card Project	BAAC	The ATM Project ^(Note 1)	2/8/2017	June 2027	Revenue-sharing model ^(Note 2)	-	-	245,158	Revenue-sharing model ^(Note 2)	Revenue-sharing model ^(Note 2)
2	The 2014 operation contract	BAAC	The ATM Project ^(Note 1)	10/1/2014	June 2027	THB1.3 per transaction + THB0.14 per slip	17,679 + THB1.3 per transaction + THB0.14 per slip	33,142 ^(Notes 9,11)	36,737 ^(Notes 9,11)	Revenue-sharing model ^(Note 2 and 9)	Revenue-sharing model ^(Note 2 and 9)

BUSINESS

Project	Revenue stream	Customer	Details of the project	Date of contract	Completion date/expected completion date ^(Note 3)	Contract sum ^(Note 4) (THB'000)	Revenue generated				Revenue to be recognised for the year ending	
							For the year ended 31 December		31 December		2019	2020
							2016	2017	2018	2019	(THB'000)	(THB'000)
3	Project A	BAAC	Maintenance contract for the CDM control system	29/12/2016	December 2019	2,808	936	936	936	936	-	-
4	Project B	BAAC	Maintenance contract for the hardware of the payment gateway project	3/3/2017	December 2020	104	26	26	26	26	26	26
5	Project C	Customer B	Develop digitalised court case record system	27/9/2017	July 2019	21,383	1,493	19,890	-	-	-	-
6	Project D	MOI	Develop video conference system	7/5/2018	July 2019	191,073	-	153,813	37,260	-	-	-
7	Project E	Customer D	Develop security system	10/5/2018	March 2019	89,000	-	79,193	6,886	-	-	-
		Customer D	Maintenance of Project E	-	March 2022	-	-	-	811	-	973	-

BUSINESS

Project	Revenue stream	Customer	Details of the project	Date of contract	Completion date/expected completion date ^(Note 3)	Contract sum ^(Note 4) (THB'000)	Revenue generated				Revenue to be recognised for the year ending 31 December 2020 (THB'000) (Estimated)
							For the year ended 31 December				
							2016 (THB'000)	2017 (THB'000)	2018 (THB'000)	2019 (THB'000) (Estimated)	
8	Project F	BAAC	Develop of ATM backend system to support international fund transfer	8/10/2018	September 2019	10,080	-	-	-	10,080	-
9	Project G	Customer F	Develop ATM backend system to support centralisation of data	9/10/2018	June 2019	18,756	-	8,126	10,630	-	-
10	Project H	Customer F	Maintenance of Project G	9/10/2018	May 2024	4,515	-	-	-	-	564
11	Project I	MWA	Maintenance contract for the uninterruptible power supply system	22/11/2018	November 2019	380	-	-	380	-	-

BUSINESS

Project	Revenue stream	Customer	Details of the project	Date of contract	Completion date/ date/ expected completion date ^(Note 3)	Contract sum ^(Note 4) (THB'000)	Revenue generated				
							For the year ended				
							2016	2017	2018	2019	
12	Project J	BAAC	Maintenance contract for payment gateway system's software	12/12/2018	December 2022	191	-	-	48	48	
13	Project K	Customer B	Develop winness recording system	15/1/2019	July 2019	8,682	-	-	8,682	-	
14	Project L	BAAC	Development of Base 24 system to support loan transaction	2/5/2019	November 2019	5,514	-	-	5,514	-	
Total							367,765	298,804	772,133	88,493	1,611

Notes:

- For further details of the ATM Project, please refer to the paragraph headed "The ATM Project" under this section.
- The ATM Project adopted a revenue-sharing model, hence, there is no fixed contract sum and an estimated revenue is not available.
- For IT integrated solutions, the completion date is based on the last payment milestone and the expected completion date is based on the latest project schedule if the last payment milestone was not achieved as at the Latest Practicable Date. For IT support services, the completion date and expected completion date are based on the maintenance and/or operation services period.

4. For projects comprising both IT integrated solutions and IT support services, the contract values will equal to the revenue to be recognised in the two revenue streams.
5. The estimated revenue for the year ending 31 December 2019 and 2020 does not include the revenue attributable to the ATM Project.
6. Save for Phase One Contract and its supplementary contracts and completed Project M, our Group did not form any consortium in undertaking the above projects.
7. The fee for the cardless ATM mobile banking applications are only the fees charged for helping BAAC on system development. The mobile banking application was launched in late March 2019 and it allows customers to initiate cash withdrawal transaction and complete the physical transaction on ATM using their mobile phone instead of an ATM card. Hence, our Group earns the same fees through the prevailing revenue and cost sharing arrangement for ATM transactions. So when a transaction initiated through the mobile banking application is undertaken through the ATM, our Group will also share 49.5% of transaction fees BAAC received from customers. Further, if a transaction is undertaken through the 700 ATMs owned by BAAC, our Group shall also earn the fees of THB1.3 per transaction and THB0.14 per slip on an ongoing basis (see Note 9 below). For further details of the revenue and cost sharing arrangement, please refer to the paragraph headed “The ATM Project” under this section.
8. Our Group was engaged to upgrade BAAC’s ATM cards from magnetic cards to chip cards, as a result of the requirement by the Bank of Thailand, and the projects involved upgrade of backend systems and ATM machines. After the initial system development, our Group’s role continued to be that of maintaining this Chip Card system. Our Group earns fees under the revenue and cost sharing model of the ATM Project.
9. The 2014 operation contract arose from the BAAC acquiring additional 700 ATMs. Our Group was initially engaged to (i) link the 700 BAAC ATMs to the Base 24 system; (ii) provide training related to the Base 24 system to 15 employees of BAAC and update the latest development of Base 24 to BAAC, and (iii) thereafter perform maintenance and provide personnel and technical advice to support the operation of the 700 ATMs. Our Group earned a one-time development fee of approximately THB17.7 million for the initial work (i) and (ii)) and for (iii) THB1.3 per transaction and THB0.14 per slip on an ongoing basis.
10. Projects A and B are small maintenance contracts on projects developed earlier by our Group, wherein our Group provides ongoing services such as technical support and answering customer’s queries. Our Group earns a fixed annual service fee.
11. For the projects mentioned in Notes 8, 9 and 10 above, they are maintenance projects and the costs involved for these projects are mainly labour costs relating to our Group’s staff who are working on other BAAC projects simultaneously. The proportion of timing spent on these maintenance projects is minimal as compared to other main projects. Our Group considers that it is not cost efficient to track or allocate such minimal costs to maintenance projects. Because of these reasons, maintenance projects’ gross profit margins are recorded as 100% in the books. Nonetheless, as a whole, all such costs incurred on all BAAC projects have been properly and timely recorded. The overall gross profit margins of all BAAC projects are not affected.

BUSINESS

Duration and contract size of our projects

Our Group selects projects based on our capacity and expertise and focuses on relatively large-scale and long-term projects. During the Track Record Period, besides the ATM Project, our Group had been able to secure three new projects with each contract value exceeding THB10,000,000. Nonetheless, having taking into account factors including (i) our Group's capacity; (ii) potential to secure large-scale and long-term projects from the subject customer; and (iii) maintain the customer relationship, our Group may from time to time undertake smaller-scale and shorter-term projects.

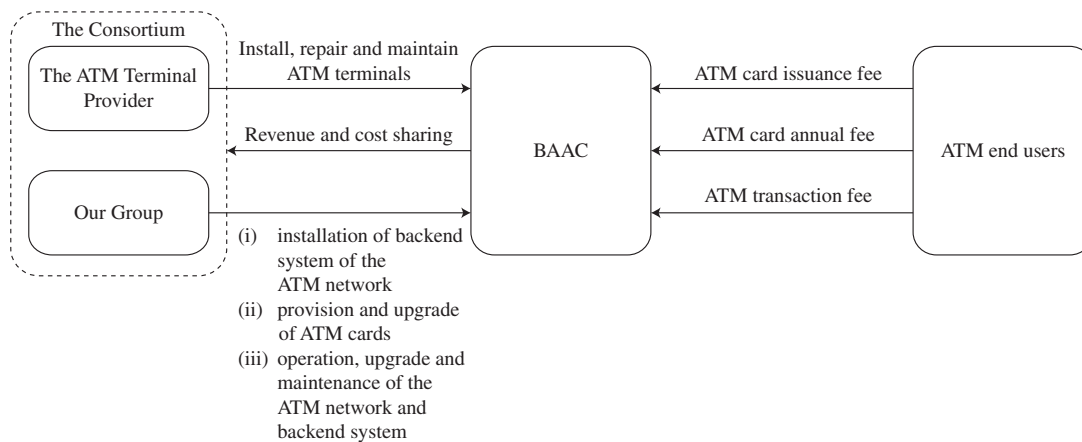
Depending on the complexity of our projects, our projects generally lasts for approximately six months to two years. Some projects include both IT integrated solutions and IT support services in one contract, leading to an overall longer duration of project. Of all the 29 projects which contributed revenue to our Group during the Track Record Period and up to the Latest Practicable Date, seven contracts had contract values exceeding THB10,000,000. These projects generally had more stringent requirements on specifications and required extensive expertise to implement. Moreover, these projects often involve infrastructures widely used by the Thai citizens and are high-profile projects. Hence, the undertaking and completion of these projects are key milestone events and could significantly improve our profile.

The ATM Project

In 2006, our Group and the ATM Terminal Provider formed a Consortium to tender for the ATM Project. The ATM Terminal Provider is responsible for the procurement, installation, repair and maintenance of ATMs, where our Group is responsible for the provision of backend system and operation of the entire ATM network. Our Group acts as the representative to communicate with BAAC and led the implementation phase after securing the ATM Project. Pursuant to the contracts entered into between the Consortium and BAAC in 2006 (the “**Phase One Contract**”), the Consortium set up BAAC's nationwide ATM system, encompassing (i) procurement and installation of frontend and backend hardware (including 700 ATMs and servers in BAAC) and software (such as the ATM switching system); (ii) integration of the ATM system with BAAC's internal core banking system; and (iii) provision of in-house 24-hour operational, upgrade and maintenance support. In 2011, the Consortium and BAAC entered into a supplementary contract (the “**Phase Two Contract**”) to extend the service provided under the Phase One Contract to June 2020, expand the ATM network by 600 additional ATMs and upgrade the ATM switching system. In 2014, the Consortium and BAAC entered into the second supplementary contract to further expand the ATM network by 700 additional ATMs bought by BAAC. Our Group also entered into a support services contract in 2014 (the “**2014 operation contract**”) with BAAC for the provision of in-house support services utilising the Base 24 system, an ATM switching system. In 2019, our Group entered into a supplementary contract (the “**Phase Three Contract**”) to further extend and broaden our services to BAAC to June 2027 including, but not limited to, installing approximately 1,400 CDMs and maintaining new and existing ATMs and CDMs. Our Thai legal adviser advised the contracts above are legally binding. For further details of our business relationship with BAAC, please refer to the paragraph headed “Our relationship with BAAC” under this section.

BUSINESS

Set out below is a diagram summarising the current business relationship between the Consortium and BAAC and summary of the salient terms of the contracts above:



Set out below is the summary of the salient terms of the Phase One Contract and the Phase Two Contract:

- Duration of the ATM Project : Seven years under the Phase One Contract and was extended to June 2020 under the Phase Two Contract and the Phase Two Contract
- Responsibility of the Consortium :
- (i) the ATM Terminal Provider to install, repair and maintain approximately 2,000 ATMs (including approximately 1,300 ATMs provided by the Consortium and approximately 700 ATMs bought by BAAC);
 - (ii) our Group to provide backend system of the ATM network;
 - (iii) our Group to provide the ATM cards; and
 - (iv) our Group to operate approximately 2,000 ATMs (including approximately 1,300 ATMs provided by the Consortium and approximately 700 ATMs bought by BAAC) and deploy our staff to assist in operating the system. Such operation includes the issuance of reports and managing the ATM system at the BAAC headquarters.

BUSINESS

Our Group is responsible for overseeing the entire ATM Project, which covers supervising the operations of the ATM Terminal Provider and ensuring the smooth operation of the full suite of ATM IT system.

Revenue and cost sharing arrangement : Generally, the revenue arising from the ATM Project is shared among BAAC and the Consortium as set out below:

	Percentage of share	BAAC	Our Group	The ATM Terminal Provider
Card issuance fees/Annual fees		50%	27.5%	22.5%
Transaction fees		10%	49.5%	40.5%

Note: The above revenue sharing arrangement shall also apply for ATM transactions that were initiated through mobile banking applications.

Such allocation of percentage was derived on arm's length negotiation among BAAC, our Group and the ATM Terminal Provider based on factors including each party's (i) initial capital investment; (ii) risk assumed in the ATM Project; and (iii) on-going operational cost. Generally, the current regular card issuance fee, annual fee and transaction fee amount to approximately THB100 per card, THB150 per card per annum and THB25 per transaction respectively.

The annual fee for debit cards shall be THB250 per card and shall follow the same revenue sharing ratio as the chip cards. According to Euromonitor, the fees charged by BAAC to its end users is comparable to the fees charged by other banks in Thailand.

BUSINESS

The Consortium shares certain operational costs of BAAC, including the electricity cost, rental costs, interbank transaction expense and promotion cost. For further details on the cost sharing arrangement, please refer to the paragraph headed “Cost sharing arrangement with BAAC and the ATM Terminal Provider” under this section.

Each of us and the ATM Terminal Provider shall also be separately responsible for any liability, damages, litigation or other legal action arising from the execution of our respective scope under the ATM Project.

- Location of ATMs : Almost all the ATMs are installed in branches of BAAC and other locations proposed by BAAC.
- Performance bond : Four performance bonds amounting to a total of THB8,000,000 are bought by our Group and the ATM Terminal Provider.
- Expiration : At the expiration of the contractual period, the ownership of the ATMs and the related backend system will be transferred to BAAC¹.
- Termination clause : Termination before expiry is expressly prohibited, unless it arises from mutual agreement or the default of either party. If either party breaches the agreement, a 45 days’ notice period will be given to correct the default. If such default is not corrected, the non-default party may terminate the contract on its own. Upon early termination, the termination arrangement is subject to negotiations.

¹ The backend systems owned by BAAC have been expensed in our Group’s financial statements.

BUSINESS

Set out below are the major terms of the second supplementary contract entered into in 2014. This contract serves to clarify the changes to the revenue and cost sharing arrangement set out in the Phase Two Contract that shall result from the installation of 700 ATMs bought by BAAC.

- Duration : February 2014 to June 2020
- Responsibility of the Consortium : The Consortium shall be responsible for the maintenance of the ATM system and its operation which include, *inter alia*, the processing of the transactions and generating reports through the Base 24 system.
- Revenue and cost sharing arrangement : The revenue and cost sharing arrangement under the Phase Two Contract was amended to accommodate the 700 ATMs bought by BAAC, which were installed at branches with existing ATM machines (“**Location A**”), offsite locations under supervision of Location A branches (“**Location B**”) and new branches, i.e. branches without existing ATM machines (“**Location C**”).

Location A

- Transaction fees on public utilities payment shall accrue fully to BAAC
- Transaction fees on other transactions and revenue from ATM card and annual fees on ATM cards issued from Location A shall be shared based on Phase Two Contract sharing arrangement

Location B

- Transaction fees on public utilities payment shall accrue fully to BAAC
- Transaction fees on other transactions shall accrue fully to BAAC
- Revenue from ATM card and annual fees on ATM cards issued from Location B shall be shared based on Phase Two Contract sharing arrangement
- BAAC and the Consortium to share the interbank transfer expense based on formula set out in agreement

BUSINESS

Location C

- Transaction fees on public utilities payment and other transactions, and revenue from ATM card and annual fees on ATM cards issued from Location C shall accrue fully to BAAC

The revenue sharing arrangement on the approximately 1,300 ATMs under the Phase Two Contract, including on the ATM cards and annual fees which form the bulk of ATM cards and transaction revenues, are not affected by the above amendments.

Set out below is the major terms of the 2014 operation contract entered into in 2014:

- Duration of the project : January 2014 to June 2027
- Description of the project : Our Group's responsibilities include (i) connecting the 700 ATMs bought by BAAC to the Base 24 system; (ii) performing maintenance and provide personnel and technical advice to support the operation of the Base 24 system for the 700 ATMs; and (iii) providing training related to the Base 24 system to 15 employees of BAAC and update the latest development of Base 24 to BAAC.
- Revenue basis : Our Group shall receive (i) a one-time system development fee of approximately THB17.7 million; and (ii) THB1.3 per transaction and THB0.14 per slip on an ongoing basis, including on transactions initiated through the mobile banking application.
- Performance bond : A performance bond amounted to approximately THB946,000 was bought by our Group.

In addition to the IT support services provided to BAAC, the Consortium may from time-to-time perform ad hoc projects with BAAC to upgrade the ATM network. During the Track Record Period, the Consortium undertook two projects with BAAC to enhance and upgrade the functions of ATM cards under the revenue sharing model. The first project, being the Chip Card Project, was in March 2016 where the Consortium agreed to upgrade the ATM cards from magnetic card to chip card and upgrade the relevant frontend and backend ATM system. In August 2017, the second project, being the Debit Card Project, was undertaken to develop and promote the debit card function (which is the direct payment function to retail businesses such as restaurants and convenience stores) for the ATM system.

BUSINESS

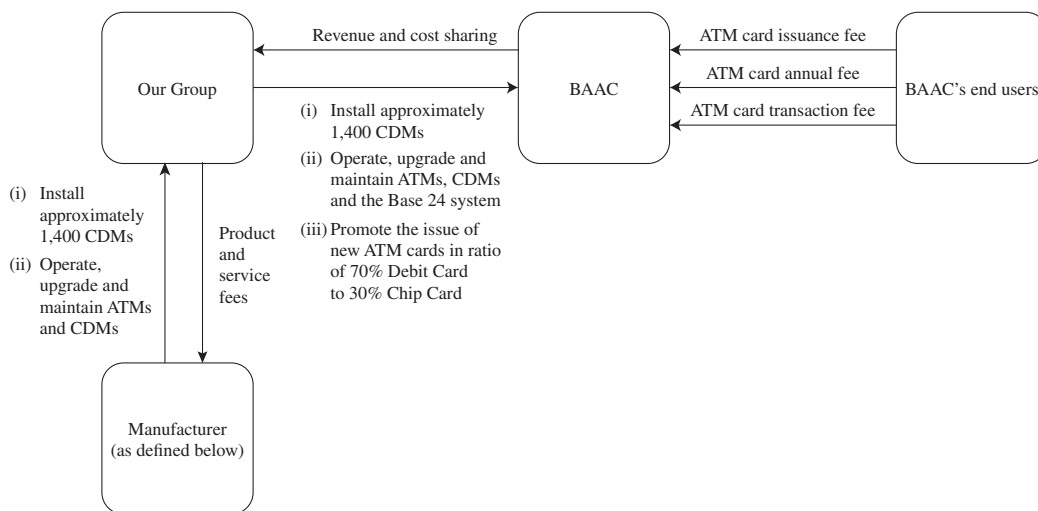
The revenue generated from the Chip Card Project and the Debit Card Project is recognised under our IT integrated solutions. During the Track Record Period, revenue attributable to the Chip Card Project amounted to approximately THB145.9 million, THB33.8 million and THB7.5 million for the three years ended 31 December 2018 respectively. For the same period, revenue attributable to the Debit Card Project amounted to nil, nil and approximately THB245.2 million respectively.

Our Group has completed all the scheduled IT integrated solutions projects for the ATM Project in 2018 and there are no further projects for the remaining period of the Phase Two Contract to June 2020 (“**Remaining Period**”). Accordingly, we expect that only IT support services revenues (and no IT integrated solutions revenues) shall be attributable to the ATM Project during the Remaining Period.

Phase three extension of the ATM Project

In 2019, the ATM Project was extended by another seven years (from June 2020). The ATM Project renewal is a testament to the close and mutually beneficial working relationship between our Group and BAAC.

Set out below is the diagram summarising the business relationship between our Group and BAAC for the ATM Project pursuant to the Phase Three Contract:



BUSINESS

Set out below are the major terms of the Phase Three Contract:

- Parties : Our Group and BAAC
- Duration of the project : From June 2020 to June 2027
- Our Group's responsibilities : Our Group's responsibilities include, but not limited to,
- (i) installing approximately 1,400 CDMs (including replacing approximately 360 BAAC's CDMs);
 - (ii) maintaining remaining Phase Two Contract ATMs and BAAC's 700 ATMs;
 - (iii) maintaining approximately 1,400 CDMs;
 - (iv) upgrade and maintain Base 24 system; and
 - (v) promote the issue of new ATM cards in ratio of 70% Debit Cards to 30% Chip Cards.

The Phase Two Contract and 2014 operation contract shall be extended, save that the revenue sharing basis shall follow the arrangement set out below.

- Revenue sharing arrangement : The revenue during the Phase Three Contract shall be shared between BAAC and our Group as set out below:

Percentage of share	June 2020 to June 2023		June 2023 to June 2027	
	BAAC	Our Group	BAAC	Our Group
Card issuance				
fees/Annual fees	52%	48%	55%	45%
Transaction fees	52%	48%	55%	45%

Note 1: The above revenue sharing arrangement shall also apply for ATM transactions that were initiated through mobile banking applications.

Note 2: The decrease in percentage of share from June 2023 to June 2027 is based on the estimated timing of achieving the breakeven point for the Phase Three Contract.

BUSINESS

The current card issuance fee, annual fee and transaction fee for ATM cards amounting to approximately THB100 per card, THB150 per card per annum and THB25 per transaction respectively are expected to continue to apply. Similarly, the current card issuance fees, annual fees and transaction fees of debit cards amounting to approximately THB100 per card, THB250 per card per annum and THB25 per transaction are also expected to continue to apply.

Arrangement with Manufacturer : The scope of services of the Manufacturer (as defined below) is to supply the ATM/CDM machines and provide installation, upgrade and maintenance services (through the ATM Team as defined below). Hence, the role of the Manufacturer is to be our ultimate supplier and our Group expects to sign a supply and services contract directly with the Manufacturer for the Phase Three Contract. Please see the diagram on page 136 of this prospectus for the business relationship between the Manufacturer, our Group and BAAC.

Reason for BAAC working solely with our Group under Phase Three Contract (the “Phase Three Arrangement”)

Our Group worked with the ATM Terminal Provider in the past as it was then the sole distributor in Thailand for the machine equipment manufacturer company (“**Manufacturer**”), but has ceased to be so now. The rationale for the Phase Three Arrangement is that our Group and BAAC want to deal directly with the Manufacturer in order to get better security of supply and service.

In planning for Phase Three of the ATM Project, our Group believes that it will be beneficial to deal directly with the Manufacturer, especially in purchasing directly and securing parts and new models, and BAAC concurs with this approach. The Manufacturer, who is one of the top ATM/CDM providers in the world and technically and financially stronger than the ATM Terminal Provider, shall provide installation and maintenance services at better prices for the existing ATM machines under the Phase One Contract and Phase Two Contract and new CDM machines under the Phase Three Contract. Hence, our Group expects an increase in its revenues and profits under the Phase Three Contract compared to the Phase Two Contract. Furthermore, approximately two years ago, our Group came to know that the ATM Terminal Provider’s team for the ATM Project (“**ATM Team**”) has left to join the Manufacturer. Our Group’s operations team has built up good working relationship with the ATM Team by working closely with them since then.

BUSINESS

Potential impact of Phase Three Contract compared to Phase Two Contract

As abovementioned, our Group's operations team has established a good working relationship with the ATM Team for many years (including their time at the ATM Terminal Provider), and is confident of continuing this working relationship into the Phase Three Contract. Therefore, our Group is capable of handling the ATM Project going forward without the involvement of the ATM Terminal Provider. Under the Phase Three Contract, our Group shall continue to provide a full suite of frontend and backend ATM IT solutions to BAAC, similar to the services provided under the Phase One Contract and Phase Two Contract respectively.

Taking into account the reasons below, our Group does not expect significant financial and operational impact as a result of the Phase Three Arrangement:

- (1) our Group has always been the leading party in the ATM Project dealing directly with BAAC since 2006 as disclosed on page 130 under the paragraph headed "The ATM Project" under this section;
- (2) as BAAC and our Group continue to adopt a revenue and cost sharing model in the Phase Three Contract, and for the reasons set out earlier for the Phase Three Arrangement, where our Group takes on the previous role of and profits accruing to the ATM Terminal Provider, our Group expects that our revenues and profits under the Phase Three Contract to be higher than that under the Phase Two Contract; and
- (3) our Group's operations team has established a good working relationship with the ATM Team for many years (including their time at the ATM Terminal Provider), and is confident of continuing this working relationship into the Phase Three Contract.

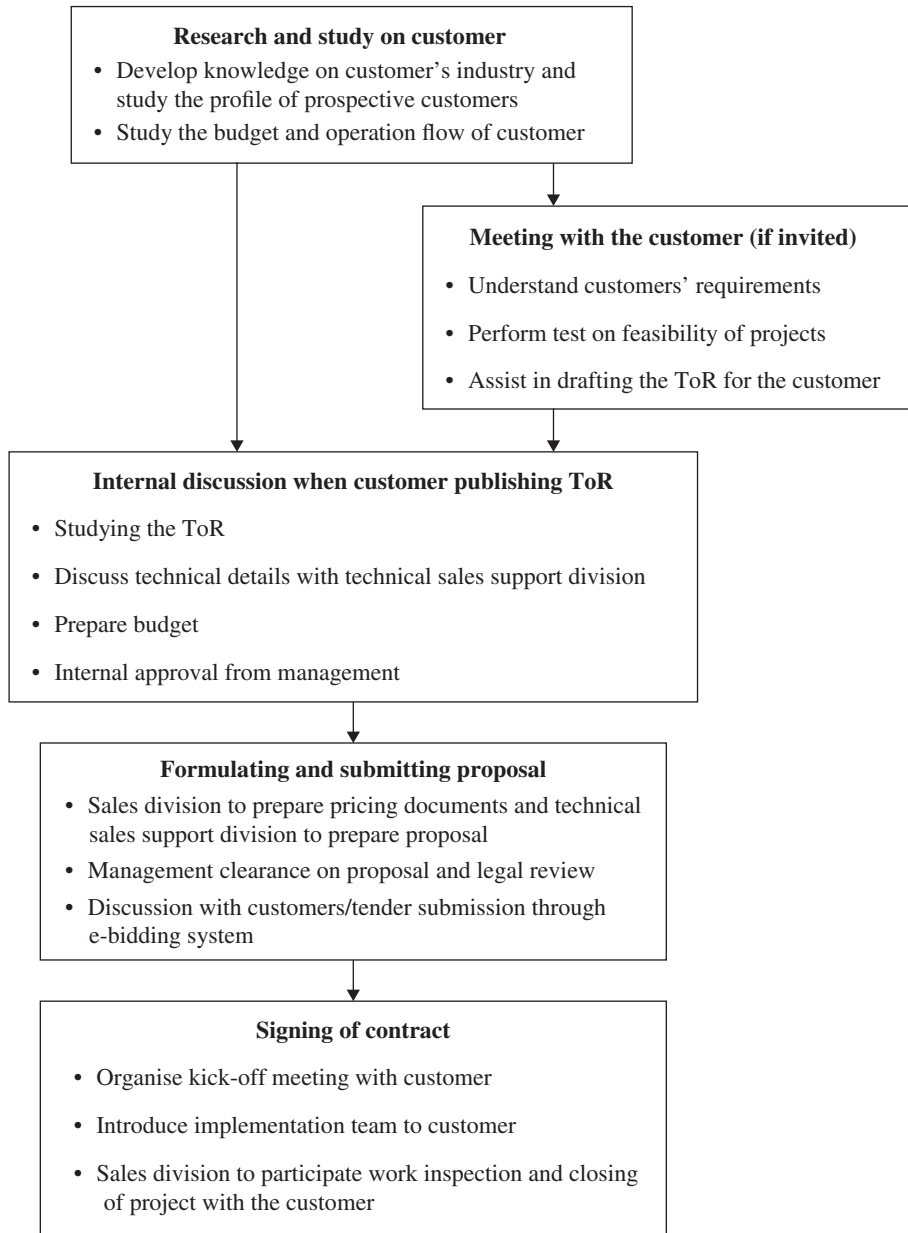
6. OUR OPERATIONS

We offer a wide range of IT solutions services. In general, our services comprise a comprehensive flow from sales and marketing to after-sales services. Nonetheless, depending on the customer relationship, project nature and the different requirements, each project may have a different operation flow.

BUSINESS

Set out below is our general operation flow:

Pre-tendering and tendering stage



Research and study on customer

Our sales division has maintained a close relationship with our existing customers and is constantly exploring new customers for our Group as well as regularly perform research and analysis on our customers and to explore further business opportunities.

For example, we will regularly study the government budget, which is usually published annually with details of the expected spending by different government departments in various regions. This is important to us as we target projects from government departments and agencies. From the published government budget, we can then understand the direction and magnitude of development to be undertaken by each of the government departments or agencies. Together with our in-depth understanding of our customers, we will be able to formulate our sales strategies and target selected groups of governmental bodies. Besides, all central and regional departments and agencies would from time-to-time announce their proposed projects through a public hearing procedure, which allows our sales division to study closely the potential business opportunities for our Group. Prior to our discussion with the potential customers, the counterparty risk of the potential customer is also considered. For further details, please refer to the paragraph headed “Counterparty risk management” under this section. Based on the above, our sales division, technical sales support division and business development division will hold weekly meetings to discuss our potential projects.

Meeting with the customer

Our Group from time to time is invited to participate in different meetings by prospective customers due to our established reputation and track record. The prospective customers are generally returning customers or new customers referred by our existing customers. Our Group is invited to provide our insights to assist the prospective customers to formulate their IT solutions projects.

Our sales division would set up meetings with the prospective customers to understand their requirement and assist in drafting the details of the ToR, if applicable. In some occasions, our Group will conduct testing with customers to study the feasibility of the potential projects. Meanwhile, our sales division would also introduce our Group’s profile and demonstrate our technical capabilities by explaining our ideas for suitable IT solutions and sharing our experiences in our completed projects.

Internal discussion when customer publishing ToR

After the ToR is published by our customers, our sales division would discuss the potential projects with our technical sales support division. Our technical sales support division would perform assessment on the technical feasibility and prepare a cost sheet for internal review. After the preparation work, our sales division and technical sales support division would formulate a preliminary proposal and a cost sheet for management’s approval.

A presentation to our management is arranged and the profitability of the projects would be analysed. Based on the feedback from our management, we may either (i) proceed to formulate a detailed proposal; (ii) revise the proposal for management’s consideration again; or (iii) reject the potential project and inform the customers accordingly.

Formulating and submitting proposals

Once our Group decides to formulate a detailed proposal, our sales division and technical sales support division will further enhance the pricing documents and technical proposal respectively. Sales division will seek quotations from our suppliers and include their quotation in the pricing documents for the preparation of tender submission. On the other hand, technical sales support division may order sample hardware and/or software from our suppliers and perform preliminary tests for the technical proposal. For instance, our Group performed trial runs and testing for the smart street light system with Customer D when we were formulating the proposal. Our Group generally offers credit terms of 30 days subject to negotiation with customers on a project-by-project basis. After all tender documents are prepared, our management will review the tender documents and seek legal advice where necessary to grant the approval for tender submission.

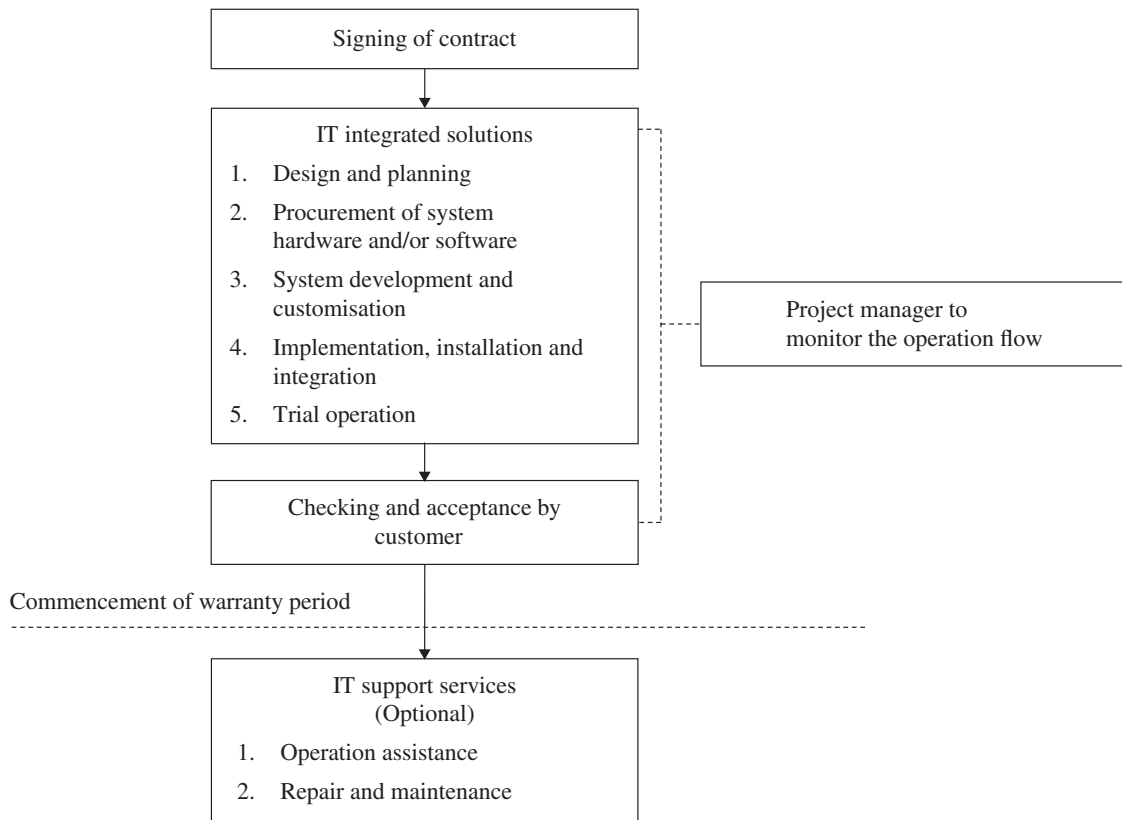
Once the internal approval is obtained, depending on the practice of our customers, a direct meeting with customers, a closed tender submission or an open tender submission may be conducted to confirm our participation in the project. In the event of tender submission organised by government departments or agencies, our Group would submit our proposal and quotation through the e-bidding system, which is the platform used by most of the Thai government departments or agencies. For some of our projects, our Group is required to include a bid bond in our tender submission.

Signing of contract

If our Group is selected as the IT solutions provider, a contract will be entered into between our Group and the customer. The contract generally includes a set of documents including the customer's ToR, our proposal, project schedule and cost sheets and it also stipulates the detailed procedures of implementing our IT solutions, our services fee and timetable of the project. For further details, please refer to the paragraph headed "Major terms of contracts entered into with our customers" under this section.

A kick-off meeting will be organised for our sales division to introduce the implementation team to our customers. As the project progresses, our implementation team will be the main contact point with our customers.

Project implementation stage



Design and planning

After our customers enter into a contract with our Group, we will form a project implementation team, which is led by our project manager, to carry out and monitor the project. In particular, risks including the credit risk of our customers and foreign currency risk are reviewed by us regularly. For further details, please refer to the paragraph headed “Risk management and internal control” under this section. We will arrange a kick-off meeting with our customers to introduce our project implementation team and to kick start the project.

After the kick-off meeting, our project implementation team becomes our main contact point with customers and will coordinate with various departments and liaise with external parties. Their responsibilities include (i) arranging the procurement of hardware and/or software with the purchase division; (ii) seeking assistance from technical division for technical matters; (iii) handling the billing process and payment among the customers and our suppliers; and (iv) liaising with our customers and suppliers.

Depending on the actual scenario when implementing the IT systems, our project implementation team may from time to time discuss amendments and modifications to the original proposals with our customers. All amendments and modifications must be mutually agreed by our Group and customers before proceeding for implementation.

Procurement of hardware and/or software

To control the quality of our IT solutions, we mostly purchase hardware and/or software from our approved suppliers. For further details, please refer to the paragraph headed “9. Procurement” under this section.

System development and customisation

For our IT integrated solutions, depending on the project and industry nature of our customers, the degree of customisation work varies. The degree of customisation is dependent on the gap analysis. Such gap analysis is an analysis on the system’s functionality to meet the requirement of customers and is generally conducted by our Group and agreed by our customers before its finalisation.

Trial operation and checking and acceptance by customer

The project implementation team will conduct an integrated testing and trial-run on the system to detect potential defects and take remedial measures. Subsequently, our customers would perform inspection checks. For details on our quality control procedures, please refer to the paragraph headed “11. Quality control” under this section. We generally provide our customers with warranty period on defect or malfunction ranging from one to three years upon delivery of our IT solutions to our customers and the warranty we provide to our customers are generally supported by back-to-back warranty provided by our suppliers. Hence, our warranty costs mainly related to labour costs of our operation team and the incremental costs have not been significant.

IT support services***Support services***

After the expiry of warranty period, our customers may engage us for additional operation and support services as the systems developed by our Group are complex and require expertise to maintain. In such cases, our support and maintenance services will be extended for a certain duration. During the Track Record Period and up to the Latest Practicable Date, our Group had not received any material claim or complaint from our customers on our IT solutions during their respective warranty periods.

Scope of services

Depending on the nature of each of our projects, our services scope under the operation and support services to our customers are different. We would regularly observe the capacity and performance of our systems, adjust the system and issue different monitoring reports to our customers.

We are also responsible for detecting and fixing any malfunction, including to send the specialist to fix the malfunction and/or replace the defected parts promptly. Generally, we determine our response time based on the urgency of each problem. The urgency of the problem depends on the degree of disruption to the ordinary function to the system which depends on the function of each system. For instance, under the ToR with BAAC for the interface node project, we are committed to resolving an urgent problem within four hours and will resolve non-urgent problem within 48 hours. During the Track Record Period and up to the Latest Practicable Date, our Executive Directors confirmed that, we had been able to resolve the problems within the abovementioned timeframe.

For projects that include a backend server system, we usually provide off-site data recovery system which can restore the needed data if a system fails. For more specialised projects such as the ATM Project, tailor-made services may be offered to our customers, which include the deployment of our employees to support the system on-site and provide continuous operation assistance.

7. SALES AND MARKETING

As at the Latest Practicable Date, our Group's sales division had six team members divided into two teams, being (i) G1, which is targeted for customers in the banking and financial sector; and (ii) G2, which is targeted for customers in the telecommunications and utilities and the government administrative sectors. Each team is being led by its sales manager who have more than ten years of experience in the IT solutions industry. Our two sales teams are supported by our business development division, which is responsible for all the supporting work including organising and participating in IT conferences, exhibitions and other events to introduce ourselves to the suppliers in the IT industry.

Given the nature of the IT solutions industry and our focus on sizeable projects with Thai financial institutions, government departments and agencies predominantly in administrative, telecommunications and utilities sectors, word of mouth recommendation and referrals are crucial to us. In addition to the closed tenders and direct negotiations with customers, our contracts are mostly secured through the participation in open tenders as illustrated in the paragraph headed "6. Our operation" under this section.

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Tendering

During the Track Record Period, some of the business opportunities are secured through tenders organised by the government departments and agencies. In these cases, our Group registers in the government e-bidding system which is an electronic tender submission system that sets out the details of all projects open for tender submission. We submit our proposal and quotation for each project through the e-bidding system and the result is generally announced approximately one month after the submission date. The table below sets out the number of tenders submitted by, and contracts awarded to, our Group for the years indicated:

	Year ended 31 December		
	2016	2017	2018
Number of tenders submitted ^(Note 1)			
– Returning customer ^(Note 2)	7	7	7
– New customer	3	9	1
Sub-total	10	16	8
Number of contracts awarded ^(Note 3)			
– Returning customer	3	5	6
– New customer	1	3	1
Sub-total	4	8	7
Tender success rate ^(Note 4)			
– Returning customer	42.9%	71.4%	85.7%
– New customer	33.3%	33.3%	100%
Overall tender success rate	40.0%	50.0%	87.5%

Notes:

1. The number of tenders submitted excludes tenders submitted but (i) are eventually cancelled by the tenderees or (ii) the tender result was not announced up to 31 December 2018.
2. Returning customer refers to customer which we have secured a contract in the past.
3. Number of contracts awarded during a relevant financial year refers to the tender submitted during the relevant financial year which was awarded with a contract, regardless of whether the contract were awarded during such year.
4. Tender success rate is calculated as the number of contracts awarded in respect of the tenders submitted during a financial year, divided by the number of tenders submitted during the respective financial year.

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Set out below is the breakdown of the number of awarded projects during each of the three years ended 31 December 2018 secured by open tenders and direct negotiation:

	For the year ended 31 December		
	2016	2017	2018
Direct negotiation/closed tenders	2	3	4
Open tenders	<u>2</u>	<u>5</u>	<u>3</u>
Total	<u>4</u>	<u>8</u>	<u>7</u>

Our Executive Directors consider that our tender success rates during the Track Record Period were satisfactory. The drop in the number of tender submission during the year ended 31 December 2018 was due to the high project pipeline at the beginning of the period and our Group intended to focus on implementing the awarded contracts.

The relatively higher tender success rate for projects of returning customers demonstrated the importance of close business relationship with our customers. Our established reputation and track records enabled our Group to stand out from our competitors. Our Group shall continue to maintain close working relationship with our customers and to strengthen our reputation and track records. Notwithstanding the above, our Group endeavours to continuously expand our customer base in the banking and financial sector, the telecommunications and utilities sector and the government administrative sector. For further details, please refer to the paragraph headed “3. Business strategy” under this section.

Pricing policy

We generally adopt a cost-plus pricing policy and determine the prices of our IT solutions based on estimated costs plus a targeted profit margin. Our targeted profit margin varies from project to project and is determined based on factors such as (i) level of complexity of the project; (ii) customer profile; (iii) relationship with the customers; (iv) project size; and (v) project nature. Our Group adopts a standard cost structure to facilitate quotation. The cost structure takes into account, amongst others, the procurement costs, the timeline for design, labour costs as well as other overhead costs expected to be incurred for a project.

Seasonality

The projects of our Group are usually initiated by the government departments and agencies. They generally commence their tendering process subject to their budget constraints. Based on the experience of our Executive Directors, the tendering process usually commences at a time close to the end of a fiscal year, which is around October.

For the ATM Project, the demand of loan generally peaks at around the fourth quarter and hence the usage of ATM will be increased accordingly. As a result, our Group had recorded a periodic peak in revenue for the ATM Project in December during the Track Record Period.

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8. CUSTOMERS

Our customers are generally government departments or agencies from the banking and financial, telecommunications and utilities and government administrative sectors. Our Group has established stable business relationship with our customers and has been collaborating with our top five customers in each of the year during the Track Record Period for an average of approximately five years.

Top five customers during the Track Record Period

For the three years ended 31 December 2018, our top five customers during each of the year accounted for 100%, 100% and approximately 99.6% of our total revenue respectively and for the corresponding years, our largest customer accounted for approximately 89.8%, 95.7% and 65.8% of our total revenue respectively. The tables below set forth the particulars relating to our Group's top five customers during the Track Record Period.

Top five customers for the year ended 31 December 2016

Customer	Type of corporation	Business relationship since	Solutions provided by our Group	Credit term and payment method	Revenue <i>THB'000</i>	Percentage of total revenue
BAAC	Government bank	2006	ATM Project and banking related solutions	7 days or 30 days by cheque ^(Note 1)	330,309	89.8%
GISTDA	Governmental agency in geographical information	2014	Satellite information receptor system	15 days by bank transfer	29,800	8.1%
MWA	Municipal water supply agency	2016	Water usage monitoring system and uninterruptible power supply	7 days by bank transfer	6,360	1.7%
Customer C	Listed oil and energy company	2008	Provision of software licence	30 days by cheque	1,200	0.3%
Customer E	Government agency specialising in school accessories and equipment	2014	Surveillance system	30 days by cheque	96	*
					367,765	100.0%

* Denotes percentage below 0.1%.

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Top five customers for the year ended 31 December 2017

Customer	Type of corporation	Business relationship since	Solutions provided by our Group	Credit term and payment method	Revenue <i>THB'000</i>	Percentage of total revenue
BAAC	Government bank	2006	ATM Project and banking related solutions	7 days or 30 days by cheque ^(Note 1)	285,928	95.7%
Customer A	Military department	2008	Surveillance system	30 days by cheque	5,575	1.9%
Customer C	Listed oil and energy company	2008	Procurement of software system	30 days by cheque	5,189	1.7%
Customer B	Government judiciary department	2017	Development of digitalised court case record system	30 days by cheque	1,493	0.5%
GISTDA	Governmental agency in geographical information	2014	Satellite information receptor system	15 days by bank transfer	540	0.2%
					298,725	100.0%

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Top five customers for the year ended 31 December 2018

Customer	Type of corporation	Business relationship since	Solutions provided by our Group	Credit term and payment method	Revenue <i>THB'000</i>	Percentage of total revenue
BAAC	Government bank	2006	ATM Project and banking related solutions	7 days or 30 days by cheque ^(Note 1)	508,392	65.8%
MOI	Local administrative department	2018	Video conferencing system	30 days by bank transfer	153,813	19.9%
Customer D	Provincial electricity supply agency	2018	Security system	30 days by cheque	79,194	10.3%
Customer B	Government judiciary department	2017	Development of digitalised court case record system	30 days by bank transfer	19,891	2.6%
Customer F	Government bank	2018	ATM backend system	30 days by bank transfer	8,126	1.0%
					<u>769,416</u>	<u>99.6%</u>

Note:

- The credit terms granted to BAAC for the ATM Project is seven days. The credit period granted to BAAC for other projects is 30 days.

During the Track Record Period and up to the Latest Practicable Date, we did not experience any default or material delay on delivery of our services.

As at the Latest Practicable Date, to the best of our Directors' knowledge, none of our Directors or any of their respective close associates, or any existing Shareholders who owns more than 5.0% of the issued share capital of our Company, had any interest in any of our top five customers for the three years ended 31 December 2018.

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Major terms of contracts entered into with our customers

A set of standard terms and conditions is generally included in the contracts we enter into with our customers. The salient terms of our typical contract which are legally binding are summarised below:

Price : Price is determined on a project-by-project basis during the tendering process with reference to the reference price set out in each tender.

Duration : Depending on the project complexity, our IT integrated solutions project generally lasts for six months to two years.

For IT support services project, it generally lasts for one to four years.

Delivery terms : Our Group is generally responsible for the delivery and implementation of hardware and/or software.

Payment terms : IT integrated solutions

For contracts with a shorter contract period, the contract sum is payable upon delivery of the IT solutions by our Group.

For contracts with a longer contract period, a progressive payment term is adopted. Payments are due upon completion of certain progress on our projects which generally include (i) completion of the design plan; (ii) completion of installation; (iii) completion of testing; and (iv) final delivery.

IT support services

For IT support services contract, our Group generally receives monthly or yearly services fee after the IT system starts its operations.

Guarantee letter and performance bond : Our Group is generally required to provide a guarantee letter equivalent to 5% to 10% of the contract value as a bid bond, an advance payment bond or a performance bond.

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- Subcontracting : Our Group may subcontract part of the works which are out of our services scope, for example, the installation of hardware, only when our customer grants us consent.
- Acceptance and warranty : Our customers would generally form a committee to supervise the work and monitor the quality of the products/services. Upon a satisfactory review, an acceptance of the products/services would be granted by such committee.
- A warranty period ranges from one year to three years are generally imposed on our Group, during which our Group will be responsible for the repair and maintenance for our products/services.
- Penalty/fine : In general, if our Group cannot complete the contract within the contract period, our customers may charge a penalty or fine to our Group. The penalty or fine is generally charged on a per-day basis for the delay period. During the Track Record Period, our Group did not incur any penalty or fine due to delay of our projects.
- Termination : Our customers have the right to terminate the contract if our Group failed to deliver our products/services within the agreed time stipulated in the contract. During the Track Record Period, our Group did not experience any termination of contracts by our customers.

Our relationship with BAAC

As detailed in the paragraph headed “1. Overview” under this section, our Group was set up with a business model to first secure a relatively stable source of income so as to build a solid foundation for growth of our IT integrated solutions projects. In 2004, our Executive Directors noted BAAC had a need to develop its ATM networks which would require a substantial upfront capital investment. In this regard, the Consortium initiated the proposal to assist BAAC in setting up its ATM network under a revenue sharing model. This was in fact in line with our business model, whereby we would be able to generate a relatively stable source of revenue by means of sharing the ATM card issuance fee, ATM card annual fee and transaction fee every month after our substantial upfront capital investment. It was our management’s strategic decision to allocate resources to the ATM Project for building up a solid foundation for our expansion in the IT solutions industry. The high customer concentration during the Track Record Period is therefore a natural result of our business model and management’s strategic decision to build up a long-term and sustainable business.

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Our upfront capital investments were THB1,198.6 million and THB1,997.0 million as stipulated in the Phase One Contract and the Phase Two Contract respectively. Since we achieved our breakeven point under the Phase One Contract in 2010, we entered into the Phase Two Contract with BAAC in 2011 and successfully achieved the second breakeven point in the end of 2015. Subsequent to the building up of relatively stable source of revenue under the ATM Project and we passed through the respective breakeven points, our Group began to devote resources in expanding our business scale. With our efforts in securing new customers such as MWA, MOI and Customer D and projects under our IT integrated solutions business, the percentage of revenue contribution from BAAC decreased significantly to approximately 65.8% for the year ended 31 December 2018 from approximately 89.8% and 95.7% for the two years ended 31 December 2017 respectively. Our Executive Directors expect such percentage of revenue contribution from BAAC will continue to be diluted in the future followed by our expanding customer base. As such, our Executive Directors are of the view that, and the Sponsor concurs that, together with the detailed considerations below, such customer concentration during the Track Record Period will neither affect the sustainability of our business nor our Group's suitability of Listing.

(i) Our mutually beneficial relationship with BAAC

As mentioned above, the Consortium noted BAAC had a need to develop its ATM network in 2004. We also understood from BAAC that they preferred to outsource the setting up and operations of the ATM network to a third party in view of the budget constraints and the desire to accelerate time to market. This is in line with the Euromonitor's Report and in particular, in the paragraph headed "2.6.4 Market drivers of ATM IT Solutions" under the section headed "Industry overview" of this prospectus. With such backdrop, our Group proposed a novel cooperation model comprising a revenue sharing and cost sharing arrangement with a swift implementation plan of setting up the ATM network within three months. In addition, we proposed to set up an operation team to oversee the ATM system on a daily basis. According to the Euromonitor Report, our Group is the only ATM IT solutions provider in Thailand offering such integrated ATM IT solutions. As a result, such proposal offered by us allowed BAAC to set up its ATM network sooner with a lower investment cost.

Although competitors such as Company B (for further details of Company B, please refer to the paragraph headed "2.7 Competitive landscape" under the section headed "Industry overview" of this prospectus) offers both frontend and backend solutions and may use the same systems as our Group, as far as our Group is aware and supported by the Euromonitor Report, the competitors do not possess the experience nor the track record of operating the ATM IT system as a whole and provide a total solution package to BAAC. In this regard, our Group does not only have extensive experience in handling the interaction of the frontend and backend systems, but we also provide a wider spectrum of solutions services, such as the provision of 24-hour operational support services, the provision of ATM card printing and supports its banking client in marketing and educating customers in rural communities to use ATMs and ATM cards. Euromonitor also confirms that we are the only operator in the Thailand who has the track record of providing such a wide range of services. As such, the switching costs and risks for BAAC to use other suppliers will be very significant and untenable in the

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view of our Executive Directors. Such switching costs cannot easily be quantified but could amount to more than the investment amount of the ATM Project if the systems from other suppliers do not work and have to be replaced.

Secondly, as a reputable government bank in Thailand, BAAC can be expected to place high emphasis on the stability of their operations and avoid unnecessary downtime risks. As we are the only total solution provider who has provided a stable and reliable service over the last 12 years, we occupy a very advantageous position.

Thirdly, if BAAC were to exclude us, BAAC and a new vendor(s) would need significant lead time to prepare, build and trial run its system. After the completion of the new system, BAAC and the new vendor will have to go through system inspection, testing, debugging and audit by various regulatory authorities, such as the Bank of Thailand. Based on the observation of our Executive Directors, such a process will involve tremendous time and resources.

Hence, our Executive Directors consider this current arrangement will help to reduce the risks faced by BAAC as it relies on our expertise in running its ATM network and still enjoys the benefits of the revenue arising from the ATM Project. As a result, the interests of BAAC and the Consortium are aligned which ensured the long-term continuation success of the ATM Project.

In 2019, the ATM Project was extended by another seven years (from June 2020). The ATM Project renewal is a testament to the close and mutually beneficial working relationship between our Group and BAAC.

(ii) Business scope of BAAC and its market share

According to the Euromonitor Report, BAAC is the second largest bank serving the rural area in Thailand. In 2018, our Group supported BAAC in operating (i) approximately 2,000 ATMs mainly located in rural areas of Thailand, representing approximately 2.9% of the total ATMs in Thailand; and (ii) approximately 8.7 million active ATM cards, representing approximately 9.8% of the total active ATM cards in Thailand. As BAAC is a dominant player in the banking sector targeting the rural area in Thailand and is the only bank that outsources both their frontend and backend ATM system, it is reasonable for our Group, as an ATM IT solutions provider, to attribute a substantial portion of our revenue to BAAC.

(iii) Close and sustainable business relationship with BAAC

Since our cooperation with BAAC in 2006, our Group has established a close and longstanding business relationship with BAAC. In 2019, the ATM Project with BAAC has been extended over another seven years. For major terms of the supplementary contract, please refer to the paragraph headed “Phase three extension of the ATM Project” under this section.

Throughout our cooperation with BAAC, we may from time to time introduce new solutions and suggest upgrade plans for the existing ATM network to BAAC. Going forward, according to the Euromonitor Report, the agricultural sector in Thailand and the number of ATMs in Thailand's rural area are both expected to grow. For further details, please refer to the paragraphs headed "Rural regions expected to catch up in economic growth" and "2.6.2 Growth in number of ATMs driven by growth in rural regions" under the section headed "Industry overview" of this prospectus. Besides the ATM Project, we have entered into six other contracts with BAAC during the Track Record Period to upgrade the existing system and/or develop new systems for BAAC. For the three years ended 31 December 2018, revenue attributable to BAAC excluding the ATM Project amounted to approximately THB2.0 million, THB4.3 million and THB19.1 million, representing approximately 0.6%, 1.5% and 3.7% of our revenue attributable to BAAC respectively.

In particular, our Group has proposed several projects to BAAC as a measure for BAAC to adapt to the development of technologies in the banking sector. Our Group has secured projects in developing the chip card system, debit card system and cardless ATM mobile banking application system. These projects demonstrated our close relationship established with BAAC and our ability to benefit BAAC with the latest market technology.

(iv) Our abilities and strategies to bring in new customers

Having secured the ATM Project in 2006 and stabilised our operations with BAAC, our Group thereafter expanded our customer reach to new customers such as Thai Meteorological Department, Ministry of Information and Communication Technology, National Nanotechnology Centre and GISTDA between 2009 and 2014 and this demonstrates our Group's desire and track record in continually bringing in new customers and build a sustainable business. Please refer to the paragraph headed "Business developments and key milestones" under the section headed "History, Reorganisation and corporate structure" of this prospectus for more details on these customers.

Thereafter, since the end of 2015, where the Phase Two Contract achieved its breakeven point, our Group has enjoyed the steady net inflow of revenue arising from the ATM Project. Riding on the relatively stable source of income from BAAC and our established reputation and track record in the IT solutions market, we devote our effort in expanding customer base and to secure and undertake more IT solutions projects in other customer sectors.

During the Track Record Period, our Group successfully enlarged our customer base by engaging five new customers, including contracts with government departments and agencies such as MOI, MWA and Customer D. For the three years ended 31 December 2018, percentage of revenue contribution attributable to our new customers amounted to approximately 1.7%, 0.5% and 33.8% of our total revenue respectively. As a result, our percentage of revenue contribution attributable to BAAC decreased significantly to approximately 65.8% for the year ended 31 December 2018 from approximately 89.8% and 95.7% for the two years ended 31 December 2017 respectively. Given our success in securing more new customers in 2018, our Executive Directors believe that our Group is not overly dependent on any particular customer over an extended period.

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One of the key drivers behind our continued ability to secure new projects and customers is our experienced management team of which most have been with us for more than eight years. Such an experienced management team gives us the capabilities to adapt to new technologies, market conditions and customers' needs and accordingly, we are well placed to continually seek new revenue streams and build a sustainable business. Even for BAAC, our Group has continually provided new products and services, such as the cardless ATM mobile banking application system, to enhance its service level to BAAC and meet their latest needs in accordance with the latest market trends and technology.

Going forward, our Group intend to continuously expand our services offered to the banking and financial sector and enhance our reach to customers in telecommunications and utilities and government administrative sectors. For further details, please refer to the paragraph headed "3. Business strategies" under this section and the section headed "Future plans and use of proceeds" of this prospectus. With such business strategies, our Executive Directors expect our Group to be able to manage the fluctuations in our percentage of revenue contribution attributable to BAAC (see extension of cooperation to June 2027 in the paragraph headed "(i) Our mutually beneficial relationship with BAAC" above) as compared to that from other major customers, with a view to avoid over-dependence on any particular customer over an extended period.

Hence, given our Group's positive track record in winning new projects and customers, and as our Group continues to retain and build our strong management team, our Executive Directors are confident in sustaining the business of our Group in the unlikely event that our Group fails to extend the ATM Project with BAAC.

9. PROCUREMENT

As at the Latest Practicable Date, our Group's purchase division consist of two employees. Employees in the purchase division are responsible for maintaining the preferred suppliers list and the all suppliers list of our Group and are responsible for the procurement of our Group.

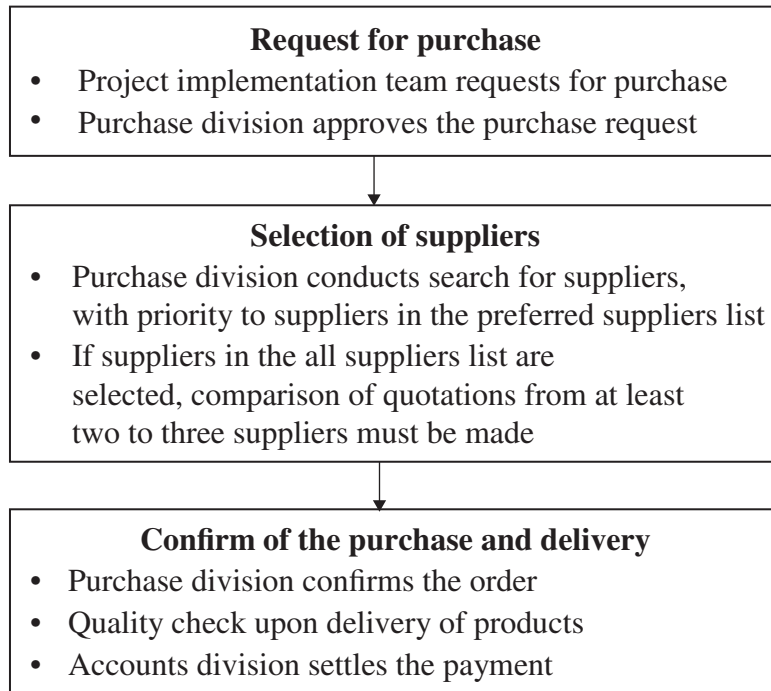
Depending on our projects' requirement, our Group needs to procure a wide variety of hardware and/or software for our IT solutions. In order to ensure the quality of our procurement, our Group maintained a preferred suppliers list and an all suppliers list for us to select our suppliers. Our Group selected our suppliers based on factors such as the quality of their services and/or products, their pricing, delivery terms and warranty terms including back-to-back warranty to support the warranty provided to our customers. Our suppliers are required to provide documents including the company's registration certificate, registered capital, value added tax certificate and their brochure, catalogue and their recommended products for our Group's vetting. After the documents are being studied, a summary will be submitted to managers in the purchase division for their decision. Further documents may be requested from our management before the suppliers can be placed in our preferred suppliers list. In the cases where the suppliers cannot meet our requirements, the supplier will be placed into an all suppliers list, which is of lower preference compared to the preferred suppliers list. As at the Latest Practicable Date, our Group maintained a preferred supplier list containing 64 suppliers and an all suppliers list containing 249 suppliers.

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An annual evaluation is carried out to assess the performance of all of our suppliers and update our preferred suppliers list. The evaluation would be based on (i) the quality of services and/or products; (ii) timely delivery; (iii) timeliness in responding our queries; (iv) warranty terms; and (v) pricing of their products/services.

Our procurement workflow

Set out below is the typical workflow of our procurement process:



Request of purchase

When there is a need to purchase, our project implementation team will approach our purchase division and provide details of the purchase, including specification and description of the products/services, the required quantity, purchase timeline and budget. A purchase request is prepared by the project implementation team and approved by the purchase division.

Selection of suppliers

Once the purchase request is approved by the management, the purchase division would begin screening for suppliers in the preferred suppliers list. Our purchase division will obtain quotations from suppliers in the preferred supplier list. If the quotation obtained is the same as the record in the preferred suppliers list, the purchase division would proceed with the procurement. If no suitable supplier is identified from the preferred suppliers list, the purchase division would seek at least two to three quotations from the all suppliers list and compare the price, quality and delivery condition and decide on which supplier to procure from. If no suitable supplier is identified in the preferred suppliers list and the all suppliers list, new suppliers will be selected and assessed by our purchase division before we obtain quotations from them.

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Issuance of purchase order and delivery

After a supplier is selected, our purchase division will arrange the issuance of purchase order or the signing of the services contract. Depending on the nature of the products/services and our relationship with the supplier, the delivery terms and the payment terms may vary. Upon delivery of the products/services, our purchase division will perform quality check. If there are any defects, we will contact the supplier to rectify the problem. After the products/services is accepted by our Group, our purchase division will pass the delivery note or debit note to our accounts division for settlement.

10. SUPPLIERS

Our suppliers mainly consist of hardware and/or software vendors or distributors in Thailand and subcontractors for developing software and supplying and installing different hardware in Thailand. We only source our products from the vendors directly or through their authorised distributors.

Top suppliers during the Track Record Period

For the three years ended 31 December 2018, our top five suppliers during each of the year accounted for approximately 81.6%, 82.5% and 81.5% of our cost of sales respectively and for the corresponding years, the largest supplier accounted for approximately 53.9%, 39.2% and 37.5% of our total cost of sales respectively. The tables below set forth the particulars relating to our Group's top five suppliers during the Track Record Period.

Top five suppliers for the year ended 31 December 2016

Supplier	Business nature	Business relationship since	Products/ services supplied to our Group	Credit term and payment method	Cost incurred <i>THB'000</i>	Percentage of cost of sales
Supplier A	System integrator	2011	ATM switching system	30 days by cheque	91,940	53.9%
Supplier B	Card manufacturer	2016	ATM cards	60 days by cheque	21,592	12.7%
Supplier C	Satellite manufacturer	2014	Satellite hardware	30 days by bank transfer	11,622	6.8%
BAAC	Government bank	2006	Cost of ATM operation ^(Note 1)	15 days by cheque	10,050	5.9%
Supplier D	Sales of computer and hardware	2013	Computer and other hardware	30 days by cheque	4,037	2.3%
					139,241	81.6%

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Top five suppliers for the year ended 31 December 2017

Supplier	Business nature	Business relationship since	Products/ services supplied to our Group	Credit term and payment method	Cost incurred THB'000	Percentage of cost of sales
Supplier B	Card manufacturer	2016	ATM cards	60 days by cheque	49,715	39.2%
Supplier A	System integrator	2011	ATM switching system	30 days by cheque	37,259	29.4%
BAAC	Government bank	2006	Cost of ATM operation ^(Note 1)	15 days by cheque	10,627	8.4%
Supplier E	Paper manufacturer	2016	ATM slip	60 days by cheque	3,606	2.8%
Supplier F	System engineering company	2015	Software for product design	60 days by bank transfer	3,480	2.7%
					104,687	82.5%

Top five suppliers for the year ended 31 December 2018

Supplier	Business nature	Business relationship since	Products/ services supplied to our Group	Credit term and payment method	Cost incurred THB'000	Percentage of cost of sales
Supplier A	System integrator	2011	ATM switching system	30 days by cheque	194,456	37.5%
Supplier G	Information systems and telecommunications system	2018	Remote video system	30 days by cheque	131,811	25.4%
Supplier H	Security system	2018	Security system	30 days by domestic letter of credit	46,896	9.1%
Supplier B	Card manufacturer	2016	ATM cards	60 days by cheque	37,800	7.3%
BAAC	Government bank	2006	Cost of ATM operation ^(Note 1)	15 days by cheque	11,552	2.2%
					422,515	81.5%

Note:

- Under the ATM Project, our Group has a cost sharing arrangement with BAAC. For further details, please refer to the paragraph headed "Cost sharing arrangement with BAAC and the ATM Terminal Provider" under this section.

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Our Group maintains a diverse group of suppliers and does not rely on any single source. In the unlikely event where our relationship with a main supplier ceases, our Executive Directors believe we will be able to source necessary hardware and/or software from alternative suppliers. During the Track Record Period and up to the Latest Practicable Date, our Group did not experience any significant increase in prices of the hardware and/or software procured by our Group.

We normally place purchase orders on a project basis. Given our cost plus pricing policy, we have been able to pass the increase in purchase costs to customers. During the Track Record Period and up to the Latest Practicable Date, we have not experienced any shortages or delay in supply that has significantly affected our business.

As at the Latest Practicable Date, to the best of our Directors' knowledge, none of our Directors or any of their respective close associates, or any existing Shareholders who owns more than 5.0% of the issued share capital of our Company, has any interest in any of our top five suppliers for the three years ended 31 December 2018.

Key terms and conditions for the transactions with our suppliers

During the Track Record Period and up to the Latest Practicable Date, our Group did not enter into any long-term commitment with any of our suppliers. Our suppliers generally grant us credit terms up to 60 days and the right to replace or refund the delivered goods in case of defective products. We generally settle our payments to our suppliers by bank transfer or cheque.

Each purchase order to our suppliers provides for the terms and conditions covering pricing terms, specification of hardware and/or software required, quantity, payment terms and date of delivery. For services contract, our Group and our suppliers would specify the material terms such as the scope of services, services fee and the warranty period.

Our subcontracting arrangement

Our Group engages subcontractors for some of our projects as our projects may involve services beyond our services scope, such as installation work of hardware, construction work and software development work. Our Group engages subcontractors on a project-by-project basis and do not enter into long-term agreement with our subcontractors. Our Group's selection criteria and quality control procedures on subcontractors follows our procurement policy. For further details, please refer to the paragraph headed "9. Procurement" under this section.

Our major subcontractors during the Track Record Period included Supplier A and Supplier G which were responsible in upgrading the ATM backend system of the ATM Project and supplying and installing the remote video system of the video conferencing system project provided to MOI respectively.

As at the Latest Practicable Date, to the best of our Directors' knowledge, none of our Directors or any of their respective close associates, or any existing Shareholders who owns more than 5.0% of the issued share capital of our Company, has any interest in any of our major subcontractors for the three years ended 31 December 2018.

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Inventory management

Our inventories mainly comprises ATM cards for the ATM Project and work in progress for the Debit Card Project with BAAC. We place back-to-back order with our supplier for the ATM cards when we receive order from BAAC. Our inventory of ATM cards is stored in the branches of BAAC for the end user's collection. During the Track Record Period, our inventory amounted to approximately THB8.4 million, THB34.9 million and THB6.9 million for the three years ended 31 December 2018. For further details, please refer to the paragraph headed "Inventories" under the section headed "Financial information" of this prospectus.

Provision for inventories is based on management's judgement using the best available fact and circumstances, including but not limited to the inventories' own physical conditions (e.g. misplaced, lost etc), their market selling price and estimated costs to be incurred for their sales. The provision is re-evaluated and adjusted as additional information received affect the amount estimated.

Cost sharing arrangement with BAAC and the ATM Terminal Provider

Under the ATM Project, our Group bears the operating, upgrade and maintenance costs of the scope of the ATM Project, and shares some of the operating costs of the ATM Project, including the rental costs, interbank transaction expense, electricity cost and promotion cost with BAAC and the ATM Terminal Provider. We understand that such costs are used to settle the other suppliers of BAAC, including the landlords of the ATM locations, other banks and electricity authority.

Depending on the location of the ATMs and nature of costs, our Group's responsibility on the cost sharing arrangement varies. The table below summarises the cost sharing arrangements between our Group, BAAC and the ATM Terminal Provider on key running cost items.

Key cost Items	Our Group	ATM Terminal Provider	BAAC
Operating, upgrade ⁽¹⁾ , replacement, and maintenance cost of ATM	–	100%	–
Operating, upgrade ⁽¹⁾ , replacement and maintenance cost on Base 24 system	100%	–	–
Rental and utilities			
– 29 ATM sites (as at the Latest Practicable Date)	55%	45%	–
– Others (mainly including BAAC's branches)	–	–	100%
ATM Cards making & peripheral costs	100%	–	–
Marketing costs			
– Joint programs	55%	45%	–
– General programs	–	–	100%
Interbank transaction expense	55%	45%	–
ATM switching fee	55%	45%	–

(1) Such as capacity expansion costs due to volume expansion.

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During the Track Record Period, our Group paid approximately THB10.1 million, THB10.6 million and THB11.6 million to BAAC to share the cost in operating the ATM Project for the three years ended 31 December 2018 respectively. All amount paid to BAAC is attributable to the abovementioned cost sharing arrangement and to the best knowledge of our Executive Directors, is ultimately paid to the suppliers of BAAC.

Relationship with Things On Net and Sigfox

As our Group was looking to apply Sigfox's IoT technology in our projects, our Group procured equipment from Sigfox and entered into a "deployment, maintenance, marketing and distribution agreement" with Sigfox on 18 August 2017. As set out in the paragraph headed "Novation Agreement with Sigfox and Things On Net" under the section headed "Relationship with our Controlling Shareholders" of this prospectus, our Group transferred the distribution right of Sigfox's IoT technology to Things On Net as our Executive Directors consider the Sigfox operation right entails preparation works that were not in our Group's ordinary course of business, including (i) the construction of the IoT network infrastructures in Thailand; (ii) maintaining an IoT network to serve retail customers; and (iii) sourcing subscribers for the IoT network. Our Executive Directors considered our Group should focus on the provision of IT solutions to our customers. Our Group may, having considered various factors as appropriate, enter into transaction(s) with Things On Net in relation to the utilisation of IoT network for our IT solutions in the future. Any transaction(s) between our Group and Things On Net will be constituted as connected transaction(s) and our Group will comply with the requirements under Chapter 14A of the Listing Rules after Listing.

11. QUALITY CONTROL

In relation to our IT integrated solutions and IT support services, once a project has been commenced, a project implementation team will be formed to monitor the progress of the project to ensure satisfaction of our customers' requirements and timely delivery of the IT solutions. We have regular meetings as to the project progress and whenever material issues or problems arise, the implementation team will report immediately to the management.

Our operation division will be responsible for the quality control of the IT integrated solutions project and conduct independent testing for our IT solutions. They would typically conduct a system information test and the result of the test will be reviewed by our customers. After the test is satisfactorily completed, our customers are invited to test the system in the form of a user acceptance test. Further, in some occasions, our Group would perform factory test overseas and only transport the hardware once all tests are passed.

To ensure the effectiveness of our quality control procedures, our Group also follows the ISO 9001:2015 quality control standard to ensure our services can meet the standards expected by our customers. We monitor the proposal drafting process and project implementation process at planned intervals and the implementation results will be measured against the specifications in the ToR. The process will be reviewed to identify any non-conformities or room for improvement so as to ensure the quality of our services.

12. RESEARCH AND DEVELOPMENT

Due to the nature of our IT integrated solutions, we provide our system design and solutions based on the hardware and/or software available in the market and our Executive Directors believe we do not need a separate research and development team. Instead, we normally assign our technical sales support division to carry out ad hoc research and development activities as we may from time to time identify. For further details, please refer to the paragraph headed “6. Our operations” under this section. Notwithstanding the above, our Group must keep ourselves abreast of the evolving technological developments and anticipate change in customers’ needs in a timely manner in order to main our competitiveness. Hence, our Group participates in IT conferences, exhibitions and other events to capture the latest development in the IT solutions market.

13. INTELLECTUAL PROPERTIES

As at the Latest Practicable Date, we had registered one trademark in Hong Kong and registered one domain name of <http://www.plattnera.com>. For further details of our Group’s intellectual properties, please refer to the paragraph headed “Further information about the business of our Group” in Appendix IV to this prospectus.

As at the Latest Practicable Date, we were not aware of any material infringements (i) by us of any intellectual property rights owned by third parties; or (ii) by any third parties of any intellectual property rights owned by us and we were also not aware of any pending or threatened claims against us or any of our subsidiaries in relation to the material infringement of any intellectual property rights of third parties.

14. COMPETITION

According to the Euromonitor Report, the government IT solutions market in Thailand is highly fragmented with no significant players dominating the entire Government IT solutions market. The total revenue generated from the sector of government IT solutions in Thailand in 2018 amounted to approximately THB32.5 billion. Meanwhile, the revenue generated by our Group accounted for approximately 2.4% of the entire government IT solutions market.

It is noted from the Euromonitor Report that the high entry barriers for the government IT solutions industry were mainly due to the requirements of strong track record and substantial upfront capital. Further, as most of the international vendors are inclined towards business to business projects, this creates opportunities for the local distributors and system integrators to take up the lion’s share of the government projects due to their advantages with local language and culture.

According to the Euromonitor Report, the ATM IT solutions industry in Thailand involves the offering of wide range of services, including (i) sourcing and arrangement of frontend software/hardware of ATM terminals; (ii) provision of backend services such as implementation, service support and maintenance; and (iii) provision of value added services

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such as manufacturing of ATM cards, help desk support and marketing of ATM cards. In consideration of the above, in 2017, our Group was the only ATM IT solutions services provider in Thailand that offered integrated ATM IT solutions, from frontend to backend, including a 24-hour operational, upgrade and maintenance support for BAAC. Furthermore, our revenue sharing model with BAAC also represents an unique arrangement in the IT solutions market.

It is also noted from the Euromonitor Report that even with the rise of new financial and banking technologies, the ATM will not be replaced in the near future, given that (i) ATM cards are still necessary part of the banking ecosystem since online accounts are also linked with the bank's ATM cards, (ii) the business of ATM outsourcing has been growing in Thailand; and (iii) the demand for ATM IT solutions services in rural area is still growing. The major barriers for entry into the ATM IT solutions industry in Thailand include the requirement of advance technology, competitive pricing and the strong coverage of key technology areas, such as ATM security, ATM user interface and maintenance services.

For further details, please refer to the section headed "Industry overview" of this prospectus.

15. LICENCE, PERMIT & APPROVALS

As mentioned under the section headed "Regulatory overview" of this prospectus, we are required to obtain certain registrations, approvals and licences to undertake our business in Thailand.

The table below sets out the material licences and permits held by our Group as at the Latest Practicable Date.

List of our licences and permits as at the Latest Practicable Date

No.	Holding subsidiary	Type of licence or permit	Regulatory body	Effective date	Expiry date
1	Platt Nera	Telecommunication Business License (Type Three License)	Nation Telecommunication Commission, the Office of the National Broadcasting and Telecommunication Commission	April 2018	April 2033

Our Thai legal adviser confirmed that our Group has obtained all relevant licences and permits to carry out our business and that there is no legal impediment likely to hinder us in the future for the renewal of the above licences as and when it becomes necessary.

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16. EMPLOYEES

As at the Latest Practicable Date, our Group had a total of 51 employees based in Thailand. Our employees include a number of engineers or technical staff. The table below sets out a breakdown of our employees by function as at the dates indicated:

	As at 31 December			As at the Latest Practicable Date
	2016	2017	2018	
Executive Directors	1	2	2	2
Sales division	7	9	7	6
Administrative division <i>(Note 1)</i>	5	5	6	7
Account division	3	4	5	5
Operation division <i>(Note 2)</i>	26	26	26	27
Technical sales support division	3	4	4	4
Total	<u>45</u>	<u>50</u>	<u>50</u>	<u>51</u>

Notes:

- Administrative division includes employees of our Group's purchase division. As at the Latest Practicable Date, our Group's purchase division had two employees.
- Operation division includes 22 employees to provide operational support to the ATM Project and five employees in other project implementation teams as at the Latest Practicable Date.

Staffing strategy

Our number of employees and staff costs were broadly stable during the Track Record Period. This reflected our strategy to focus predominantly in serving our customers in the banking and financial industries. Since the beginning of 2018, we have adopted a new strategy for diversification and have successfully expanded our business and customer base during the year. In extension of this strategy, we expect our staff force and related costs, especially in sales, marketing and technical, to increase going forward. In order to attract talents, amongst our measures, we intend to offer long-term equity awards to our employees after the Listing and studying the options available in the Hong Kong market.

Recruitment and training

The continued success of our business is dependent on our sales persons in the sales division and the engineers and technical staff in the technical sales support division and operational division, who are the core personnel throughout our business workflow. They maintain relationship with our customers, keep track on the most updated technology trend, apply the appropriate technology to our design while meeting customers' requirements in the ToR, as well as implementing the IT solutions smoothly. In order to attract and retain talents, we offer our employees competitive wages and benefits, comprehensive training and internal promotion opportunities.

We have adopted a variety of initiatives to facilitate recruitment of staff, such as recruiting on our own website, as well as recruitment agent. Our Executive Directors believe technical staff in the IT industry are geographically mobile and our Group should seek to hire employees from both inside and outside of Thailand.

Our employees are remunerated according to their job scopes and responsibilities, and are entitled to annual bonuses, payment to pension schemes and social insurance. We also offer performance incentives and sales commissions to our sales employees based on their work performance and contribution to our business. Our Listing also represents an effort to widen the scope of employment remuneration to equity linked payment. Please refer to the paragraph headed "Reasons for listing on the Stock Exchange" under the section headed "Future plans and use of proceeds" of this prospectus.

Our administrative division provides orientation training programme to new employees, followed by inclusive on job training supervised by the management. For each employee we assign a trainer with longer experience in our Group, and the on job training includes generic and specific trainings covering both technical and soft skills. The division heads and our management periodically review the performances of our employees and adjust the training program according to each employee's self-development as necessary. Further, we also sponsor continuous training courses related to our actual works for employees designated by each division.

We believe our continuous effort in recruitment and training as well as our competitive remuneration package as mentioned above will help us attract and retain suitable employees. Our Executive Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, there are no labour union(s) which had been formed for our employees, we did not experience any significant problems with our employees or disruption to our operation due to labour disputes, nor did we experience any difficulties in the recruitment and retention of experienced staff. During the Track Record Period and up to the Latest Practicable Date, our Group had successfully retained our stable management team, in which all of our management team members have been with us for more than eight years, save for our Chief Financial Officer, Mr. Thanasit. For further details, please refer to their biographical descriptions in the paragraph headed "Senior management" under the section headed "Directors and senior management" of this prospectus.

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17. PROPERTIES

As at the Latest Practicable Date, our Group did not own any property. The address of our principal place of business is 170/9-10 Ocean Tower 1, 4th Floor, Soi Sukhumvit 16 (Sammit), Klongtoey, Bangkok 10110. We currently lease the premise at this address as our headquarters from an Independent Third Party.

Location	Approximate gross floor area (sq.m.)	Tenure	Monthly rent
170/9-10 Ocean Tower 1, 4th Floor, Soi Sukhumvit 16 (Sammit), Klongtoey, Bangkok 10110	630	March 2017 to February 2020	THB356,000

18. INSURANCE

Depending on the nature of our projects, our Group may purchase project insurances on a project-by-project basis. As at the Latest Practicable Date, our Group had maintained different insurance policies, including fire insurance for the server of the ATM Project, life insurance policy and medical insurance policy for our employees. Our Executive Directors believe our insurance coverage is adequate for our operations and in line with the industry norm. For details on the risks relating to our insurance coverage, please refer to the paragraph headed “Our insurance may be insufficient to cover all loss and claims associated with our business, and any uninsured losses incurred could be substantial and therefore adversely affect our operations and financial results” under the section headed “Risk factors” of this prospectus. During the Track Record Period, we did not experience any claims from third parties nor did we make any insurance claims that would have a material impact on our business, financial condition or results of operations.

19. HEALTH, WORK SAFETY AND ENVIRONMENTAL MATTERS

Due to our business nature, our Executive Directors are not aware of any material restriction on health, work safety and environmental matters. During the Track Record Period and up to the Latest Practicable Date, (i) we did not experience any accident in our operations that would have a material impact on our business, financial condition or results of operations; (ii) there had been no material violation of any health, work safety and environmental laws and regulations applicable to our operations; and (iii) there had been no claim or penalty imposed on our Group as a result of violation of health, work safety and environmental laws and regulations. Our Thai legal adviser confirmed that our Group had complied with all applicable environmental laws and regulations in materials aspects during the Track Record Period and up to the Latest Practicable Date.

20. LITIGATION AND LEGAL MATTERS

We have been, and from time to time in the future may, become a party to various legal proceedings and claims that arise in the ordinary course of business, which include business disputes brought against or by our customers or suppliers or other business partners we cooperate with.

Prior to the Track Record Period, there were two legal proceedings with two of our customers namely, a bank (“**Bank Concluded Case**”) and a government telecommunications body (“**FTTx case**”).

Bank Concluded Case (a closed case)

(a) Background of the case:

On 1 September 2008, a consortium formed by our Group with two consortium partners entered into a purchase, installation, and implementation agreement of the Core Banking System (“**CBS**”) with our customer (“**Defendant A**”, an Independent Third Party) with a contract sum of approximately THB327.0 million. The parties involved in the project and the Bank Concluded Case are as follows:

- (1) **Defendant A** – A state-owned financial institution in Thailand which develops, promotes, and assists small and medium enterprises in the establishment, operation, expansion, and improvement of their businesses. Defendant A was the customer of this project and the defendant in the Bank Concluded Case.
- (2) **Platt Nera** – member of the consortium and the initiator of this project, as well as a defendant in the Bank Concluded Case.
- (3) **Partner A** – member of the consortium and defendant in the Bank Concluded Case. Partner A is a company listed on the Stock Exchange of Thailand and a Thailand-based IT service provider. Partner A operates three main businesses, which are IT professional services, system integration and maintenance services. Partner A was invited by Platt Nera to participate in this project.
- (4) **Partner B** – member of the consortium and defendant in the Bank Concluded Case. Partner B is a software service provider that develops and supports collaborative and enterprise core account processing software solutions for financial institutions in North America and internationally.
- (5) **Bank A** – one of the defendants of the Bank Concluded Case and a bank which issued letter of guarantee on behalf of the consortium. Bank A provides commercial banking products and services in Thailand and internationally.
- (6) **Bank B** – one of the defendants of the Bank Concluded Case and a bank which issued letter of guarantee on behalf of the consortium. Bank B provides commercial banking products and services in Thailand and internationally.

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The agreement required the consortium to complete installation of the CBS within 630 days after the commencement date (which is the contract date). As confirmed by our Executive Directors, due to the slow implementation process by Defendant A, the consortium could not deliver the system within the required timeframe and Defendant A terminated the agreement on 7 June 2010.

In January 2012, our Group initiated legal proceeding against Defendant A at the lower trade court and claimed that Defendant A (i) terminated the abovementioned contract without reasonable grounds; and (ii) refused to pay the sum stipulated in the agreement.

Prior to the commencement of the litigation process, in October 2010, our Group entered into a memorandum of understanding with Partner A in which our Group agreed to bear the legal expenses if the consortium commences litigation and to bear the liabilities if the consortium loses the case. This arrangement was a goodwill business gesture on the part of our Group in recognition of the fact that Partner A joined the consortium upon our Group's invitation, and that Partner A suffered other losses on this project.

In May 2012, Defendant A initiated a new case against the consortium, Bank A and Bank B for breach of contract that the consortium failed to deliver work within the specified period stated in the agreement.

(b) Court judgement and settlement

In March 2015, the lower trade court made a judgment and in November 2015, the consortium appealed the lower trade court judgement. In March 2018, the supreme court confirmed the earlier lower trade court judgment and (i) ordered Partner A to pay Defendant A of approximately THB32.7 million with the interest at the rate of 7.5% per annum from 21 May 2012 until the payment has been made in full to Defendant A; and (ii) dismissed the case of our Group against Defendant A.

Pursuant to the memorandum of understanding entered between our Group and Partner A mentioned above, our Group agreed with Partner A to accept the supreme court judgement of approximately THB56.5 million. In June 2018, approximately THB18.2 million was paid by Partner A to the supreme court on our Group's behalf and approximately THB38.3 million was paid by our Group according to the supreme court's order. To settle the approximately THB18.2 million paid by Partner A on our Group's behalf, our Group agreed to reimburse Partner A approximately THB18.9 million (the excess is the accrued interest) via 12 instalments from June 2018 and shall be completed by June 2019. As at the Latest Practicable Date, our Thai legal adviser confirmed the above case has been concluded and the supreme court judgement has been fully settled.

FTTx case

(a) Background of the case:

On 24 November 2011, our Group entered into a leasing agreement to provide FTTx equipment for 10,000 ports at Udon Thani province with a rental fee of approximately THB3.9 million (excluding VAT) per month for a period of 60 months with our customer (“**Defendant B**”, an Independent Third Party). Defendant B is a Thai state-owned company that operates Thailand’s international telecommunications infrastructure. The agreement required our Group to invest in and complete installation of the FTTx equipment within 210 days after the commencement date (which is the contract date) and lease the system to Defendant B for a period of 60 months.

After earlier writing to Defendant B that delay on the project was untenable as our Group had incurred considerable financial commitment on the project thus far, our Group sent a termination letter to Defendant B in March 2014.

In March 2015, Platt Nera as Plaintiff filed a claim of approximately THB493.1 million to the civil court against Defendant B for the amount of investment already incurred for the project and the loss of opportunity had the project been completed and our Group could therefore derive revenue from Defendant B through using our Group’s equipment.

As confirmed by our Executive Directors and according to our Thai legal adviser as to the FTTx case, our Group fulfilled our contractual obligations under the agreement to the extent possible and Defendant B had not fulfilled its part of the contractual obligation by (i) not allowing our Group to complete the installation works; and (ii) not paying our Group for the portion of work done.

In June 2015, the case was transferred to the administrative court upon Defendant B’s petition since Defendant B is a state-owned company and such court accepted the case in November 2015. Since then, our Group and Defendant B have concurrently attempted to reach a settlement out of court.

In February 2018, our Group received a letter from the administrative court requesting our Group to submit details and evidence relating to our claim amount. Subsequently, in July 2018, the administrative court informed our Group and Defendant B by letter that the deadline for submitting final evidence was 31 July 2018 and our Group duly submitted evidence to the administrative court. As at the Latest Practicable Date, the administrative court has not rendered a final judgment on the case.

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(b) The Thai legal adviser as to the FTTx case's view

Based on evaluation of documents, evidences, facts of the cases including circumstances during the legal proceedings, our Thai legal adviser as to the FTTx case is of the view that our Group has strong factual and legal basis to the claim and thus has a high chance of success on the following basis:

- (i) our Group has provided our service as stipulated in the contract;
- (ii) Defendant B unilaterally and without valid explanations disallowed our Group to connect the fiber optics to complete the installation work;
- (iii) Defendant B claimed that it had not obtained certain key approvals before entering into contract with our Group but the contract has already been signed and is legally binding;
- (iv) Defendant B failed to provide any evidence to demonstrate the reason to disallow our Group to complete the installation work and not to pay our Group for the services performed;
- (v) the administrative court has requested our Group in February 2018 to submit details and evidence relating to our claim amount, which may suggest the administrative court is likely to rule in favour of our Group; and
- (vi) other successful court cases in 2016 by other business partners of Defendant B having dispute with Defendant B and such disputes have similar facts and circumstances with our Group.

In particular, our Thai legal adviser as to the FTTx case is of the view that (i) for the cost attributable of approximately THB207.0 million, our Group is highly likely to be able to recover the same in full as there are evidence of documents and receipts of relevant expenses supporting the amount; and (ii) for the loss of opportunities claim which amounts to approximately THB286.2 million, our Group has claimed such amount according to the liability under the contract with Defendant B and since Defendant B is in breach of the contract, our Group suffered from a loss of opportunity to receive the money according to the plan of the project.

In 2015, following the commencement of the abovementioned legal proceedings, our Group transferred the carrying balance of the project costs in the balance sheet of approximately THB103.0 million to inventories and impaired the whole amount prior to the Track Record Period as the possibility for sale of these inventories to third parties is remote. As such, our Executive Directors believe the costs have been fully provided for. Although our Group sent a termination letter regarding the case to the defendant in March 2014, our Group continued to incur some costs relating to the case such as: (i) interest expenses for the project loans; (ii) equipment relocation costs; (iii) property rental costs for storage of the equipment; (iv) other bank charges on the project loans; and (v) letter of guarantee fee, because the case is still pending.

BUSINESS

During the Track Record Period and up to the Latest Practicable Date, save as disclosed above, we were not the subject of any ongoing litigation, arbitration, claims or proceeding which could potentially have a material and adverse effect on our business or results of operations, and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group. However, future legal proceedings, disputes and claims may divert our management's attention and resources and result in costs and liabilities. For further details, please refer to the paragraph headed "Any litigation, legal disputes or claims may result in costs and liabilities and adversely affect our Group's performance" under the section headed "Risk factors" of this prospectus.

We are subject to a wide variety of laws, rules and regulations in the ordinary course of our business operations. For further details, please refer to the section headed "Regulatory overview" of this prospectus. As advised by our Thai legal adviser, we were in compliance with all relevant Thai laws, rules and regulations in all material aspects during the Track Record Period and up to the Latest Practicable Date.

21. RISK MANAGEMENT AND INTERNAL CONTROL

We believe that by maintaining and upholding a rigorous set of internal controls, it will build our reputation in the market and increase customers' confidence in our Group. We maintain internal manuals setting out operating procedures, internal control procedures and other policies and guidelines. Our Directors and senior management are responsible for the implementation of these policies and guidelines and we believe that such policies and guidelines can ensure our Group's ability to carry out our business in an orderly and efficient manner, to ensure that there is no leakage of confidential information, to safeguard our Group's and our customers' interests and to comply with all applicable laws and regulatory requirements.

In the ordinary course of our business, we are exposed primarily to (i) operational risk relating to our business model; (ii) counterparty risk in relation to contractual obligations of our customers; (iii) credit risk in respect of receivables from our customers; (iv) treasury risk arising from our foreign currency exposure; and (v) IT risk given our reliance on our IT system in the day-to-day operations of our business. We carefully review and monitor the risks during the project evaluation, project execution and project review stages of the project life cycle. In particular, since the legal proceedings in the past, our Group has strengthened our risk management procedures as set out below.

Operational risk management

Our IT solutions projects are project-based in nature. To mitigate our exposure to the project-by-project engagement nature inherent to IT solutions providers, we build up and maintain our business model to participate in provision of both IT integrated solutions and IT support services and endeavor to secure longer-term and larger-scale projects. Our sales division has maintained a close relationship with our existing customers and is constantly exploring new customers for our Group. We will also regularly study the government budget, which is usually published annually with details of the expected spending by different government departments in various regions and regularly monitor the tender opportunities organised by various government departments.

Counterparty risk management

During our ordinary course of business, we are subject to counterparty risks associated with our customers breaching their contractual obligations under the relevant agreements. Once we have entered into a legally binding agreement with our customers, we are committed to fulfilling our obligations under the agreement and expect our customers to fulfil its obligations as well.

At the project evaluation stage, due to the importance of such commitments and learning from our past experience, we carefully evaluate each project and customer before we decide to tender for such project. In this regard, we have a set of internal customer selection and project assessment criteria, which includes carefully evaluating each potential customer to ensure that they are capable of executing their project tasks as well as reviewing their credit worthiness. We generally perform background checks to find out any of their past dispute cases, review their public profile, and assessing information on their financial resources. Our senior management also spend time to appreciate the working style and commitment of our potential customers' senior management. We also adopt a staged approach in taking on large projects with new customers. After entering into the project execution stage, we have a regular process involving our senior management to evaluate our progress against contract requirements, and to foresee and plan for potential project issues. In particular, we have a weekly meeting with the senior management to discuss any potential project challenges or difficulties.

Credit risk management

As most of our customers are government departments and agencies, the credit risk faced by our Group is immaterial as demonstrated by our low debtors' turnover days during the Track Record Period. For details of our debtors' turnover days, please refer to the paragraph headed "Key financial ratios" under the section headed "Financial information" of this prospectus. Having said that, as mentioned in the paragraph headed "Counterparty risk management" above, we carefully evaluate the credit worthiness of our customers before we tender for the projects. During the project execution phase, we also closely monitor the progress of payments made by our customers during the period of our projects. If the project payment lags behind the project progress and the credit terms are breached, we will promptly discuss with our senior management and take suitable follow-up actions.

Foreign currency risk management

Our reporting and functional currency is THB whilst our business transactions, besides those denominated in THB, also include other currencies. Depending on the project specifications, we may from time to time purchase hardwares from foreign suppliers for our projects. As such, our Group may be exposed to foreign currency risks. In this regard, we will enter into foreign currency forward contracts to mitigate our foreign currency exposure on a case by case basis though there is no guarantee that such risks shall be fully eliminated. In particular, we will take into consideration such factors as the amount of purchases; and the fluctuations of exchange rate. During the Track Record Period, our Group did not enter into any foreign currency forward contracts.

Information technology risk management

We are under the contractual obligations to preserve confidential information for our customers. In particular, we transmit sensitive payment information entered by the end users to BAAC for authorisation through ATM switching system, but neither we nor our Consortium partners are permitted to access or store such information. Therefore, to ensure the adherence to such obligations, we implement a number of internal control measures on our IT system, including quarterly review of the IT infrastructure system to ensure it is up-to-date. We have installed various firewalls and anti-virus software to protect our IT system from cyber security breaches such as unauthorised access, hacking and computer viruses. Moreover, we frequently perform system backups.

Oversight of our risk management procedure set out above is provided through our risk management committee which comprises the heads of various departments, and reports to the Board on key risk occurrences and observations for review and resolution. The independent non-executive Directors will be invited to join this committee after Listing.

We have established our Audit Committee which comprises three independent non-executive Directors, all of whom possess experience in financial and/or general management. Our Audit Committee has also adopted written terms of reference which clearly set out its duties and obligations for ensuring compliance with the relevant regulatory requirements. In particular, our Audit Committee is empowered to review any arrangement which may raise concerns about possible improprieties in financial reporting, internal control or other matters. We will continuously monitor and improve our internal control procedures to ensure that it is in line with the growth of our business and good corporate governance practice.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Our Board consists of five Directors, comprising two Executive Directors and three independent non-executive Directors. Our Directors are supported by our senior management in the day-to-day management of our business.

The table below sets out certain information in respect of our Directors:

Name	Position	Age	Date of appointment as Director	Date of joining our Group	Duties
Mr. Prapan Asvaplungprohm	Chairman, Chief Executive Officer and Executive Director	60	23 November 2018	1 September 2017	Responsible for the leadership and effective running of the Board and determining the broad strategic direction of our Group
Mr. Wison Archadechopon	Executive Director	50	5 January 2019	1 April 2005	Responsible for the strategic plan management for business development, finance, human resources, purchasing and overall company management
Mr. Tong Yee Ming (湯以銘先生)	Independent non-Executive Director	66	17 June 2019	17 June 2019	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 our Group

DIRECTORS AND SENIOR MANAGEMENT

Name	Position	Age	Date of appointment as Director	Date of joining our Group	Duties
Mr. Cheung Pan (張斌先生)	Independent non-Executive Director	47	17 June 2019	17 June 2019	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 our Group
Mr. Julapong Vorasontharosoth	Independent non-executive Director	59	17 June 2019	17 June 2019	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 our Group

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS

Executive Directors

Mr. Prapan Asvaplunghprohm, aged 60, 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. Mr. Asvaplunghprohm is also the Chief Executive Officer of the Company and is primarily responsible for the leadership and effective running of the Board and determining the broad strategic direction of our Group. Mr. Asvaplunghprohm also serves as a director of all subsidiaries of our Group.

Mr. Asvaplunghprohm has over 24 years of experience in the IT industry. In October 1994, he was appointed as a director of Thai Equipment Research Company Limited, an IT solutions provider founded and run by Mr. Asvaplunghprohm's family. He then founded our Group in October 2004. He is also the founder and director of Metlink Info Company Limited, a supplier of solar energy and reseller of solar energy related materials since March 2008.

Mr. Asvaplunghprohm 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. Asvaplunghprohm is one of our Controlling Shareholders and a member of our Nomination Committee and Remuneration Committee. Mr. Asvaplunghprohm is not and has not been appointed as a director of any other listed companies in Hong Kong or overseas in the past three years.

Mr. Wison Archadechopon, aged 50, 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.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Archadechopon has over 26 years of experience in the IT industry. Mr. Archadechopon's employment history prior to joining our Group is set out in the table below:

Period of employment	Company	Position/Title	Roles and responsibilities
1992 to 1995	Hewlett Packard (Thailand) Company Limited	IT and system engineer	Responsible for managing internal IT systems, hardware, software and networks
1996 to 1997	Digital (Thailand) Company Limited	Sales manager (Alpha workstation solution)	Responsible for managing the sale of Alpha Chip products in Thailand market
1997 to 1998	Silicon Graphics International	Sales manager (Technical computing solution)	Responsible for managing sales to the Thailand government
1998 to 2002	Thai Equipment Research Company Limited	Sales manager	Responsible for designing and implementing strategic sales plan to the Thailand government
2003 to 2004	Dell EMC (Thailand)	Sales manager	Responsible for managing sales to the Thailand government

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.

Mr. Archadechopon is not and has not been appointed as a director of any other listed companies in Hong Kong or overseas in the past three years.

DIRECTORS AND SENIOR MANAGEMENT

Independent non-Executive Directors

Mr. Tong Yee Ming (湯以銘先生), aged 66, was appointed as our independent non-Executive Director on 17 June 2019. 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 our Group.

Mr. Tong has had over 30 years of experience in accounting and finance related matters since 1988. He worked in finance areas in various companies from 1988 to 2004. Mr. Tong's previous working experience since 2004 has been listed in the table below:

Period of employment	Company	Principal business of the company	Position/Title	Roles and responsibilities
2004 to February 2006	China Sky Chemical Fibre Co., Ltd., a listed company in Singapore (stock code: E90)	Various chemical fiber products manufacturer and seller	Group financial controller and company secretary	Responsible for the financial administration and accounting functions of China Sky Chemical Fibre Co., Ltd.
March 2006 to July 2008	Neo-Neon Holdings Limited, a listed company in Hong Kong (stock code: 1868)	Decorative and commercial LED lighting manufacturer	Finance director and company secretary (last position)	Responsible for company secretarial duties and overseeing financial and accounting affairs
July 2008 to December 2011	GCL-Poly Energy Holdings Limited, a listed company in Hong Kong (stock code: 3800)	Solar photovoltaic enterprise	Executive director and chief financial officer	Led the finance, accounting and investor relations department of GCL-Poly Energy Holdings Limited
January 2012 to December 2013	GCL-Poly Energy Holdings Limited, a listed company in Hong Kong (stock code: 3800)	Solar photovoltaic enterprise	Vice president – corporate development	Explored and analysed investment opportunities of GCL-Poly Energy Holdings Limited
January 2014 to July 2018	Poly-GCL Petroleum Group Holdings Limited	Oil and gas exploration and development	Chief financial officer	Responsible for negotiating various contracts in relation to oil and gas projects with governments, banks and/or potential investors

DIRECTORS AND SENIOR MANAGEMENT

In the past three years, Mr. Tong was an independent non-executive director of Migao Corporation from October 2015 to September 2016, a company principally engaged in manufacturing and distributing specialty potash fertilizers and previously listed on Toronto Stock Exchange (TSX:MGO).

Mr. Tong was the director of the following companies which were incorporated in Hong Kong and were deregistered and the relevant details are as follows:

Company	Nature of business	Date of deregistration	Reason for deregistration
Speedy Gain Limited	Investment holding	2 March 2012	Cessation of business
Asia Silicon Technology Development Holdings Limited	Polysilicon manufacturing	23 March 2012	Cessation of business
Asia Silicon Technology Development Limited	Polysilicon manufacturing	23 March 2012	Cessation of business
GCL Solar Power (Hong Kong) Limited	Solar farm development	23 August 2013	Cessation of business

Mr. Tong has confirmed that the above deregistrations were voluntary by way of submitting an application to the Companies Registry of Hong Kong and the above companies were solvent at the time of their being dissolved by deregistration.

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)), 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.

Mr. Tong is the chairman of our Audit Committee, as well as a member of our Nomination Committee and Remuneration Committee.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Cheung Pan (張斌先生), aged 47, was appointed as our independent non-Executive Director on 17 June 2019. 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 our Group.

Mr. Cheung has over 24 years of experience in the IT industry. The previous working experience of Mr. Cheung is set out below:

Period of employment	Company	Principal business of the company	Position/Title	Roles and responsibilities
November 1994 to May 1995	Novel Enterprises Limited	Denim fabric production and related operations	Programmer	Responsible for developing and maintaining the in-house accounting system and identifying and solving problems to ensure the systems are maintained in line with business
May 1995 to June 2000	The Chase Manhattan Bank (subsequently known as JPMorgan Chase Bank)	Bank	Assistant treasurer	Responsible for analysing and designing on the overall business, system and browser navigation flow of the Intranet/Internet applications and ensuring the design was feasible, efficient and user friendly
June 2000 to October 2001	Icon Medialab Asia Limited	IT consulting	Technical project manager and system architect	Responsible for analysing business requirement, providing project scope and recommending the system architecture for clients during the sales pitch process
October 2001 to June 2002	Grey Interactive Agency on secondment to UBS AG, Hong Kong	Agency service and bank	Project Manager business analyst	Responsible for soliciting, analysing and validating the business requirements with the business users in different divisions and developing business and functional requirement specifications
July 2002 to August 2003	LAB Partners Limited	IT consulting	Director	Responsible for being a consultant in various projects' implementation and providing business and IT consultancy to the clients in financial services industry

DIRECTORS AND SENIOR MANAGEMENT

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 on-shore and off-shore development centers setup. Further, since September 2007, Mr. Cheung has been employed by LAB Partners Limited, a company which provides IT consulting services, as a director. He is responsible for providing business and IT consultancy to clients in financial services industry.

Mr. Cheung was the director of the following companies which were incorporated in Hong Kong and were deregistered and the relevant details are as follows:

Company	Nature of business	Date of deregistration
Bright Way International Holdings Limited	Information technology	5 September 2008
Uni-Partners Consulting Limited	Information technology	31 October 2008
Uni-Partners Holdings Limited	Information technology	14 November 2008
Fund Ease Holdings Limited	Information technology	14 August 2009
Harvest Most Limited	Information technology	22 July 2011

Mr. Cheung has confirmed that the above deregistrations were voluntary by way of submitting an application to the Companies Registry of Hong Kong because these companies had never commenced business and the above companies were solvent at the time of their deregistration.

Mr. Cheung had been a director of LAB Technology Limited (“**LAB Technology**”), a private company incorporated in Hong Kong. LAB Technology never commenced business and was struck off and dissolved by the Companies Registry of Hong Kong on 15 March 2013 under section 291 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, as amended, supplemented or otherwise modified from time to time before 3 March 2014.

Mr. Cheung has confirmed that there was no wrongful act on his part leading to the dissolution and striking off of LAB Technology and he is not aware of any actual or potential claim which had been or will be made against him as a result of the dissolution.

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

Mr. Cheung is the chairman of our Nomination Committee, as well as a member of our Audit Committee and Remuneration Committee. Mr. Cheung is not and has not been appointed as a director of any other listed companies in Hong Kong or overseas in the past three years.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Julapong Vorasontharoso, aged 59, was appointed as our independent non-Executive Director on 17 June 2019. Mr. Vorasontharoso 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 our Group.

Mr. Vorasontharoso has over 36 years of experience in the engineering industry. Mr. Vorasontharoso's employment history prior to joining our Group is set out in the table below:

Period of employment	Company	Principal business of the company	Position/Title	Roles and responsibilities
1982 to 1983	Thai Engineering Consultant	Engineering consultancy	Inspector engineer	Responsible for inspection and checking quality of contractor's work
1983 to 1984	Thai Aviation Department (now known as The Civil Aviation Authority of Thailand)	Independent agency of the Thai government	Engineer (air craft inspector)	Responsible for checking condition of aircraft before renewing the licence
1984 to 1986	Metropolitan Electricity Authority	Municipal electricity supply	Planning engineer	Responsible for planning of electrical network
1986 to 1988	Italthai Industrial Co., Ltd.	Construction company	Bidding engineer	Responsible for cost estimation for bidding
August 1988 to July 2015	ABB Limited	Trading & construction company	Manager, substation business (last position)	Responsible for managing and controlling sales and profit of Business Unit

Since July 2017, Mr. Vorasontharoso 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. Vorasontharoso 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.

Mr. Vorasontharoso is the chairman of our Remuneration Committee, as well as a member of our Audit Committee and Nomination Committee. Mr. Vorasontharoso is not and has not been appointed as a director of any other listed companies in Hong Kong or overseas in the past three years.

DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Our senior management is responsible for the day-to-day management of our business. The table below sets out certain information in respect of the senior management of our Group:

Name	Position	Age	Date of joining our Group	Duties
Mr. Kittipol Thanasit (formerly known as Mr. Kittipol Sonthikiti)	Chief Financial Officer	51	November 2018	Responsible for overseeing matters relating to corporate finance and financial management of our Group, including budgeting, disclosure and reporting
Mr. Patarapon Juntraporn	Sales Manager	46	May 2006	Responsible for leading one of two sales teams in achieving sales targets of our Group
Ms. Soontaree Treesub	Sales Manager	48	August 2007	Responsible for leading one of two sales teams in achieving sales targets of our Group
Mr. Nonthiaud Chomwattana	Technical Director	37	July 2006	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
Ms. Suvaphat Ngen-ngam (formerly known as Ms. Sukhumporn Ngen-ngam)	Administrative Director	50	November 2010	Responsible for administrative management of our Group

DIRECTORS AND SENIOR MANAGEMENT

Mr. Kittipol Thanasit (formerly known as Mr. Kittipol Sonthikiti), aged 51, joined our Group as the chief financial officer in November 2018. He is primarily responsible for overseeing matters relating to corporate finance and financial management of our Group, including budgeting, disclosure and reporting.

Mr. Thanasit has over 29 years of experience in finance and accounting. From April 1989 to May 1992, he worked as a senior auditor for Ernst & Young Limited. From May 1992 to June 1996, he worked as an audit manager and management and consultant services manager for Thai Audit Limited, an accounting and auditing firm. From June 1996 to September 1999, he worked as a country accountant for BJ Services International (Thailand) Limited. From September 1999 to March 2006, he worked as a Regional Controller for Covanta Energy Asia Pacific Limited whereas during part of that period, he also undertook the duties of financial controller of Sahacogen (Chonburi) Public Company Limited, a company listed on the Stock Exchange of Thailand (Stock symbol: SCG). From May 2006 to November 2018, he was a director of ThaiCon Auditing Limited, an accounting and auditing firm.

Mr. Thanasit obtained a bachelor's degree of business administration in accounting in February 1989 and further obtained a master's degree of business administration in May 1998 from the Thammasat University. Mr. Thanasit was admitted as a member of the Federation of Accounting Professions, Thailand in October 1996.

Mr. Patarapon Juntraporn, aged 46, 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, 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.

Ms. Soontaree Treesub, aged 48, 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, from January 1995 to 2004, Ms. Treesub worked as an assistant product manager for Bank of Ayudhya Public Company Limited, a company listed on the Stock Exchange of Thailand (Stock symbol: BAY). From 2004 to January 2006, she worked as a section manager for Thanachart Bank Public Company Limited, a company listed on the Stock Exchange of Thailand (Stock symbol: TCAP). From January 2006 to June 2007, she worked as the head of division for Siam City Bank Public Company Limited, a company listed on the Stock Exchange of Thailand from August 1988 to December 2010 (Stock symbol: SCIB).

DIRECTORS AND SENIOR MANAGEMENT

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, aged 37, 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), aged 50, 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

Ms. Cheung Chit San (張媿珊女士), aged 37, was appointed as the company secretary of our Company on 24 January 2019. Ms. Cheung is a Manager of Corporate Services of Tricor Services Limited, a global professional services provider specialising in integrated Business, Corporate and Investor Services.

Ms. Cheung has over 10 years of experience in the corporate secretarial field. She has been providing professional corporate services to Hong Kong listed companies and real estate investment trusts as well as multinational, private and offshore companies. Ms. Cheung currently provides professional corporate services to five Hong Kong listed companies.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Cheung is a Chartered Secretary and an Associate of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom since November 2009 and she is a Chartered Governance Professional of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom since September 2018. Ms. Cheung obtained a master's degree of Science in Professional Accounting and Corporate Governance in November 2008 and a bachelor's degree of Business Administration in China Business from City University of Hong Kong in November 2005.

As at the Latest Practicable Date, Ms. Cheung is the company secretary and authorised representative for the purpose of Rule 3.05 of the Listing Rules of Design Capital Limited, a company listed on the Main Board of the Stock Exchange (stock code 1545).

COMPLIANCE ADVISER

We have appointed Altus to be our compliance adviser in compliance with Rule 3A.19 of the Listing Rules. Pursuant to Rule 3A.23 of the Listing Rules and under the agreement with our compliance adviser, we shall consult with and, if necessary, seek advice from our compliance adviser on a timely basis in the following circumstances:

- before the publication of any announcements, circulars or financial reports required by regulatory authorities or applicable laws;
- where a transaction, which might be a notifiable or connected transaction under Chapters 14 and 14A of the Listing Rules is contemplated, including share issues and share repurchases;
- where we propose to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or where our business activities, developments or results of our Company deviate from any forecast, estimate or other information in this prospectus; and
- where the Stock Exchange makes an inquiry of our Company regarding unusual price movement, trading volume and/or other issues under Rule 13.10 of the Listing Rules.

The terms of the appointment shall commence on the Listing Date and end on the date on which our Company complies with Rule 13.46 of the Listing Rule in respect of our financial results for the first full financial year commencing after the Listing Date.

DIRECTORS AND SENIOR MANAGEMENT

BOARD COMMITTEES

Our Board delegates certain responsibilities to various committees. In accordance with the Articles and the Listing Rules, we have formed three board committees, namely, the audit committee, the remuneration committee and the nomination committee. The committees operate in accordance with terms of reference established by our Board.

Audit Committee

Our Company established an audit committee (with effect from the Listing Date) with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 and paragraph D.3 of the Corporate Governance Code. The audit committee consists of three independent non-Executive Directors being Mr. Tong Yee Ming, Mr. Cheung Pan and Mr. Julapong Vorasontharosoth. The chairman of the audit committee is Mr. Tong Yee Ming. Mr. Tong Yee Ming holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the audit committee are to assist our Board by providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems of our Group, overseeing the audit process and performing other duties and responsibilities as assigned by our Board.

Remuneration Committee

Our Company established a remuneration committee (with effect from the Listing Date) with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph B.1 of the Corporate Governance Code. The remuneration committee consists of three independent non-Executive Directors and one Executive Director being Mr. Julapong Vorasontharosoth, Mr. Cheung Pan, Mr. Tong Yee Ming, and Mr. Asvaplungprohm. The remuneration committee is chaired by Mr. Julapong Vorasontharosoth. The primary duties of the remuneration committee include, but are not limited to, the following: (i) making recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; (ii) determining the specific remuneration packages of all Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time.

Nomination Committee

Our Company has established a nomination committee (with effect from the Listing Date) with written terms of reference in compliance with paragraph A.5 of the Corporate Governance Code. The nomination committee consists of three independent non-Executive Directors and one Executive Director, being Mr. Julapong Vorasontharosoth, Mr. Cheung Pan, Mr. Tong Yee Ming and Mr. Asvaplungprohm. The chairman of the Nomination Committee is Mr. Cheung Pan. The primary functions of the nomination committee include, without limitation, reviewing the structure, size and composition of our Board, assessing the independence of independent non-executive Directors, making recommendations to our Board on matters relating to the appointment of Directors and reviewing our board diversity policy (the “**Board Diversity Policy**”).

DIRECTORS AND SENIOR MANAGEMENT

BOARD DIVERSITY

We have adopted the Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity on our Board in order to enhance the effectiveness of our Board. Pursuant to the Board Diversity Policy, we seek to achieve Board diversity through the consideration of a number of factors, including but not limited to professional experience, skills, knowledge, gender, age, cultural and education background, ethnicity and length of service. Our Nomination Committee is delegated by our Board to be responsible for compliance with relevant code governing board diversity under the Corporate Governance Code. After Listing, our Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose in our corporate governance report about the implementation of the Board Diversity Policy on an annual basis.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Our Company complies or intends to comply with the Corporate Governance Code set out in Appendix 14 of the Listing Rules with the exception for code provision A.2.1, which requires the roles of chairman and chief executive be different individuals.

Under code provision A.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Asvaplunghprohm currently holds both positions. Since establishment of our Group in 2004, Mr. Asvaplunghprohm has been the key leadership figure of our Group who has been deeply involved in the formulation of business strategies and determination of the overall direction of our Group and has been exerting influence as a Controlling Shareholder of our Group through his direct and/or indirect beneficial interest in our Group pursuant to the Suphanantareuk Trust, the Lohaphantakit Trust and the Lohaphantakit IAH Trust, and through his appointment of all the directors of Platt Nera since its establishment in 2004. He has also been chiefly responsible for our Group's operations as he directly supervises our senior management team. Mr. Asvaplunghprohm was not appointed as director of Platt Nera when it was incorporated in 2004 because of family reasons and not due to any non-compliance or desire to circumvent any laws and regulations.

Taking into account the continuation of the implementation of our business plans, our Directors (including our independent non-Executive Directors) are of the view that Mr. Asvaplunghprohm is the best candidate for both positions and the present arrangements are beneficial and in the interests of our Company and our Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

Our Directors will review our corporate governance policies and compliance with the Corporate Governance Code in each financial year and comply with the “comply or explain” principle in our corporate governance report which will be included in our annual reports after the Listing.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Our Directors and senior management personnel receive remuneration in the form of fees, salaries, bonuses, other allowances, retirement benefit scheme contributions and other benefits. We determine the salaries of our Directors and senior management personnel based on their respective responsibilities, qualification, position and seniority.

The aggregate amount of remuneration which was paid to our Directors for the three years ended 31 December 2018 were approximately THB3,168,000, THB5,810,000 and THB8,572,000, respectively.

It is estimated that remuneration and benefits in kind equivalent to approximately THB9.5 million in aggregate will be paid and granted to our Directors by us in respect of the financial year ending 31 December 2019 under arrangements in force at the date of this prospectus.

The aggregate amount of remuneration which were paid by our Group to our five highest paid individuals (including both employees and Directors) for the three years ended 31 December 2018 were approximately THB8,432,000, THB10,392,000 and THB13,554,000, respectively.

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. No compensation was paid to, or receivable by, our Directors, past Directors or the five highest paid individuals for the Track Record Period for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the same period.

For additional information on Directors’ remuneration during the Track Record Period as well as information on the highest paid individuals, please see notes 9 and 10 of the Accountants’ Report set out in Appendix I to this prospectus.

Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the Latest Practicable Date.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

Immediately following the completion of the Capitalisation Issue and the Share Offer, and without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option, each of Pynk and Mr. Asvaplungprohm is entitled to exercise or control the exercise of 75% of the voting rights at general meetings of our Company. Accordingly, Pynk and Mr. Asvaplungprohm are regarded as our Controlling Shareholders.

As Ms. Talomsin and Mr. Archadechopon hold their interests in the Company together with Mr. Asvaplungprohm through Pynk, Ms. Talomsin, Mr. Archadechopon and Mr. Asvaplungprohm are accordingly a group of Controlling Shareholders pursuant to the Guidance Letter HKEx-GL89-16 issued by the Stock Exchange.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors consider that we are capable of operating and carrying on our businesses independently of, and does not place undue reliance on, our Controlling Shareholders and their close associates following the Listing:

Management independence

Our management and operational decisions are made by the Board and senior management. The Board comprises the two Executive Directors and three independent non-Executive Directors. Although Mr. Asvaplungprohm and Mr. Archadechopon, two of our Controlling Shareholders, also hold directorship in our Company, we consider that our Board and senior management will function independently from our Controlling Shareholders and their respective close associates taking into account the following:

- (i) each Director is aware of his fiduciary duties as a Director which require, among other things, that he acts for the benefit and in the best interest of our Company and does not allow any conflict between his duties as a Director and his personal interests;
- (ii) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant Board meetings in respect of such transactions, and shall not be counted in forming quorum; and
- (iii) our Group has established an (a) audit committee; (b) remuneration committee and (c) nomination committee. Each committee includes independent non-Executive Directors so as to monitor the operation of our Group. Further, we believe that our independent non-Executive Directors will be able to exercise their independent judgment and will be able to provide impartial opinion and professional advice in the decision-making process of the Board to protect the interests of our Shareholders.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational independence

We have full control over our assets to continue our business independently of our Controlling Shareholders and their respective close associates. We have independent access to suppliers and customers and an independent management team to handle our day-to-day operations. We have our own internal control systems and accounting systems for our business operations. We are also in possession of all relevant licences necessary to carry on and operate our business and we have sufficient workforce to operate independently from our Controlling Shareholders and their respective close associates.

In view of the above, our Directors are of the view that we will be able to operate independently from our Controlling Shareholders and their respective close associates.

Financial independence

We have an independent financial system and make financial decisions according to our own business needs. As at the Latest Practicable Date, our Group had certain banking facilities that were secured by personal guarantees given by Mr. Asvaplunghroh, Mr. Archadechopon and Mr. Lohaphantakit. Such guarantees will be released upon Listing and be replaced by corporate guarantee from our Group. Our Directors confirm that we will not rely on our Controlling Shareholders and their close associates for financing after the Share Offer as we expect that our working capital will be funded by our operating income and bank borrowings.

DISCONTINUED CONNECTED TRANSACTIONS

During the Track Record Period, we had entered into certain transactions with our Connected Persons which constitute connected transactions within the meaning of the Listing Rules but which will not continue after Listing.

Novation Agreement with Sigfox and Things On Net

On 18 August 2017, Sigfox and Platt Nera entered into a “deployment, maintenance, marketing and distribution agreement” (the “**Distribution Agreement**”), pursuant to which, subject to the terms and conditions provided therein, Sigfox appointed Platt Nera as the distributor and Platt Nera was granted the right to market and sell Sigfox IoT technology in Thailand.

On 15 October 2018, Platt Nera entered into the Novation Agreement with Sigfox and Things On Net (a company owned as to approximately 99.0% by Mr. Asvaplunghroh, an Executive Director and one of our Controlling Shareholders).

Things On Net, being a company in which Mr. Asvaplunghroh controls 99.0%, is an associate of Mr. Asvaplunghroh and is therefore a connected person.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Under the Novation Agreement, the parties agreed that Things On Net shall substitute Platt Nera as a party to the Distribution Agreement and that Sigfox releases and discharges Platt Nera from further performance of the Distribution Agreement and all liabilities, obligations, claims and demands whatsoever under or in connection with the Distribution Agreement, provided that Platt Nera pays (for and on behalf of Things On Net) Sigfox (i) on or before 31 October 2018 a sum of EUR760,000 (out of the EUR960,000 arising from a equipment purchase order, which EUR200,000 had already been paid by Platt Nera to Sigfox) where such amount was paid by Things On Net and accepted by Sigfox; and (ii) on or before 31 December 2018 a sum of EUR1,068,800 for the purchase of certain equipment from Sigfox. On 31 December 2018, Sigfox agreed that the payment of EUR1,068,800 shall be made by Things On Net directly.

Memorandum of agreement and supplemental agreements among Platt Nera, Things On Net and Mr. Asvaplungprohm

On 28 December 2018, a memorandum of agreement was entered into among Platt Nera, Things On Net and Mr. Asvaplungprohm, and amended by supplemental agreements dated 14 January 2019 and 14 March 2019 respectively, pursuant to which Platt Nera will transfer certain assets on Sigfox project of approximately THB57.3 million to Things On Net. Such consideration has been satisfied by way of (i) offsetting the interest payable to Mr. Asvaplungprohm of approximately THB39.7 million; and (ii) a cash payment of approximately THB17.6 million by Things On Net.

Payment by Platt Nera to One to One Thaitech Co., Ltd (“121TT”)

From 2012 to 2016, at the request of Mr. Archadechopon, Platt Nera had made payments of all the remuneration payable to Mr. Archadechopon, one of our Executive Directors, to 121TT (a company owned as to 99.98% by Ms. Kesenee Sumethasorn, a person co-habiting as spouse with Mr. Archadechopon), which amounted to approximately THB1.1 million.

As 121TT is owned as to 99.98% by a family member of Mr. Archadechopon, it is an associate of Mr. Archadechopon and therefore a connected person.

The above arrangement was discontinued since 2017. All remuneration payable to Mr. Archadechopon was paid to him directly since 2017.

As the payments to 121TT represented remuneration payable to Mr. Archadechopon and Platt Nera was not paying anything additional, the Directors are of the view that such arrangement was fair and reasonable to our Group. Also, as Platt Nera entered into a novation agreement which indicated the transfer of right to receive payment from Mr. Archadechopon to 121TT, our Thai Legal Adviser is of the view that the payment arrangement as stipulated in the novation agreement has complied with the relevant laws and regulations in Thailand.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

RULE 8.10 OF THE LISTING RULES

Metlink Info Company Limited (“**Metlink**”) is owned as to approximately 100.0% by Mr. Asvaplunghprohm, our Executive Director and one of our Controlling Shareholders. During the Track Record Period, its business included trading, solar energy and IT solutions and maintenance. During the Track Record Period, revenue generated from IT solutions and maintenance were approximately THB16.6 million, THB13.5 million and THB76.2 million, representing approximately 13%, 11% and 16% of the total revenue of Metlink for the three years ended 31 December 2018, respectively.

Mr. Asvaplunghprohm has confirmed that Metlink will focus on its solar energy related business and will not carry out any IT solutions related business in the future. As at the Latest Practicable Date, Metlink has ceased all IT solutions and maintenance business. Metlink is therefore excluded from our Group, as solar energy business is different from the current business of our Group.

Although Metlink also carried out IT solutions business during the Track Record Period, there had been no transaction between Metlink and our Group during the Track Record Period and Metlink and our Group have no overlapping customers. Platt Nera had issued a corporate guarantee as security for a bank loan of Metlink, such guarantee has been released in November 2018. As such, our Group has been carrying on its business independently of, and at arms length from Metlink.

Mr. Asvaplunghprohm confirms that he does not own any businesses that compete, may compete or potentially compete with the business of our Group.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately after completion of the Share Offer and the Capitalisation Issue and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, based on the information available on the Latest Practicable Date, the following persons/entities will have an interest or a short position in our Shares or underlying Shares which would be required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name	Capacity/Nature of interest	Number of shares held immediately after completion of the Share Offer and the Capitalisation Issue and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option ^(Note 1)	Percentage of shareholding immediately after the Share Offer and the Capitalisation Issue and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option
Pynk	Beneficial owner	300,000,000 (L)	75%
Mr. Asvaplunghprohm ^(Note 2)	Interest held jointly with other persons; Interest in a controlled corporation	300,000,000 (L)	75%
Mr. Archadechopon ^(Note 2)	Interest held jointly with other persons; Interest in a controlled corporation	300,000,000 (L)	75%
Ms. Talomsin ^(Note 2)	Interest held jointly with other persons; Interest in a controlled corporation	300,000,000 (L)	75%

Notes:

- The letter "L" denotes a long position in the shareholder's interest in the share capital of our Company.
- 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, our Directors are not aware of any person who will, immediately following the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), have an interest or short position in our Shares or underlying Shares which would be required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

SHARE CAPITAL

SHARE CAPITAL

The following is a description of the authorised and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately before and following the completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option):

	Nominal value
	<i>HK\$</i>
<i>Authorised share capital:</i>	
<u>10,000,000,000</u> Shares of HK\$0.01 each	<u>100,000,000</u>
<i>Shares issued and to be issued, fully paid or credited as fully paid:</i>	
1,500,000 Shares in issue as at the date of this prospectus	15,000
298,500,000 Shares to be issued pursuant to the Capitalisation Issue	2,985,000
<u>100,000,000</u> Shares to be issued pursuant to the Share Offer	<u>1,000,000</u>
<u>400,000,000</u> Shares in total ^(Note 1)	<u>4,000,000</u>

Note:

1. The share capital of our Company will be enlarged by up to an additional 15,000,000 Shares in the event that the Over-allotment Option is exercised in full.

ASSUMPTIONS

The above table assumes the Share Offer and the Capitalisation Issue become unconditional and the issue of Shares pursuant thereto are made as described herein. It takes no account of any Shares which may be issued under the Over-allotment Option or any Shares which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of Shares granted to Directors as referred to below or otherwise.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 8.08(1) of the Listing Rules, at the time of Listing and at all time thereafter, our Company must maintain at least 25% of our issued share capital in the hands of the public (as defined in the Listing Rules).

SHARE CAPITAL

RANKING

The Offer Shares and the Shares which may be issued under the Over-allotment Option will be ordinary shares in the share capital of our Company and will rank *pari passu* in all respects with all Shares in issue or to be issued as mentioned in this prospectus and, in particular, will qualify for all dividends or other distributions declared, made or paid after the date of this prospectus save for the entitlements under the Capitalisation Issue.

GENERAL MANDATE TO ISSUE SHARES

Subject to the Share Offer becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with the Shares with an aggregate nominal value of not more than:

- (a) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Share Offer and the Capitalisation Issue, but excluding any Shares which may be issued upon the exercise of the Over-allotment Option; and
- (b) the aggregate nominal value of the share capital of our Company repurchased by our Company (if any) pursuant to the general mandate to repurchase Shares as described below.

Our Directors may, in addition to the Shares which they are authorised to issue under the mandate, allot, issue and deal with Shares pursuant to a rights issue, an issue of Shares pursuant to the exercise of subscription rights attaching to any warrants of our Company, scrip dividends or similar arrangements providing for the allotment of Shares in lieu of the whole or in part of any cash dividends or similar arrangement for the time being adopted.

This general mandate to issue Shares will remain in effect until the earliest of:

- (i) the conclusion of the next annual general meeting of our Company; or
- (ii) the expiry of the period within which our Company is required by any applicable laws of the Cayman Islands or the Articles of Association to hold its next general meeting; or
- (iii) the passing of an ordinary resolution of the Shareholders in general meeting to vary, revoke or renew the authority given to our Directors.

For further details of this general mandate, please refer to the paragraph headed “3. Resolutions in writing of the sole Shareholder passed on 17 June 2019” in Appendix IV to this prospectus.

SHARE CAPITAL

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the Share Offer becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with a total nominal value of not more than 10% of the aggregate nominal value of our Company's share capital in issue immediately following completion of the Share Offer and the Capitalisation Issue, but excluding any Shares which may be issued upon the exercise of the Over-allotment Option.

This mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are in accordance with all applicable laws and the requirements of the Listing Rules.

The general mandate to issue and repurchase Shares will remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of our Company;
- (b) the expiry of the period within which our Company is required by any applicable laws of the Cayman Islands or the Articles of Association to hold its next annual general meeting; or
- (c) the passing of an ordinary resolution of the Shareholders in general meeting to vary, revoke or renew the authority given to our Directors.

A summary of the relevant Listing Rules requirements is set out in the paragraph headed "7. Repurchase by our Company of our own securities" in Appendix IV to this prospectus. For further details of these general mandates, please refer to the paragraph headed "3. Resolutions in writing of the sole Shareholder passed on 17 June 2019" in Appendix IV to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Our Company has only one class of shares, namely ordinary shares, each of which ranks *pari passu* with the other shares.

As a matter of the Companies Law, an exempted company is not required by law to hold any annual general meetings or class meetings. The holding of general meetings or class meetings is prescribed for under the articles of association of a company. Accordingly, our Company will hold general meetings as prescribed for under the Articles, a summary of which is set out in Appendix III to this prospectus.

FINANCIAL INFORMATION

Prospective investors should read this section in conjunction with our combined financial statements, including the notes thereto, as set out in the Accountants' Report in Appendix I to this prospectus. Our Group's combined financial statements have been prepared in accordance with the accounting policies which conform with IFRSs. Prospective investors should read the entire Accountants' Report and not merely rely on the information contained in this section of this prospectus.

The following discussion and analysis contained certain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by our Group in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors our Group believes are appropriate under the circumstances. However, whether actual outcomes and developments will meet our Group's expectations and projections depend on a number of risk and uncertainties over which our Group does not have control. For further information, prospective investors should refer to the section headed "Risk factors" of this prospectus.

1. OVERVIEW

We are an established IT solutions provider engaging in the provision of (i) IT integrated solutions; and (ii) IT support services. During the Track Record Period, we mainly serve Thai financial institutions, government departments and agencies predominantly in administrative, telecommunications and utilities sectors. During the three years ended 31 December 2018, our Group derived approximately 50.1%, 15.8% and 69.1% of our total revenue from our IT integrated solutions projects respectively. Details of the breakdown of our Group's revenue by revenue stream are set out in the paragraph headed "5.1 Revenue" under this section.

2. BASIS OF PREPARATION

The financial information has been prepared by our Directors in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board (the "IASB"), on the basis of presentation as set out in note 2.1 of the Accountants' Report contained in Appendix I to this prospectus.

All IFRSs effective for the accounting period commencing from 1 January 2018, including IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*, together with the relevant transitional provisions, have been adopted by our Group in preparation of the Historical Financial Information (as defined in the Accountants' Report set out in Appendix I to this prospectus) of our Group on a consistent basis throughout the Track Record Period.

FINANCIAL INFORMATION

Our Group did not previously issue any financial statements that were prepared under IFRSs. Notwithstanding the above, for illustrative purposes, our Group has undertaken an assessment to apply IAS 39, IAS 11 and IAS 18 over the Track Record Period. Since the accounting policies adopted by our Group under IFRS 15 are applicable under IAS 11 and IAS 18, our Group concluded from the assessment using, *inter alia*, such policies and the accounting policies for financial instruments that are applicable under IAS 39, that the adoption of IFRS 9 and IFRS 15 does not have a significant impact on the financial position and performance of our Group for the Track Record Period when compared to that of IAS 39, IAS 11 and IAS 18.

3. CRITICAL ACCOUNTING POLICIES

The preparation of financial information requires our management to make judgements, estimates and assumptions that affect the reported amounts and the accompanying disclosures of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in material adjustments to the carrying amounts of our assets or liabilities affected in the future. Our significant accounting policies, major judgements, estimates and assumptions which are important for an understanding of our financial conditions and results of operations, are set forth in notes 2.4 and 3 of the Accountants' Report contained in Appendix I to this prospectus.

4. MAJOR FACTORS AFFECTING OUR GROUP'S RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

Our Group's results of operations and financial conditions have been and will continue to be affected by a number of factors, including those set out below and under the section headed "Risk factors" of this prospectus.

We may be reliant on the contracts awarded by our major customers

During the Track Record Period, we derived a substantial portion of our revenue from a limited number of customers. For the three years ended 31 December 2018, our revenue derived from the top five customers accounted for 100.0%, 100.0% and approximately 99.6% of our total revenue respectively. For the corresponding years, our largest customer accounted for approximately 89.8%, 95.7% and 65.8% of our total revenue respectively.

In 2019, the ATM Project was extended by another seven years (from June 2020). The ATM Project renewal is a testament to the close and mutually beneficial working relationship between our Group and BAAC.

We are also exploring new opportunities in serving the banking and financial sector. While we shall continue to engage and enhance our existing working relationship with customers in the banking and financial sector, we have also expanded our customer reach to the telecommunications, utilities and government administrative sectors. This is in line with our business strategies to expand our customer base as illustrated in the paragraph headed

FINANCIAL INFORMATION

“3. Business strategies” under the section headed “Business” of this prospectus. However, we cannot assure that we will be successful in securing projects from new customers. In the event that we are unable to expand our customer base and/or the project value or number awarded from our major customers reduce significantly, our business, results of operations and financial conditions may be adversely affected.

Our contracts are on project by project basis and our future business depends on our continuous ability in securing new projects

As an IT solutions provider in Thailand, our services are project-based in nature. In this regard, our revenue and financial performance may fluctuate from year to year depending on factors including (i) number of projects on hand; (ii) contract sum of the projects; and (iii) progress of our projects during the financial year. Our ability in securing new projects depends on a number of factors, including but not limited to, economic conditions, our technical expertise, track record, financial capability and the competitive landscape. During the Track Record Period, our overall tender success rates were approximately 40.0%, 50.0% and 87.5% for the three years ended 31 December 2018 respectively. For further details, please refer to the paragraph headed “7. Sales and marketing – Tendering” under the section headed “Business” of this prospectus. There is no assurance that we will be evaluated favourably by our customers during the tendering process. If we fail to secure new projects from our existing and/or new customers, our business, results of operations and financial conditions may be adversely affected.

Our ability to recruit and retain talents

We have a management and technical team with extensive industry experience that contributed to the success of our Group. The loss of our key personnel and other experienced staff can be detrimental to our operations and growth as we may be unable to replace them in a timely or effective manner.

To retain our employees, we offer attractive remuneration packages and create a healthy corporate culture. For the three years ended 31 December 2018, our employee benefit expense increased and amounted to approximately THB25.8 million, THB32.5 million and THB38.9 million, representing approximately 10.3%, 16.2% and 6.2% of our total expenses during the Track Record Period respectively.

Fluctuation of interest rates of our borrowings

As at 31 December 2016, 2017 and 2018, our total bank and other borrowings amounted to approximately THB560.0 million, THB325.5 million and THB250.4 million respectively. Our finance costs for the three years ended 31 December 2018 were approximately THB40.0 million, THB28.3 million and THB19.6 million, representing approximately 16.0%, 14.1%, and 3.1% of our total expenses for the corresponding years respectively. If interest rates of our borrowings had been 10.0% higher or lower and all other variables were held constant, the profit before tax of our Group would decrease or increase by approximately THB3.9 million, THB2.7 million and THB1.8 million, representing 3.3%, 2.7% and 1.2% of our profit before tax, for the three years ended 31 December 2018 respectively.

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5. RESULTS OF OPERATIONS OF OUR GROUP

The following table summarises our statements of profit or loss and other comprehensive income for the three years ended 31 December 2018 respectively, which is extracted from the Accountants' Report set out in Appendix I to this prospectus.

	Year ended 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Revenue	367,765	298,804	772,133
Cost of sales	<u>(170,554)</u>	<u>(126,822)</u>	<u>(518,349)</u>
Gross profit	197,211	171,982	253,784
Other income and gain, net	1,364	1,349	1,370
Selling and distribution expenses	(7,494)	(8,230)	(10,438)
Administrative expenses	(29,428)	(35,073)	(41,822)
Other expenses	(2,459)	(2,452)	(1,075)
Listing expenses	–	–	(34,626)
Finance costs	<u>(39,998)</u>	<u>(28,312)</u>	<u>(19,613)</u>
Profit before tax	119,196	99,264	147,580
Income tax	<u>(25,256)</u>	<u>(20,596)</u>	<u>(34,035)</u>
Profit for the year attributable to shareholders of the Company	<u><u>93,940</u></u>	<u><u>78,668</u></u>	<u><u>113,545</u></u>
	Year ended 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Defined benefit plan, net			
Actuarial gain/(loss)	–	156	(904)
Income tax effect	–	(31)	181
	<u>–</u>	<u>125</u>	<u>(723)</u>
Other comprehensive income/(loss) for the year, net of income tax	<u>–</u>	<u>125</u>	<u>(723)</u>
Total comprehensive income for the year attributable to shareholders of the Company	<u><u>93,940</u></u>	<u><u>78,793</u></u>	<u><u>112,822</u></u>

FINANCIAL INFORMATION

During the three years ended 31 December 2018, our Group recorded revenue of approximately THB367.8 million, THB298.8 million and THB772.1 million respectively and profit for the year of approximately THB93.9 million, THB78.7 million and THB113.5 million respectively. As detailed in the paragraph headed “Our contracts are on project by project basis and our future business depends on our continuous ability in securing new projects” under this section, our financial performance may fluctuate from year to year affected by factors such as the number of projects on hand, nature of project and progress of our projects during the financial year.

Set out below is the year to year analysis of our revenue during the Track Record Period.

5.1 Revenue

Our Group’s revenue can principally be broken down into two revenue streams, being (i) IT integrated solutions; and (ii) IT support services. IT integrated solutions revenue generally relate to projects where we develop tailor-made systems for our customers. IT support services revenue generally relate to projects where we provide operational, support and maintenance services. For further details of our Group’s revenue streams, please refer to the paragraph headed “4. Our business model” under the section headed “Business” of this prospectus.

For the ATM Project, as consideration for the services performed, BAAC shares with our Group the annual fees, card issuance fees and transaction fees (“**Fees**”) paid by BAAC’s end customers, under the revenue sharing arrangement. Such Fees form an overall pool of revenue contributed by BAAC available for recognition.

The abovementioned pool of revenue is then allocated to IT integrated solutions and IT support services in accordance with the guidelines set out in IFRS 15. This is based on the relative stand-alone selling prices (computed by the expected cost plus margin approach on labour and material costs) of our services, and recognised in the financial statements upon actual performance of the services. For details of our revenue recognition policy, which is in line with IFRS 15, please refer to note 2.4 in the Accountants’ Report contained in Appendix I to this prospectus.

FINANCIAL INFORMATION

Set out below is the breakdown of revenue by revenue stream during the Track Record Period.

	Year ended 31 December					
	2016		2017		2018	
	<i>THB'000</i>	%	<i>THB'000</i>	%	<i>THB'000</i>	%
IT integrated solutions						
– The ATM Project	145,932	39.7	33,756	11.3	252,660	32.7
– Other projects	38,212	10.4	13,577	4.5	281,216	36.4
Sub-total	<u>184,144</u>	<u>50.1</u>	<u>47,333</u>	<u>15.8</u>	<u>533,876</u>	<u>69.1</u>
IT support services						
– The ATM Project	182,421	49.6	247,871	83.0	236,673	30.7
– Other projects	1,200	0.3	3,600	1.2	1,584	0.2
Sub-total	<u>183,621</u>	<u>49.9</u>	<u>251,471</u>	<u>84.2</u>	<u>238,257</u>	<u>30.9</u>
Total	<u><u>367,765</u></u>	<u><u>100.0</u></u>	<u><u>298,804</u></u>	<u><u>100.0</u></u>	<u><u>772,133</u></u>	<u><u>100.0</u></u>

Set out below is the breakdown of revenue by customer sectors during the Track Record Period.

	Year ended 31 December					
	2016		2017		2018	
	<i>THB'000</i>	%	<i>THB'000</i>	%	<i>THB'000</i>	%
Banking and financial	330,309	89.8	285,928	95.7	516,518	66.9
<i>The ATM Project</i>	328,353	89.3	281,627	94.3	489,333	63.4
<i>Other BAAC projects</i>	1,956	0.5	4,301	1.4	19,059	2.5
<i>Customer F</i>	–	–	–	–	8,126	1.0
Telecommunications and utilities	37,360	10.2	5,729	1.9	81,911	10.6
Government administrative	96	*	7,147	2.4	173,704	22.5
Total	<u><u>367,765</u></u>	<u><u>100.0</u></u>	<u><u>298,804</u></u>	<u><u>100.0</u></u>	<u><u>772,133</u></u>	<u><u>100.0</u></u>

* Denotes percentages below 0.1%

FINANCIAL INFORMATION

Year ended 31 December 2017 compared to year ended 31 December 2016

By revenue stream

Our Group recorded revenue of approximately THB367.8 million and THB298.8 million for the two years ended 31 December 2017 respectively.

The higher revenue from IT integrated solutions projects in 2016 was primarily due to that (i) the Chip Card Project, relating to the upgrade of ATM system to support the issuance of chip cards for BAAC. The project was substantially completed in 2016 and contributed approximately THB145.9 million and THB33.8 million of our revenue for the two years ended 31 December 2017; and (ii) we substantially completed the satellite system project with GISTDA in 2016, resulting in the recognition of revenue of approximately THB29.8 million in 2016. Other than that, we had projects with Customer A, Customer B and Customer C from 2016 to 2017. For further details of the projects mentioned above, please refer to the paragraph headed “5. Our projects” under the section headed “Business” of this prospectus.

Our revenue derived from IT support services increased by approximately 37.0% from approximately THB183.6 million in 2016 to approximately THB251.5 million in 2017. The increase in revenue was primarily attributable to the increase in BAAC’s ATM card annual fee, as well as the increase in the number of new cards issued. Such increase in annual fee will in turn increase the pool of revenue available for sharing with our Group under the revenue sharing model with BAAC. Thereafter, this larger pool of revenue is then allocated to IT support services in accordance with the guidelines set out in IFRS15, and results in higher revenue generated from our IT support services projects.

By customer sector

In terms of customer sectors, our revenue derived from the banking and financial sector decreased by approximately THB44.4 million or 13.4% from 2016 to 2017. This was mainly due to our substantial revenue generated from the substantially completed Chip Card Project in 2016 as mentioned above. Besides, the decrease in revenue from the telecommunications and utilities sector was mainly attributable to our substantial completion of the satellite system project with GISTDA in 2016. Our increase in revenue derived from the government administrative sector from 2016 to 2017 was primarily due to (i) our completed Project I with Customer A to design and set up a surveillance system which contributed approximately THB5.6 million of revenue in 2017; and (ii) our Project C relating to the development of a digitalised court case record system for Customer B which contributed approximately THB1.5 million of revenue in 2017. Please refer to the paragraph headed “5. Our projects” under the section headed “Business” for further details.

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Year ended 31 December 2018 compared to year ended 31 December 2017

By revenue stream

Revenue of our Group for the year ended 31 December 2018 amounted to approximately THB772.1 million, representing an increase of approximately 158.4% from approximately THB298.8 million for the year ended 31 December 2017. Such increase was mainly attributable to that our revenue from providing IT integrated solutions increased by approximately THB486.5 million, while our revenue from IT support services remained relatively stable.

The significant increase in revenue from our IT integrated solutions projects was mainly due to the achievement of certain progress under our new projects secured in 2018 relating to (i) the Debit Card Project with BAAC; (ii) the development of video conference system with MOI; and (iii) the security system project with Customer D, which contributed approximately THB245.2 million, THB153.8 million and THB79.2 million of revenue for the year ended 31 December 2018 respectively.

Our revenue derived from our IT support services projects remained relatively stable at approximately THB238.3 million for the year ended 31 December 2018 comparing to approximately THB251.5 million for the year ended 31 December 2017.

By customer sector

Our revenue generated from the banking and financial sector significantly increased by approximately 80.6% from approximately THB285.9 million to THB516.5 million from 2017 to 2018. Our telecommunications and utilities sector also recorded significant increase in revenue from approximately THB5.7 million to THB81.9 million from the year ended 31 December 2017 to the year ended 31 December 2018. Furthermore, revenue from government administrative sector increased from approximately THB7.1 million to THB173.7 million from the year ended 31 December 2017 to the year ended 31 December 2018. As illustrated above, the increase in revenue was attributable to our achievement of certain progress for the Debit Card Project with BAAC, the projects with MOI and Customer D in the year ended 31 December 2018. Our revenue generated from the banking and financial sector was diluted to approximately 66.9% of our total revenue in the year ended 31 December 2018 from approximately 95.7% in 2017. This was in line with our business strategies to expand and diversify our customer base as detailed in the paragraph headed “3. Business strategies” under the section headed “Business” of this prospectus.

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5.2 Cost of sales

Set out below is our cost of sales breakdown during the Track Record Period.

	Year ended 31 December					
	2016		2017		2018	
	<i>THB'000</i>	%	<i>THB'000</i>	%	<i>THB'000</i>	%
Subcontracting costs	121,584	71.3	55,867	44.1	456,012	88.0
Material costs	28,782	16.9	54,047	42.6	43,391	8.3
Staff costs	12,850	7.5	12,169	9.6	12,874	2.5
Other project costs	7,338	4.3	4,739	3.7	6,072	1.2
Total cost of sales	170,554	100.0	126,822	100.0	518,349	100.0

Our cost of sales amounted to approximately THB170.6 million, THB126.8 million and THB518.3 million for the three years ended 31 December 2018 respectively. During the Track Record Period, our cost of sales consisted of subcontracting costs, material costs, staff costs and other project costs.

Subcontracting costs

Our subcontracting costs varies depending on the needs to engage subcontractors for the project, which amounted to approximately THB121.6 million, THB55.9 million and THB456.0 million, representing approximately 71.3%, 44.1% and 88.0% of our total cost of sales for the three years ended 31 December 2018 respectively. Subcontracting costs of our Group decreased significantly by approximately 54.1% from 2016 to 2017 as we incurred substantial subcontracting costs for ATM upgrade expenses under the Chip Card Project with BAAC of approximately THB74.8 million in 2016. It decreased to approximately THB12.9 million in 2017 as the project was substantially completed in 2016. Our subcontracting costs increased significantly by approximately THB400.1 million or 716.2% from the year ended 31 December 2017 to the year ended 31 December 2018. Such increase was mainly attributable to the subcontracting costs incurred for (i) the Debit Card Project with BAAC of approximately THB182.6 million; (ii) video conference system with MOI of approximately THB132.9 million; and (iii) security system project with Customer D of approximately THB75.9 million during the year ended 31 December 2018 respectively. For further details of our subcontracting arrangement, please refer to the paragraph headed “Our subcontracting arrangement” under the section headed “Business” of this prospectus.

Material costs

Our material costs during the Track Record Period mainly comprised of ATM card related material expenses for the ATM Project, such as the purchase of ATM cards and envelopes. Our material costs amounted to approximately THB54.0 million in 2017, representing an increase of approximately 87.8% from our material costs in 2016. The increase in material costs in 2017

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was mainly due to the purchase and issuance of chip cards to replace magnetic ATM cards after our upgrade of the ATM machines in the Chip Card Project in 2016. Our material costs decreased from approximately THB54.0 million for 2017 to approximately THB43.4 million for 2018. This was mainly due to the decrease in issuance of new cards during 2018 comparing to 2017.

Staff costs

Staff costs of our Group amounted to approximately THB12.9 million, THB12.2 million and THB12.9 million, representing approximately 7.5%, 9.6% and 2.5% of our total cost of sales for the three years ended 31 December 2018 respectively. Our staff costs represents staff cost of our implementation team involved in executing our projects. Our staff costs was relatively stable throughout the Track Record Period as the number of our employees involved in executing projects was stable. In this way, we have been keeping a core experienced technical team that can be deployed among a wide variety of projects while maintaining our staff costs steady.

For more details about staffing strategy, please refer to the paragraph headed “16. Employees” under the section headed “Business” of this prospectus.

Other project costs

Our other project costs mainly included project insurance costs, project consultancy fee and guarantee fee payable to banks for our projects. Our other project costs amounted to approximately THB7.3 million, THB4.7 million and THB6.1 million, representing approximately 4.3%, 3.7% and 1.2% of our total cost of sales for the three years ended 31 December 2018 respectively.

5.3 Gross profit and gross profit margin

Set out below is our gross profit margin breakdown by revenue streams and customer sector during the Track Record Period.

	Year ended 31 December					
	2016		2017		2018	
	Gross profit	Margin	Gross profit	Margin	Gross profit	Margin
	<i>THB'000</i>	<i>%</i>	<i>THB'000</i>	<i>%</i>	<i>THB'000</i>	<i>%</i>
IT integrated solutions	90,493	49.1	22,522	47.6	107,459	20.1
IT support services	106,718	58.1	149,460	59.4	146,325	61.4
Total gross profit	<u>197,211</u>	53.6	<u>171,982</u>	57.6	<u>253,784</u>	32.9

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	Year ended 31 December					
	2016		2017		2018	
	Gross Profit	Margin	Gross Profit	Margin	Gross Profit	Margin
	<i>THB'000</i>	%	<i>THB'000</i>	%	<i>THB'000</i>	%
Banking and						
financial (<i>Note</i>)	176,610	53.5	170,642	59.7	224,374	43.4
<i>The ATM Project</i>	176,439	53.7	168,916	60.0	215,449	44.0
<i>Other BAAC projects</i>	171	8.7	1,726	40.1	6,556	34.4
<i>Customer F</i>	–	–	–	–	2,369	29.2
Telecommunications						
and utilities	20,558	55.0	514	9.0	3,973	4.8
Government administrative	43	44.3	826	11.6	25,437	14.6
Total gross profit	<u>197,211</u>	53.6	<u>171,982</u>	57.6	<u>253,784</u>	32.9

Note: Banking and financial sector represents the gross profit and gross profit margin attributable to the project of, and services provided to BAAC and Customer F during the Track Record Period.

Our Group's gross profit amounted to approximately THB197.2 million, THB172.0 million and THB253.8 million for the three years ended 31 December 2018, corresponding to gross profit margins of approximately 53.6%, 57.6% and 32.9% respectively. The decrease in gross profit margin of IT integrated solutions projects in 2018 was primarily due to the change in our customer mix and our effort in securing more new projects of different nature and from new customers.

Year ended 31 December 2017 compared to year ended 31 December 2016

By revenue stream

Our gross profit margin increased from approximately 53.6% in 2016 to approximately 57.6% in 2017, resulted from the increase in gross profit margins of our IT support services business. The gross profit margin of our IT integrated solutions dropped from approximately 49.1% in 2016 to approximately 47.6% in 2017, which was resulted from different customer and project mix.

The gross profit margin of our IT support services business increased from approximately 58.1% in 2016 to approximately 59.4% in 2017. In general, the ATM Project, which accounted for a majority of our revenue derived from the IT support services projects during the Track Record Period, is able to generate a relatively higher gross profit margin as the ATM Project has reached a mature stage with regard to usage by BAAC customers. As such, our revenue increase was matched by a slower rate of running costs increase. The increase in gross profit margin of our IT support services business in 2017 was mainly due to the increase in BAAC's ATM card annual fee from THB100.0 to THB150.0 per card and number of new cards issued from approximately 1.0 million to 1.5 million.

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By customer sector

Our gross profit margin for the banking and financial sector increased from approximately 53.5% for the year ended 31 December 2016 to approximately 59.7% for the year ended 31 December 2017 because of the relatively higher gross profit margin for the ATM Project as explained above.

Our relatively high gross profit margin for the telecommunications and utilities sector of approximately 55.0% for the year ended 31 December 2016 was primarily contributed by the substantial completion of satellite system project for GISTDA, which generated 79.8% of our revenue from telecommunication and utilities sector in 2016. As the technical element of the project was relatively sophisticated, the gross profit margin was accordingly higher. The lower gross profit margin of the sector in 2017 was caused by our new project with Customer C relating to installation of a software system. The gross profit margin was relatively low due to the high cost of the software and its adaptation. Our Group was willing to work with this customer due to our strategy to build a long relationship with Customer C and expand our customer base.

Our Group recorded relatively high gross profit margin of approximately 44.3% in 2016 for the government administrative sector. The security system project for Customer E was the only project under this sector in 2016. This project has a high gross profit margin due to its tailored-made nature. Since the contract amount was small, our Directors believe that it is not a reflective indicator for our gross profit margin in the sector.

Year ended 31 December 2018 compared to year ended 31 December 2017

By revenue stream

Our gross profit margin for the year ended 31 December 2018 was approximately 32.9%, which was lower than that for 2017. The decline in gross profit margin was mainly due to lower gross profit margin of IT integrated solutions for the year ended 31 December 2018. However, the gross profit margin of the IT support services projects increased in 2018.

Our gross profit margin of IT integrated solutions decreased significantly from approximately 47.6% for the year ended 31 December 2017 to approximately 20.1% for the year ended 31 December 2018. This is a result of the change in our customer mix and our effort in securing new projects of different nature and from new customers in 2018 as we are devoted to expand and diversify our customer base as illustrated in the paragraph headed “3. Business strategies” under the section headed “Business” of this prospectus. The decrease in gross profit margins was mainly attributable to that (i) the Debit Card Project with BAAC had a relatively lower gross profit margin of approximately 25.5%. The low gross profit margin was due to a high proportion of hardware enhancement; (ii) our project with MOI to develop the video conference system had a relatively lower gross profit margin of approximately 13.6%; and (iii) our project with Customer D relating to the security system project had a relatively lower gross profit margin of approximately 4.1%. For further details of our customers, please refer to the paragraph headed “8. Customers” under the section headed “Business” of this prospectus.

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The gross profit margin of our IT support services increased slightly from approximately 59.4% for the year ended 31 December 2017 to approximately 61.4% for the year ended 31 December 2018. The increase was mainly attributable to lower material costs for the ATM Project.

By customer sector

Our gross profit margin for the banking and financial sector decreased from approximately 59.7% for the year ended 31 December 2017 to approximately 43.4% for year ended 31 December 2018, which resulted from relatively lower gross profit margin from the Debit Card Project under the ATM Project as mentioned above. The ATM Project contributed approximately 96.0% of our gross profit generated from banking and financial sector for the year ended 31 December 2018.

Our gross profit margin for the telecommunications and utilities sector was relatively stable, decreased from approximately 9.0% for the year ended 31 December 2017 to approximately 4.8% for year ended 31 December 2018, which resulted from lower gross profit margin from the project with Customer D as mentioned above as the project with Customer D contributed approximately 96.7% of our revenue from the telecommunications and utilities sector during the year ended 31 December 2018. The project was first in a series of similar projects that shall extend to another three regions in Thailand, for which we have secured in February 2019. Our Group intends to build a long term relationship with Customer D in view of the prospect of the potential projects in the future.

Our gross profit margin for the government administrative sector increased from approximately 11.6% for the year ended 31 December 2017 to approximately 14.6% for year ended 31 December 2018. In 2017, our completed Project I with Customer A recorded gross profit margin of approximately 11.3% and recorded a gross profit margin of approximately 10.0% for Project C with Customer B, which was in line with our business strategy to diversify our customer mix as mentioned above. The increase in gross profit margin for the year ended 31 December 2018 was mainly attributable to our first video conference system project with MOI in 2018.

All in all, the relevant gross profit margins were not as high as those of ATM Project. Notwithstanding the above, it was our strategic decision to secure these projects after taking into account the high project value of approximately THB191.0 million and the significant pipeline of upcoming projects from MOI as reflected in the governmental budget.

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5.4 Other income and gain, net

	Year ended 31 December					
	2016		2017		2018	
	<i>THB'000</i>	%	<i>THB'000</i>	%	<i>THB'000</i>	%
Interest income	1,052	77.1	1,078	79.9	977	71.3
Foreign exchange difference, net	166	12.2	161	11.9	245	17.9
Others ^(Note 1)	146	10.7	110	8.2	148	10.8
Total other income and gain, net	1,364	100.0	1,349	100.0	1,370	100.0

Note:

- Others mainly consisted of utilities recharge to the ATM Terminal Provider for the ATM Project. Utilities recharge refers to where we agreed to share each of the costs with the ATM Terminal Provider but initially incurred such costs on our own which as a result the ATM Terminal Provider is required to repay their portion of costs to us. For more details, please refer to the paragraph headed “Cost sharing arrangement with BAAC and ATM Terminal Provider” under the section headed “Business” of this prospectus.

Our Group’s other income primarily includes interest income and miscellaneous income. During the Track Record Period, our interest income, which came from our fixed deposit, remained relatively stable.

Net gain on foreign exchange difference during the Track Record Period mainly represented gain on foreign exchange arising from our purchases of software and hardware from overseas suppliers for various projects.

5.5 Selling and distribution expenses

The table below sets forth a breakdown of our selling and distribution expenses during the Track Record Period.

	Year ended 31 December					
	2016		2017		2018	
	<i>THB'000</i>	%	<i>THB'000</i>	%	<i>THB'000</i>	%
Staff salaries	7,095	94.7	8,221	99.9	9,715	93.1
Advertising and marketing expenses	399	5.3	9	0.1	723	6.9
Total selling and distribution expenses	7,494	100.0	8,230	100.0	10,438	100.0

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Staff salaries under selling and distribution expenses comprise salaries and bonuses of our sales division. We have a team of six staff in our sales division as at the Latest Practicable Date, headed by Mr. Patarapon and Ms. Soontaree. Their key roles are to constantly engage our customers, understand their needs and propose new opportunities with our customers in order to cope with our customer base widening strategy. The amount of staff salaries increased during the Track Record Period due to the growth in salary level of staffs.

For details of Mr. Patarapon's and Ms. Soontaree's background, please refer to the paragraph headed "Senior management" under the section headed "Directors and senior management" of this prospectus. For more details about staffing strategy, please refer to the paragraph headed "16. Employees" under the section headed "Business" of this prospectus.

During the Track Record Period, we incurred minimal advertising and marketing expenses due to the fact that most of our projects were obtained via referral or open tender and governmental nature of our customers. For details of our marketing activities, please refer to the paragraph headed "7. Sales and marketing" under the section headed "Business" of this prospectus.

5.6 Administrative expenses

The table below sets forth a breakdown of our administrative expenses during the Track Record Period.

	2016		Year ended 31 December		2018	
	THB'000	%	THB'000	%	THB'000	%
Employee salary and benefits	8,365	28.4	11,904	33.9	16,627	39.8
Project bidding costs	3,972	13.5	7,543	21.5	6,305	15.1
Office rental and services and common fee charge	1,716	5.8	3,710	10.6	4,706	11.3
Audit fee	2,500	8.5	3,630	10.3	1,550	3.7
Consultancy fee	3,180	10.8	1,112	3.2	3,975	9.5
Depreciation of leasehold improvements and equipment	348	1.2	1,096	3.1	2,279	5.4
Food and beverage	468	1.6	1,071	3.1	1,277	3.1
Utilities	678	2.3	820	2.3	846	2.0
Travelling and accommodation	278	0.9	521	1.5	551	1.3
Cleaning services	132	0.5	169	0.5	188	0.4
Tax unallowable expenses	6,171	21.0	58	0.2	66	0.2
Other administrative expenses	1,620	5.5	3,439	9.8	3,452	8.2
Total administrative expenses	29,428	100.0	35,073	100.0	41,822	100.0

Our administrative expenses were approximately THB29.4 million, THB35.1 million and THB41.8 million for the three years ended 31 December 2018 respectively.

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Employee salary and benefit

Our staff salaries under administrative expenses represents remuneration of our Directors, senior management and operational staff. The increase in our employee salaries during the Track Record Period was mainly attributable to (i) the overall increase in staff remuneration as our Group offered competitive remuneration packages to retain and recruit talents; and (ii) the increase in headcount as illustrated in the paragraph headed “16. Employees” under the section headed “Business” of this prospectus.

Project bidding costs

Our project bidding costs represent the costs incurred during the tendering stage of our projects, such as costs of tender documents and costs to obtain the letter of guarantee. Our increase in project bidding costs from approximately THB4.0 million in 2016 to approximately THB7.5 million in 2017 was in line with our increase in number of tenders submitted in 2017 as compared to 2016 as part of our effort to expand our customer base. Our project bidding costs decreased to approximately THB6.3 million for the year ended 31 December 2018. This was in line with our decrease in number of tenders submitted during 2018 since we had relatively higher project pipeline at the beginning of 2018 as elaborated in the paragraph headed “7. Sales and marketing – Tendering” under the section headed “Business” of this prospectus.

Office rental and services and common fee charge

The increase in our office rental expense during the Track Record Period was due to our office expansion by increasing one lease unit since June 2017.

Audit fees

The audit fees incurred in 2016 and 2017 were resulted from our previous contemplation to seek a listing on the Stock Exchange of Thailand, but the listing plan was subsequently changed in 2018. For further details, please refer to the paragraph headed “Reasons for Listing on the Stock Exchange” under the section headed “Future plans and use of proceeds” of this prospectus.

Consultancy fee

Our Group recorded consultancy fee for professional parties engaged for the preparation of listing on the Stock Exchange of Thailand as abovementioned. We terminated our engagement with these professional parties after we changed our listing plan to the Stock Exchange in 2018.

Tax unallowable expenses

Our Group recorded tax unallowable expenses of approximately THB6.2 million in 2016. This represented tax expenses not claimable from revenue department during our preparation for listing on the Stock Exchange of Thailand in 2017.

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5.7 Other expenses

Our other expenses amounted to approximately THB2.5 million, THB2.5 million and THB1.1 million for the three years ended 31 December 2018 respectively. Our other expenses during the Track Record Period represented compensations paid to our consortium partner resulted from the Bank Concluded Case. For further details, please refer to the paragraph headed “20. Litigation and legal matters” under the section headed “Business” of this prospectus.

5.8 Finance costs

Our Group’s finance costs during the Track Record Period included interest on bank and other borrowings. Our finance costs amounted to approximately THB40.0 million, THB28.3 million and THB19.6 million for the three years ended 31 December 2018 respectively.

The decrease in finance costs during the Track Record Period was mainly due to our repayment of bank and other borrowings. For further details of the bank and other borrowings, please refer to the paragraph headed “9. Indebtedness” under this section.

5.9 Income tax expenses

Our income tax expenses primarily consist of the provisions for Thai current and deferred tax expenses. For the three years ended 31 December 2018, our income tax expenses were approximately THB25.3 million, THB20.6 million and THB34.0 million respectively. Our effective tax rates, calculated as the income tax expenses divided by the profit before income tax, were approximately 21.2%, 20.7% and 23.1% for the three years ended 31 December 2018 respectively. Our effective tax rates during the Track Record Period were slightly higher than the Thailand profit tax rate of 20.0% mainly due to that we incurred expenses not deductible for tax, such as written-off withholding tax and certain other expenses.

5.10 Profit for the year

Our Group recorded net profit of approximately THB93.9 million and THB78.7 million for the two years ended 31 December 2017 respectively, representing a decrease of approximately 16.3%. Such decrease was primarily due to (i) the decrease in gross profit as discussed in the paragraph headed “5.3 Gross profit and gross profit margin” above; and (ii) the increase in selling and distribution expenses and administrative expenses as discussed in the paragraphs headed “5.5 Selling and distribution expenses” and “5.6 Administrative expenses” above. The decrease in profit from 2016 to 2017 was partially offset by the decrease in finance costs in 2017 as compared in 2016 as discussed in the paragraph headed “5.8 Finance costs” above.

Despite the fact that our net profit margins decreased from approximately 26.3% for the year ended 31 December 2017 to approximately 14.7% for the year ended 31 December 2018, our profit increased by approximately 44.3% from approximately THB78.7 million for the year ended 31 December 2017 to approximately THB113.5 million for the year ended 31 December 2018. The increase was generally in line with the movement of revenue and gross profit as aforementioned.

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6. LIQUIDITY AND FINANCIAL RESOURCES

Our primary use of cash is for the payment of direct costs attributable to our Group's business activities, staff costs, operating expenses, capital expenditure and bank and other borrowings.

The following table summarises our combined statements of cash flows for the years indicated.

	Year ended 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Cash and cash equivalents at the beginning of the year	13,158	38,400	54,630
Net cash from operating activities	165,587	210,229	5,893
Net cash from/(used in) investing activities	269	(36,884)	(27,794)
Net cash used in financing activities	(140,614)	(157,115)	(22,194)
Cash and cash equivalents at the end of the year	38,400	54,630	10,535

6.1 Cash flow from operating activities

For the year ended 31 December 2016, our net cash flow from operating activities of approximately THB165.6 million was primarily resulted from (i) our operating cash flows before working capital changes amounting to approximately THB167.3 million; (ii) net inflow of working capital amounting to approximately THB10.0 million; and (iii) income tax paid of approximately THB11.7 million.

For the year ended 31 December 2017, our net cash flow from operating activities of approximately THB210.2 million was primarily resulted from (i) our operating cash flows before working capital changes amounting to approximately THB131.5 million; (ii) net inflow of working capital amounting to approximately THB89.2 million; and (iii) income tax paid of approximately THB10.4 million.

For the year ended 31 December 2018, our net cash flow from operating activities of approximately THB5.9 million was primarily resulted from (i) our operating cash flows before working capital changes amounting to approximately THB170.0 million; (ii) net outflow of working capital amounting to approximately THB154.7 million; and (iii) income tax paid of approximately THB9.5 million. The significant decrease in cash flow from operating activities from 2017 to 2018 was mainly attributable to the substantial completion or execution of our projects with BAAC, MOI, Customer B, Customer D and Customer F, leading to an increase in our contract assets by approximately THB262.0 million as at 31 December 2018 as compared to that of 31 December 2017. Please refer to the paragraph headed "Contract assets" under this section for further details.

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6.2 Cash flow from investing activities

For the year ended 31 December 2016, our net cash from investing activities amounted to approximately THB0.3 million was primarily attributable to cash received from the repayment of short term loans to one of our Executive Directors of approximately THB0.6 million. The cash inflow was partially offset by our additions in leasehold improvements and purchase of equipment of approximately THB0.3 million.

For the year ended 31 December 2017, our net cash used in investing activities of approximately THB36.9 million was primarily resulted from (i) our advance payment of approximately THB30.3 million for distribution right and related IoT technology equipment under the distribution agreement with Sigfox as mentioned in the paragraphs headed “Novation Agreement with Sigfox and Things On Net” and the “Memorandum of agreement and supplemental agreement among Platt Nera, Things On Net and Mr. Asvaplungprohm” under the section headed “Relationship with our Controlling Shareholders” of this prospectus; (ii) additions of leasehold improvements and purchase of equipment of approximately THB6.0 million mainly resulted from renovation as we expanded our office in 2017 as mentioned in the paragraph headed “5.6 Administrative expenses” under this section; and (iii) additions to computer software of approximately THB0.6 million (for details of our computer software, please refer to the paragraph headed “7.1 Non-current assets – Computer software” under this section).

For the year ended 31 December 2018, our net cash used in investing activities of approximately THB27.8 million was primarily due to (i) advance payment of approximately THB27.0 million for distribution right and related IoT technology equipment under the distribution agreement with Sigfox as mentioned above; (ii) purchases of leasehold improvements and equipment of approximately THB0.7 million; and (iii) additions to computer software of approximately THB33,000.

6.3 Cash flow from financing activities

For the year ended 31 December 2016, our net cash flows used in financing activities of approximately THB140.6 million was primarily arising from our repayment of bank loans and interest paid of approximately THB292.8 million. Such cash outflow was partially offset by new bank and other borrowings and interest income of approximately THB151.9 million.

For the year ended 31 December 2017, our net cash flows used in financing activities of approximately THB157.1 million was primarily resulted from (i) the repayment of bank loans and interest paid of approximately THB360.8 million; and (ii) net increase in pledged bank deposits for new project loans of approximately THB4.6 million. Such cash outflow was partially offset by (i) new bank and other borrowings and interest income of approximately THB108.3 million; and (ii) proceeds from issue of new shares by a subsidiary of THB100.0 million.

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For the year ended 31 December 2018, our net cash flows used in financing activities of approximately THB22.2 million was primarily due to (i) the repayment of bank loans and interest paid of approximately THB366.5 million; and (ii) acquisition of a subsidiary of approximately THB4.0 million. Such cash outflow was partially offset by (i) the new bank and other borrowings and interest received of approximately THB263.4 million; (ii) net decrease in pledge bank deposits due to reduced loan amount of approximately THB20.9 million; and (iii) proceeds from issue of new shares by subsidiaries of approximately THB64.0 million.

6.4 Working capital

Our Directors are of the opinion and the Sponsor concurs, that taking into consideration of the financial resources available to our Group, including internally generated funds, available bank facilities, capital injection by the Controlling Shareholders, the estimated net proceeds from the Share Offer, the other financial resources available to our Group and the reasons set out in the paragraph headed “7.2 Net current assets/(liabilities)” under this section, we have sufficient working capital for our present requirements and for at least the next 12 months from the date of this prospectus.

7. STATEMENTS OF FINANCIAL POSITION

7.1 Non-current assets

The following table sets out our non-current assets that are extracted from the combined statements of financial position. This should be read in conjunction with the Accountants’ Report set out in Appendix I to this prospectus.

	As at 31 December		
	2016	2017	2018
	THB’000	THB’000	THB’000
Leasehold improvements and equipment	1,624	5,570	4,030
Computer software	21	528	424
Prepayment, deposits or other receivables	599	30,828	1,360
Pledged bank deposits	78,126	82,760	61,848
Deferred tax assets	55,712	45,719	18,149
	<u>136,082</u>	<u>165,405</u>	<u>85,811</u>
Total non-current assets	<u>136,082</u>	<u>165,405</u>	<u>85,811</u>

Leasehold improvements and equipment

Leasehold improvements and equipment consisted mainly of leasehold improvements such as renovation of our new office, equipment, furniture and fixtures, and computer equipment. The carrying amount of leasehold improvements and equipment increased from approximately THB1.6 million as at 31 December 2016 to approximately THB5.6 million as at 31 December 2017. Such increase was mainly due to our additions in leasehold improvement

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as we renovated our office, computer equipment, general office equipment and furniture and fixtures amounted to approximately THB6.0 million in 2017. Such increase was partially offset by (i) the depreciation charges of approximately THB1.1 million; and (ii) write-off of leasehold improvements and equipment amounting to approximately THB0.9 million. The carrying amount of our leasehold improvements and equipment decreased to approximately THB4.0 million as at 31 December 2018 mainly due to the purchases of equipment of approximately THB0.7 million which was less than the depreciation of approximately THB2.3 million incurred during the year ended 31 December 2018.

Computer software

This represented computer software that our Group had purchased. The carrying amount of computer software of our Group increased from approximately THB21,000 as at 31 December 2016 to approximately THB0.5 million as at 31 December 2017, which was mainly attributable to our purchases of computer softwares for general office usage of approximately THB0.6 million, which was partially offset by the amortisation expenses of approximately THB0.1 million incurred during the year. The carrying amount of our computer software decreased to approximately THB0.4 million due to amortisation of approximately THB0.1 million incurred during the year ended 31 December 2018, which was partially offset by purchases of computer softwares of approximately THB33,000 during the year.

Prepayments, deposits and other receivables (non-current portion)

Set out below is the summary of prepayments, deposits and other receivables as at the end of each year during the Track Record Period.

	As at 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Prepayments	971	2,806	15,985
Interest receivables	–	210	474
Advance payments for a distribution right and related equipment	–	30,288	–
Deposits and other receivables	912	1,885	1,634
Others	629	1,915	797
	<u>2,512</u>	<u>37,104</u>	<u>18,890</u>
Portion classified as current assets	<u>(1,913)</u>	<u>(6,276)</u>	<u>(17,530)</u>
Non-current portion	<u><u>599</u></u>	<u><u>30,828</u></u>	<u><u>1,360</u></u>

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Our prepayments increased from approximately THB1.0 million as at 31 December 2016 to approximately THB2.8 million as at 31 December 2017. Such increase was mainly due to the prepayment of approximately THB1.9 million to one of our suppliers for chip cards in 2017. Our prepayments balance further increased to approximately THB16.0 million as at 31 December 2018, which was primarily due to the prepayment of Listing expenses.

We recorded an advance payment of approximately THB30.3 million as at 31 December 2017, representing our payment to Sigfox relating to certain assets of the Sigfox project. Such advance payments further increased to approximately THB57.3 million and was classified as non-current asset held for sale as at 31 December 2018. As detailed in the paragraph headed “Novation agreement with Sigfox and Things On Net” under the section headed “Relationship with our Controlling Shareholders” of this prospectus, the distribution rights of Sigfox’s IoT technology has been novated to Things On Net on 15 October 2018. On 28 December 2018, a memorandum of agreement was entered into among Platt Nera, Things On Net and Mr. Asvaplungprohm, and amended by supplemental agreements dated 14 January 2019 and 14 March 2019, pursuant to which Platt Nera will transfer certain assets on Sigfox project of approximately THB57.3 million to Things On Net. Such consideration has been satisfied by way of (i) offsetting the interest payable to Mr. Asvaplungprohm of approximately THB39.7 million; and (ii) a cash payment of approximately THB17.6 million by Things On Net.

Interest receivable was generated from fixed deposit during the Track Record Period. Our deposits and other receivables increased from approximately THB0.9 million as at 31 December 2016 to approximately THB1.9 million as at 31 December 2017 due to the increase in the deposit for our office rental.

The non-current portion of prepayments, deposits and other receivables of our Group increased from THB0.6 million as at 31 December 2016 to THB30.8 million as at 31 December 2017 mainly due to the advance payment made to Sigfox. For more details of the advanced payment, please refer to the above.

Pledged bank deposits

At the end of each of the financial year during the Track Record Period, certain bank deposits of our Group were pledged to banks for letter of guarantee, bank loans and bank overdrafts. Our pledged bank deposits increased from approximately THB78.1 million as at 31 December 2016 to approximately THB82.8 million as at 31 December 2017 because we had more projects in 2017 and obtained more letter of guarantees from our banks for the projects. The amount decreased to approximately THB61.8 million as at 31 December 2018 due to the settlement of approximately THB38.3 million for a concluded litigation case using pledged deposit, which was partially offset by an increase in letter of guarantees for new projects.

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7.2 Net current assets/(liabilities)

The following table sets out our current assets and liabilities as at the end of the reporting years during the Track Record Period.

	As at 31 December			As at
	2016	2017	2018	30 April 2019
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Current assets				
Inventories	8,431	34,928	6,917	15,337
Contract assets	257,767	180,098	442,106	415,355
Trade receivables	4,493	5,832	41,181	12,328
Prepayments, deposits and other receivables,	1,913	6,276	17,530	49,736
Cash and cash equivalents	45,574	63,421	17,395	33,212
	<u>318,178</u>	<u>290,555</u>	<u>582,438</u>	<u>573,277</u>
Non-current assets held for sale				
	–	–	57,309	47,309
	<u>318,178</u>	<u>290,555</u>	<u>582,438</u>	<u>573,277</u>
Current liabilities				
Contract liabilities	2,700	2,063	796	–
Trade payables	18,005	53,833	193,707	206,948
Other payables and accruals	49,525	68,898	99,323	110,084
Income tax payable	6,163	6,362	6,160	6,261
Provision for a litigation	52,972	55,424	–	–
Bank and other borrowings	443,750	281,285	213,352	180,807
Lease liabilities (<i>Note</i>)	–	–	–	4,216
	<u>573,115</u>	<u>467,865</u>	<u>513,338</u>	<u>508,316</u>
Net current assets/ (liabilities)	<u>(254,937)</u>	<u>(177,310)</u>	<u>69,100</u>	<u>64,961</u>

Note: Our Group has applied IFRS 16 *Leases*, which are effective for the accounting period beginning on 1 January 2019.

Our Group's net current liabilities position improved from approximately THB254.9 million as at 31 December 2016 to approximately THB177.3 million as at 31 December 2017, then further improved to net current assets position of approximately THB69.1 million and THB65.0 million as at 31 December 2018 and 30 April 2019 respectively.

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As mentioned in the paragraph headed “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” under the section headed “Risk factors” of this prospectus, we typically have to fund the upfront capital investment of our projects due to time lag between cash inflow and cash outflow. Therefore, we sought multiple project financing from banks and other sources to enhance our capacity to undertake multiple projects during the Track Record Period. As such, our Controlling Shareholder, Mr. Asvaplungprohm, provided Shareholder’s loan to our Group during the Track Record Period to support our operations. As at 31 December 2016, 2017 and 2018, Shareholder’s loan (together with the interest payable) from Mr. Asvaplungprohm which was classified as current liabilities amounted to approximately THB276.3 million, THB117.4 million and THB46.5 million respectively. As at the Latest Practicable Date, our Group had fully settled the Shareholder’s loan from Mr. Asvaplungprohm (and relevant amounts were subsequently injected by Mr. Asvaplungprohm into Platt Nera and capitalised as capital in Platt Nera) and the interest payable due to Mr. Asvaplungprohm.

The outstanding interest payable had been settled in accordance to the memorandum of agreement and the supplemental agreements entered into among Platt Nera, Things On Net and Mr. Asvaplungprohm. For further details of the memorandum of agreement and the supplemental agreements, please refer to the paragraph headed “Memorandum of agreement and supplemental agreements among Platt Nera, Things On Net and Mr. Asvaplungprohm” under the section headed “Relationship with our Controlling Shareholders” of this prospectus.

Inventories

Our inventories during the Track Record Period included materials held for use on our ATM Project with BAAC and work in progress for Debit Card Project with BAAC. The following sets out the summary of our inventories at the end of each year during the Track Record Period.

	As at 31 December		
	2016	2017	2018
	<i>THB’000</i>	<i>THB’000</i>	<i>THB’000</i>
Materials held for use on an IT support service contract	8,431	8,846	6,917
Work in progress for IT integrated solutions contracts	–	26,082	–
	8,431	34,928	6,917

As at 31 December 2016, our materials held for use consists of ATM cards stored at branches of BAAC across Thailand. Our inventories of ATM cards amounted to approximately THB8.4 million, THB8.8 million and THB6.9 million as at 31 December 2016, 2017 and 2018 respectively. We make purchase orders of ATM cards to our supplier according to demand of BAAC and the ATM cards are delivered by our supplier to branches of BAAC directly. Our

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Group keeps tracking the remaining cards at each BAAC branch while records of the inventory age are not kept as the cards will only be personalised upon collection by customers of BAAC. Therefore, our Group does not have information regarding subsequent utilisation of inventories as we do not keep inventory age of the ATM cards. During the Track Record Period, the level of ATM card inventories of our Group remained relatively stable and the obsolete risk of the inventory of ATM cards is low. This is in line with the fact that we are primarily an IT solutions provider and hence inventories do not form a core part of our business. For further details, please refer to the paragraph headed “Inventory management” under the section headed “Business” of this prospectus.

Our work in progress for IT integrated solutions contracts consisted of project costs incurred during the corresponding year for our Debit Card Project with BAAC. The Debit Card Project started in 2017 and such work in progress balance ceased as at 31 December 2018 as the Debit Card Project was substantially completed in 2018.

Equipment purchased under a terminated service contract was related to our previous project to provide an FTTx network and equipment for a telecom service provider. As at the Latest Practicable Date, we are engaged in settlement negotiations and litigation proceedings arising from the FTTx case. We transferred the relevant equipment costs of approximately THB103.0 million to inventories and had impaired the whole amount prior to the Track Record Period as the possibility for reselling these inventories to third parties is remote. Considering the factors above, inventory turnover days is not reflective of our Group’s inventory policy.

Contract assets

Contract assets represents our Group’s right to receive considerations in exchange for goods or services that our Group has transferred to our customers when that right is conditioned. A contract asset is recognised for the earned consideration that is conditional, if our Group transferred goods or services to a customer before the customer pays consideration or before payment is due.

As at 31 December 2016, 2017 and 2018, our Group recorded approximately THB257.8 million, THB180.1 million and THB442.1 million of contract assets respectively. Our contract assets were principally related to the ATM Project with BAAC in 2016 and 2017 and the decrease in the balance of contract assets as at 31 December 2017 was mainly due to the net settlement amount of approximately THB79.2 million from BAAC. As at 31 December 2018, our Group recorded contract assets of approximately THB305.9 million from BAAC, THB91.6 million from our video conferencing system project with MOI, THB25.8 million from Customer D, THB10.7 million from Customer B and THB8.1 million from Customer F. The increase in contract assets was mainly due to that the abovementioned projects were substantially completed or executed in the last quarter of 2018. As at the Latest Practicable Date, approximately 52.0% or THB229.9 million of our contract assets as at 31 December 2018 was certified.

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Trade receivables

We derive our revenue from the provision of IT integrated solutions and IT support services to our customers.

Our Group seeks to maintain strict control over our outstanding receivables to minimise credit risk. Our senior management review overdue balances regularly based on the evaluation of collectability, aging analysis of the receivables, the ultimate realisation of these outstanding amounts, the creditworthiness of our customers and the past collection history. During the Track Record Period, our Group had not made any allowance for doubtful debts on trade receivables.

The following sets out the aging analysis of trade receivables, which is prepared based on invoice date, as at the respective reporting dates as indicated below.

	As at 31 December					
	2016		2017		2018	
	<i>THB' 000</i>	<i>%</i>	<i>THB' 000</i>	<i>%</i>	<i>THB' 000</i>	<i>%</i>
Within 1 month	2,400	53.4	5,212	89.4	5,313	12.9
1 to 3 months	2,093	46.6	620	10.6	35,868	87.1
	<u>4,493</u>	<u>100.0</u>	<u>5,832</u>	<u>100.0</u>	<u>41,181</u>	<u>100.0</u>

Our Group recorded a significant increase in trade receivables as at 31 December 2018 as compared to the balance as at 31 December 2017, out of which approximately 87.1% was within one month to three months of the invoice date. Our trade receivables over one month were mainly related to receivables from MOI, who has a good track record with our Company. Considering our historical experience, our Executive Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. As at the Latest Practicable Date, 100% of our trade receivables as at 31 December 2018 had been subsequently collected.

Debtors' turnover days

Our debtors' turnover days are calculated based on the average of beginning and ending balance of trade receivables of each year divided by relevant revenue for the corresponding year and multiplied by the number of calendar days of the year. Our debtors' turnover days were approximately 21.4 days, 6.3 days and 11.1 days for the three years ended 31 December 2018 respectively. During the Track Record Period, our debtors' turnover days were within our general credit term of 30 days granted to our customers.

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Prepayments, deposits and other receivables (current portion)

As at 31 December 2016, 2017 and 2018, our prepayments, deposits and other receivables amounted to approximately THB2.5 million, THB37.1 million and THB18.9 million respectively, out of which approximately THB1.9 million, THB6.3 million and THB17.5 million were classified as current assets. Please refer to the paragraph headed “Prepayments, deposits and other receivables (non-current portion)” under this section for details.

Contract liabilities

Our contract liabilities represents our Group’s obligation to transfer goods or services to our customer for which our Group had received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when our Group performs the services under the contract. Our contract liabilities as at 31 December 2016, 2017 and 2018 were related to two of our projects, being the projects with GISTDA and Customer C. As each of the contracts of these two projects include both IT integrated solutions and IT support services, we received revenue relating to the IT support services before we perform our obligations. As such, some of the amounts received from our customers for projects mentioned above are classified as contract liabilities during the Track Record Period.

Trade payables

The following sets out the aging analysis of our trade payables based on the invoice dates at the end of each year during the Track Record Period.

	As at 31 December					
	2016		2017		2018	
	<i>THB'000</i>	<i>%</i>	<i>THB'000</i>	<i>%</i>	<i>THB'000</i>	<i>%</i>
Within 1 month	8,280	46.0	6,400	11.9	21,414	11.1
1 to 2 months	3,673	20.4	14,480	26.9	10,621	5.5
2 to 3 months	3,823	21.2	6,692	12.4	1,588	0.8
Over 3 months	2,229	12.4	26,261	48.8	26,334	13.6
	18,005	100.0	53,833	100.0	59,957	31.0
Unbilled	–	–	–	–	133,750	69.0
	<u>18,005</u>	<u>100.0</u>	<u>53,833</u>	<u>100.0</u>	<u>193,707</u>	<u>100.0</u>

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Generally, the normal credit terms granted by our trade creditors ranged from 30 to 60 days. Our Group's billed trade payables amounted to approximately THB18.0 million, THB53.8 million and THB60.0 million as at 31 December 2016, 2017 and 2018 respectively. Trade payables balances over three months accounted for approximately 12.4%, 48.8% and 43.9% of the billed trade payable balances as at 31 December 2016, 2017 and 2018 respectively. Our trade payables increased from 2016 to 2017 because the number of chip cards issued increased by 40.1% and we incurred much higher material costs during the year. The increase in trade payable balances from 31 December 2017 to 31 December 2018 was mainly due to that significant cost incurred for the system development cost in relation to the Debit Card Project with BAAC. As such, our suppliers granted us extended credit terms from 30 days to 60 days due to our long working relationship. Unbilled trade payables related to suppliers who have not invoiced our Group as at 31 December 2018, and were primarily related to the video conferencing system project with MOI, the Debit Card Project with BAAC and the digitalised court case record system project with Court of Justice. Approximately 80.2% of the unbilled trade payables as at 31 December 2018 related to the project with MOI, where it was pre-agreed that the supplier shall bill and collect from our Group only after our Group have in turn billed and collected payment from MOI. As at the Latest Practicable Date, we had settled 64.9% of our billed trade payables balances as at 31 December 2018. All of the outstanding billed trade payables were due to our largest supplier in 2018 for the Debit Card Project with BAAC and the supplier agreed that our Group will settle the payment based on repayment plan after the project is completed.

Creditors' turnover days

Our creditors' turnover days are calculated based on the average of beginning and ending balance of trade payables of each year divided by the sum of subcontractor costs and material costs for the corresponding year and multiplied by the number of calendar days of the year. Our creditors' turnover days were approximately 46.6 days, 119.3 days and 90.5 days for the three years ended 31 December 2018 respectively. Our creditors' turnover days had increased substantially from approximately 46.6 days in 2016 to approximately 119.3 days in 2017 due to the increased purchase of chip cards towards the end of 2017. Our creditors' turnover days decreased to approximately 90.5 days in 2018 as we settled our trade payables more promptly.

Other payables and accruals

The following sets out the summary of our other payables and accruals at the end of each year during the Track Record Period.

	As at 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Accruals	5,751	9,354	21,396
Other payables	1,371	2,240	14,665
Interest-bearing other payable	–	–	9,270
Interest payable	39,570	50,665	39,705
Other tax payables	2,833	6,639	14,287
	49,525	68,898	99,323

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Our Group’s other payables and accruals amounted to approximately THB49.5 million, THB68.9 million and THB99.3 million as at 31 December 2016, 2017 and 2018 respectively. The increase in balances from 31 December 2016 to 31 December 2017 was mainly attributable to (i) an increase of approximately THB11.1 million in interest payable to a Director; (ii) an increase of approximately THB3.6 million of accruals, including the project costs, salary, audit fees and other accruals payable; (iii) an increase of approximately THB3.8 million in other tax payables, including withholding tax payable and value added tax payable; and (iv) an increase of approximately THB0.9 million of other payables. The amount of our other payables and accruals further increased to approximately THB99.3 million as at 31 December 2018. Such increase was primarily resulted from (i) the increase in accruals of approximately THB12.0 million due to accrued Listing expenses; (ii) an increase of approximately THB12.4 million in other payables, mainly due to payables of Listing expenses; (iii) interest-bearing other payable of approximately THB9.3 million to a consortium partner which settled certain compensation on behalf of our Group to a customer under the Bank Concluded Case; and (iv) an increase in other tax payables of approximately THB7.6 million. The increase was partially offset by a decrease in interest payable to a Director of approximately THB11.0 million.

Provision for a litigation

Our provision for a litigation included amounts of approximately THB53.0 million and THB55.4 million as at 31 December 2016 and 2017 respectively of damages and interest payable to a customer in respect of the Bank Concluded Case. The increase in provision from 2016 to 2017 was caused by additional provision for interest payable relating to the Bank Concluded Case and the compensation had been fully settled as at 31 December 2018. For further details, please refer to the paragraph headed “20. Litigation and legal matters – Bank Concluded Case (a closed case)” under the section headed “Business” of this prospectus.

7.3 Non-current liabilities

	As at 31 December		
	2016	2017	2018
	<i>THB’000</i>	<i>THB’000</i>	<i>THB’000</i>
Bank borrowings	116,297	44,247	37,000
Defined benefit plan	1,635	1,842	3,080
Preference shares of a subsidiary	–	–	32,640
	<hr/>	<hr/>	<hr/>
Non-current liabilities	117,932	46,089	72,720
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Bank and other borrowings

As at 31 December 2016, 2017 and 2018, our Group had non-current bank borrowings of approximately THB116.3 million, THB44.2 million and THB37.0 million respectively.

Our total bank and other borrowings decreased from approximately THB560.0 million as at 31 December 2016 to approximately THB325.5 million as at 31 December 2017 mainly due to the repayment of bank and other borrowings amounted to approximately THB343.6 million and new borrowings amounted to approximately THB107.5 million in 2017. Our banking and other borrowings further decreased to approximately THB250.4 million as at 31 December 2018, which was mainly due to the combined effects of (i) repayment of bank and other borrowings of approximately THB335.9 million; and (ii) securing new bank and other borrowings of approximately THB262.7 million during 2018. It is our overall strategy to reduce bank loans balance with our surplus funds in order to maximise our Shareholders' interest.

Defined benefit plan

Our Company has implemented the Legal Severance Pay Plan, which covers all employees hired by our Company, in accordance with the Labour Protection Act (A.D. 1998) of Thailand. The balance of our defined benefit plan increased from approximately THB1.6 million as at 31 December 2016 to approximately THB1.8 million as at 31 December 2017 and the amount further increased to approximately THB3.1 million as at 31 December 2018 due to the increase in pension costs, including current service cost and interest cost. For details of the assumptions and sensitivity analysis relating to our defined benefit plan, please refer to note 25 of the Accountants' Report contained in Appendix I to this prospectus.

Preference shares of a subsidiary

This represents preference shares issued by IAH and the major terms are set out in the paragraph headed "Preference shares structure arrangement of IAH" under the section headed "History, Reorganisation and corporate structure" of this prospectus.

At 31 December 2018, IAH had a total of 326,400 IAH preference shares in issue which were issued on 6 September 2018 and 30 December 2018, and have been fully paid up. No dividend was accrued during the year ended 31 December 2018 as the amount was not significant.

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7.4 Accumulated loss

Our Group recorded an accumulated loss of approximately THB380.7 million as at 1 January 2016. Our accumulated loss as at the beginning of the Track Record Period was attributable to the reasons below.

- (a) We were previously involved in the Bank Concluded Case arising from contractual dispute with one of our customers prior to the Track Record Period as mentioned in the paragraph headed “Any litigation, legal disputes or claims may result in costs and liabilities and adversely affect our Group’s performance” under the section headed “Risk factors” of this prospectus. As at the Latest Practicable Date, the Bank Concluded Case had been concluded and the compensation had been fully settled. Prior to the Track Record Period, we had expensed and impaired costs incurred for this project of approximately THB172.8 million in total (including impaired project costs of approximately THB139.3 million, costs incurred before 2010 of approximately THB30.8 million and legal costs of approximately THB2.7 million), while no corresponding revenue had been recognised for this project. In addition, we incurred court damages and interests in total of approximately THB56.5 million with deferred tax assets of approximately THB11.1 million (with approximately THB50.6 million and THB10.1 million incurred prior to the Track Record Period). As such, the total impact on our accumulated loss balance as at 1 January 2016 arising from this litigation case was approximately THB213.2 million.
- (b) As at the Latest Practicable Date, we are engaged in settlement negotiations and litigation proceedings arising from the FTTx case. For further details, please refer to the paragraph headed “20. Litigation and legal matters” under the section headed “Business” of this prospectus. Prior to the Track Record Period, we had expensed impaired costs incurred for this project of approximately THB103.0 million (with a deferred tax assets of approximately THB20.7 million), while no corresponding revenue had been recognised for this project. In addition, we incurred (i) interest costs of approximately THB49.3 million relating to loans borrowed to finance this project; and (ii) operating expenses and legal and consultancy expenses incurred of approximately THB32.7 million prior to the Track Record Period. As such, the total impact on our accumulated loss balance as at 1 January 2016 arising from this litigation case was approximately THB164.4 million.

Our accumulated loss position improved from approximately THB380.7 million as at 1 January 2016 to approximately THB94.6 million as at 31 December 2018, resulted from our profit for the year during the Track Record Period.

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7.5 Non-IFRS financial measures

To supplement the combined financial statements of our Group prepared in accordance with IFRS, the non-IFRS measures, namely adjusted profit for the year, adjusted net current assets/(liabilities) and adjusted net asset value, as additional financial measures, have been presented in this prospectus. These unaudited non-IFRS financial measures should be considered in addition to, not as a substitute for, measures of our Group’s financial performance prepared in accordance with IFRS. Our Directors believe that the presentation of non-IFRS financial measures when shown in conjunction with the corresponding IFRS measures provides useful information to prospective investors regarding financial and business trends relating to our financial condition and results of operations that could otherwise be distorted by eliminating the impact of items that we do not consider indicative of the performance of our business and/or which we do not expect to be outstanding subsequent to the Listing.

Adjusted profit for the year and adjusted net profit margin

For illustrative purpose, in addition to the analysis in the paragraph headed “5.10 Profit for the year” under this section, adjusted net profit is calculated by excluding the impact of Listing expenses incurred during the year ended 31 December 2018. As a result, the adjusted net profit and net profit margin for the year ended 31 December 2018 were approximately THB148.2 million and 19.2% respectively, representing a growth in profit of approximately 88.3% from the previous year.

	Year ended 31 December		
	2016	2017	2018
	<i>THB’000</i>	<i>THB’000</i>	<i>THB’000</i>
Revenue	367,765	298,804	772,133
Profit for the year	93,940	78,668	113,545
Add: Listing expenses	–	–	(34,626)
Adjusted profit for the year ^(Note)	93,940	78,668	148,171
Net profit margin	25.5%	26.3%	14.7%
Adjusted net profit margin ^(Note)	25.5%	26.3%	19.2%

Note: The adjusted figures are for illustration purpose only and are not required under the IFRSs and are non-Generally Accepted Accounting Principles measures.

Adjusted net current assets/(liabilities) and adjusted net asset value

As mentioned in the paragraph headed “7.2 Net current assets/(liabilities)” under this section, had the Shareholder’s loan from Mr. Asvaplunghrohm been injected into our Group as equity, our Group would record adjusted net current assets position of approximately THB21.4 million and THB115.6 million as at 31 December 2016 and 2018 respectively and adjusted net current liabilities position would be improved to approximately THB59.9 million as at 31 December 2017. The adjusted net current liabilities position was mainly resulted from

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(i) our advance payments of approximately THB30.3 million to Sigfox for acquisition of the distribution right and related equipment, which was classified as non-current asset as at 31 December 2017; and (ii) net repayment of non-current bank and other borrowings of our Group by approximately THB72.1 million during the year ended 31 December 2017. For illustration purpose only, set out below is an analysis of the net current assets/liabilities and net asset value after adjusting for the abovementioned matter during the Track Record Period.

	As at 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Net current assets/(liabilities)	(254,937)	(177,310)	69,100
Net assets/(liabilities)	(236,787)	(57,994)	82,191
Adjustments:			
Shareholder's loan	236,736	66,780	6,780
Interest payable	39,570	50,665	39,705
Adjusted net current assets/(liabilities)	<u>21,369</u>	<u>(59,865)</u>	<u>115,585</u>
Adjusted net asset value	<u>39,519</u>	<u>59,451</u>	<u>128,676</u>

Note: The adjusted figures are for illustration purpose only and are not required under the IFRSs and are non-Generally Accepted Accounting Principles measures.

Similarly, had the Shareholder's loan been injected into our Group as equity, our Group would record adjusted net asset value of THB39.5 million, THB59.5 million and THB128.7 million as at 31 December 2016, 2017 and 2018.

8. KEY FINANCIAL RATIOS

	As at/Year ended 31 December		
	2016	2017	2018
Gross profit margin ^(Note 1)	53.6%	57.6%	32.9%
Net profit margin ^(Note 2)	25.5%	26.3%	14.7%
Return on equity ^(Note 3)	N/A	N/A	138.1%
Return on total assets ^(Note 4)	20.7%	17.3%	17.0%
Current ratio ^(Note 5)	0.6	0.6	1.1
Quick ratio ^(Note 6)	0.5	0.5	1.1
Gearing ratio ^(Note 7)	N/A	N/A	304.6%
Debt-to-equity ratio ^(Note 8)	N/A	N/A	283.4%
Interest coverage ^(Note 9)	4.0	4.5	8.5

Notes:

- Gross profit margin for each financial year during the Track Record Period was calculated based on gross profit for the year divided by revenue for the respective year. Please refer to the paragraph headed "5.3 Gross profit and gross profit margin" under this section for details.

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2. Net profit margin for each financial year during the Track Record Period was calculated based on profit for the year divided by revenue for the respective year. Please refer to the paragraph headed “5.10 Profit for the year” under this section for details.
3. Return on equity for the two years ended 31 December 2017 was not applicable since our Group recorded negative equity as at 31 December 2016 and 2017. Our Group’s return on equity for the year ended 31 December 2018 was calculated based on the net profit of the year divided by the total equity as at 31 December 2018 and multiplied by 100.0%.
4. Return on total assets for the three years ended 31 December 2018 was calculated based on the net profit of the respective years divided by the total assets as at the end of the respective years and multiplied by 100.0%.
5. Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of each respective year.
6. Quick ratio is calculated based on the total current assets less inventory divided by the total current liabilities as at the end of each respective years.
7. Gearing ratio as at 31 December 2016 and 2017 was not applicable since our Group recorded negative equity as at 31 December 2016 and 2017. Our gearing ratio as at 31 December 2018 is calculated based on the total debts divided by total equity as at 31 December 2018 and multiplied by 100.0%.
8. Debt-to-equity ratio as at 31 December 2016 and 2017 was not applicable since our Group recorded negative equity as at 31 December 2016 and 2017 respectively. Our debt-to-equity ratio as at 31 December 2018 is calculated based on the net debts (total debts net of cash and cash equivalents) divided by total equity as at 31 December 2018 and multiplied by 100.0%.
9. Interest coverage is calculated by dividing profit before taxation and interest by the finance cost for the corresponding years.

Return on equity

Our return on equity for the year ended 31 December 2018 was approximately 138.1%. The high return on equity was mainly attributable to our relatively small equity base.

Return on total assets

Our return on total assets was approximately 20.7%, 17.3% and 17.0% for the three years ended 31 December 2018 respectively. The decrease in our return on total assets from 2016 to 2017 was mainly attributable to our movement in profit after tax from 2016 to 2017 as mentioned above. Our return on total assets then decreased slightly to approximately 17.0% for the year ended 31 December 2018 mainly due to the Listing expenses incurred and our increased contract assets during the year.

Current ratio

Our current ratios were approximately 0.6 time, 0.6 time and 1.1 times as at 31 December 2016 and 2017 and 2018 respectively. The improvement was mainly due to our increase in profitability in 2018. Please refer to the paragraph headed “7.2 Net current assets/(liabilities)” under this section for details.

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Quick ratio

Our quick ratios were approximately 0.5 time, 0.5 time and 1.1 times as at 31 December 2016 and 2017 and 2018 respectively, which was generally in line with the movement of our current ratio.

Gearing ratio

Our gearing ratio was approximately 304.6% as at 31 December 2018 because our equity base was small as abovementioned.

Debt-to-equity ratio

Our debt-to-equity ratio as at 31 December 2018 was approximately 283.4% because our balance of total equity was small as mentioned above.

Interest coverage

Our interest coverage was approximately 4.0 times, 4.5 times and 8.5 times for the three years ended 31 December 2018 respectively. The relatively low level of our interest coverage was mainly due to our high finance costs during the Track Record Period. The increase in interest coverage throughout the Track Record Period was mainly attributable to the decrease in finance costs resulted from our repayment of loans using our surplus funds. Please refer to the paragraph headed “5.8 Finance costs” under this section for further details.

9. INDEBTEDNESS

Our indebtedness consisted of bank and other borrowings during the Track Record Period. The following table sets out our total indebtedness as at 31 December 2016, 2017 and 2018 and 30 April 2019 respectively. Our Group had unutilised banking facilities of approximately THB5.1 million as at the Latest Practicable Date.

	As at 31 December			As at
	2016	2017	2018	30 April
	THB'000	THB'000	THB'000	2019
				THB'000
Non-current portion				
Bank borrowings	116,297	44,247	37,000	15,056
Lease liabilities (<i>Note</i>)	–	–	–	480
Current portion				
Bank and other borrowings	443,750	281,285	213,352	180,807
Lease liabilities (<i>Note</i>)	–	–	–	4,216
Total	560,047	325,532	250,352	200,559

Note: Our Group has applied IFRS 16 *Leases*, which are effective for the accounting period beginning on 1 January 2019.

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9.1 Bank borrowings and other borrowings

The details of our Group's borrowings as at 30 April 2019 are set out below.

Type	Lender	Outstanding		Interest rate per annum	Security/guarantee provided	Maturity date
		Principal (THB'000)	amount (THB'000)			
Instalment term loan	Bangkok Bank Public Company Limited	203,000	20,500	Minimum lending rate	<ul style="list-style-type: none"> • Right of receiving payment • Mr. Asvaplunghrohm 	30 September 2019
Instalment term loan	Bangkok Bank Public Company Limited	84,970	42,377	Minimum lending rate+0.35%	<ul style="list-style-type: none"> • Right of receiving payment • Mr. Asvaplunghrohm 	31 January 2020
Instalment term loan	Government Savings Bank	10,000	5,456	4.00% from year 1 to year 7; Minimum lending rate+1.00% from year 8 to year 10	<ul style="list-style-type: none"> • Deposit account of a subsidiary • Letter of Guarantee • Mr. Archadechopon and Mr. Lohaphantakit 	20 November 2022
Instalment term loan	Lease IT Public Company Limited	92,000	72,937	6.5%	<ul style="list-style-type: none"> • Right of receiving payment 	28 June 2020
Bank overdraft	KasikornBank Public Company Limited	7,000	6,817	Minimum overdraft rate	<ul style="list-style-type: none"> • Deposit account of a subsidiary • Mr. Asvaplunghrohm 	N/A
Bank overdraft	Krungthai Bank Public Company Limited	10,000	25	Minimum overdraft rate	<ul style="list-style-type: none"> • Deposit account of a subsidiary 	N/A

FINANCIAL INFORMATION

Type	Lender	Outstanding		Interest rate per annum	Security/guarantee provided	Maturity date
		Principal (THB'000)	amount (THB'000)			
Promissory note	Bangkok Bank Public Company Limited	54,500	18,801	Minimum lending rate+1.00%	<ul style="list-style-type: none"> • Mr. Asvaplungprohm • Deposit account of a subsidiary • Right of receiving payment 	9 and 16 May 2019
Promissory note	Bangkok Bank Public Company Limited	25,000	20,950	Minimum lending rate+1.00%	<ul style="list-style-type: none"> • Mr. Asvaplungprohm • Right of receiving payment 	28 June, 20 October and 21 August 2019
Promissory note	Krungthai Bank Public Company Limited	8,000	8,000	Minimum overdraft rate	<ul style="list-style-type: none"> • Fixed deposit account of a subsidiary 	7 August 2019

9.2 Contingent liabilities

At 31 December 2016 and 2017, our Group provided corporate guarantees in respect of certain banking facilities granted to a related company with an aggregate amount of THB75.0 million and THB65.0 million, respectively. These guarantees were released in November 2018 and our Group did not have any corporate guarantees as at 31 December 2018.

As at 31 December 2016, 2017 and 2018 and 30 April 2019, there were outstanding bank guarantees of approximately THB62.0 million, THB124.0 million, THB102.0 million and THB116.2 million respectively issued by a bank on behalf of our Group in respect of certain performance obligations as required in the normal course of business of our Group.

Saved as disclosed in this prospectus, as at the Latest Practicable Date, our Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

FINANCIAL INFORMATION

10. CAPITAL EXPENDITURE

Our Group's capital expenditure consists of expenditures on leasehold improvements and acquisition of equipment for our operations. Our Group incurred capital expenditures amounted to approximately THB0.3 million, THB6.0 million and THB0.7 million for the three years ended 31 December 2018 respectively, majority came from expenditure for leasehold improvements, equipment, furniture and fixtures, and computer equipments. Since 31 December 2018 and up to the Latest Practicable Date, our Group did not make any material capital expenditures. We expect to meet future capital expenditure requirements through our available cash and cash equivalents, cash generated from our operations as well as net proceeds of the Share Offer.

We expect to meet future capital expenditure requirements through our available cash and cash equivalents and cash generated from our operations.

11. OPERATING LEASE COMMITMENTS

Our Group leases offices premises and equipment under operating lease arrangements, with the leases negotiated with terms ranging from one to three years. As at the end of the reporting periods during the Track Record Period, our Group had total future minimum lease payments under non-cancellable operating leases falling due as follows.

	As at 31 December		
	2016	2017	2018
	THB'000	THB'000	THB'000
Within one year	1,902	4,395	4,565
In the second to fifth years, inclusive	2,751	6,086	1,981
	<u>4,653</u>	<u>10,481</u>	<u>6,546</u>

12. FINANCIAL RISKS

Please refer to the section headed "Financial risk management objectives and policies" set forth under note 35 of the Accountants' Report contained in Appendix I to this prospectus.

13. LISTING EXPENSES

The total Listing expenses (assuming the Over-allotment Option is not exercised and based on the mid-point of the Offer Price range) are estimated to be approximately THB134.6 million (equivalent to approximately HK\$33.3 million). As at 31 December 2018, we had incurred Listing expenses of approximately THB54.9 million (equivalent to approximately HK\$13.6 million), of which approximately THB34.6 million (equivalent to approximately HK\$8.6 million) was recognised as expenses, in connection with the Share Offer. By the

FINANCIAL INFORMATION

completion of the Share Offer, we expect to incur further Listing expenses of approximately THB79.7 million (equivalent to approximately HK\$19.7 million) for the year ending 31 December 2019, of which an estimated amount of approximately THB50.1 million (equivalent to approximately HK\$12.4 million) is to be recognised as expenses and the remaining is expected to be charged to equity.

14. DIVIDEND

During the Track Record Period, no dividend was paid or declared by our Company or any of our subsidiaries.

The declaration of dividends will be subject to the discretion of our Board and approval of our Shareholders. Our Directors intend to strike a balance between maintaining sufficient capital to grow the business and rewarding the Shareholders. According to our dividend policy, 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.

Though we have not declared dividends in the past, this should not be an indication of whether any future dividends would be declared by our Group following the Listing. Our Directors will review the dividend policy from time to time and may exercise at our sole and absolute discretion to update, amend and/or modify the dividend policy at any time as it deems fit and necessary.

As described in the paragraph headed "Civil and Commercial Code" under the section headed "Regulatory overview" of this prospectus, every time Platt Nera distributes the dividend, at least 5.0% of the profit to be distributed as dividend must be appropriated as the legal reserve, until the legal reserve reaches 10.0% of the registered capital according to the CCC.

15. RELATED PARTY TRANSACTIONS

With respect to the related party transactions set forth in note 32 of the Accountants' Report contained in Appendix I to this prospectus, our Directors confirm that these transactions were conducted on normal commercial terms or such terms that were no less favourable to our Group than those available to Independent Third Parties and were fair and reasonable and in the interest of our Shareholders as a whole.

FINANCIAL INFORMATION

16. OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Our group had the following material capital commitments as at 31 December 2017:

	As at 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Acquisition of the distribution right under the distribution agreement with Sigfox	–	150,000	–
Acquisition of related equipment under the distribution agreement with Sigfox	–	255,249	–
	<u>–</u>	<u>255,249</u>	<u>–</u>
	<u>–</u>	<u>405,249</u>	<u>–</u>

Our Group did not have any material capital commitment as at 31 December 2016. As at 31 December 2017, we had capital commitments of approximately THB150.0 million and THB255.2 million for the acquisition of distribution right and certain equipment respectively. Subsequent to the Track Record Period, as a result of entering into the Novation Agreement in October 2018, our Group was released and discharged from all further performance of the agreement concerning the distribution right. For further details, please refer to the paragraph headed “Novation Agreement with Sigfox and Things On Net” under the section headed “Relationship with our Controlling Shareholders” of this prospectus.

17. DISTRIBUTABLE RESERVES

As at the Latest Practicable Date, our Company had no reserves available for distribution to Shareholders.

18. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

Please refer to Appendix II to this prospectus for our unaudited pro forma statement adjusted combined net tangible assets.

19. DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that as at the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules had our Shares been listed on the Stock Exchange.

FINANCIAL INFORMATION

20. NO MATERIAL ADVERSE CHANGE

Our Directors confirm that there have not been any material adverse changes in our financial or trading position or prospects subsequent to the Track Record Period and up to the date of this prospectus. As far as we were aware, there was no material change in the general economic and market conditions in which we operate that had affected or would affect our business operations or financial conditions materially and adversely.

FUTURE PLANS AND USE OF PROCEEDS

REASONS FOR LISTING ON THE STOCK EXCHANGE

The listing in the Stock Exchange enables our Group to (i) gain direct access to the capital market in Hong Kong for capital raising for future expansion and corporate finance activities; and (ii) gain recognition and corporate stature through the listing status and further enhance our corporate reputation which assist in expanding our customer base. Hong Kong is a major international financial centre that attracts investors worldwide and the Stock Exchange is a well-established suitable platform with an established pool of institutional investors and funds. Our Executive Directors recognised that our Group's presence in Hong Kong capital markets can create a higher level of visibility for our Group among international investors, and hence gain better access to future capital funding. More importantly, our Executive Directors believe that a listing status on the Stock Exchange will underpin our Group's sustainable growth by providing us with efficient secondary fundraising potential for our future expansion plans.

(i) Market liquidity and receptivity

Our Executive Directors had initially in late 2015 considered and evaluated Thailand as our listing venue and in early 2018 also carefully considered the Stock Exchange. The following market information as at or for the years ended 31 December 2017 and 2018 was carefully reviewed by our Executive Directors.

	Stock Exchange		Stock Exchange of Thailand			
	2017	2018	2017		2018	
	<i>HK\$</i>	<i>HK\$</i>	<i>THB</i>	<i>HK\$</i>	<i>THB</i>	<i>HK\$</i>
	<i>billion</i>	<i>billion</i>	<i>billion</i>	<i>billion</i>	<i>billion</i>	<i>billion</i>
Market capitalisation	33,998.8	29,909.4	17,926.3	4,343.1	16,219.1	3,929.5
Average daily turnover	88.2	107.4	50.1 ^(Note)	12.1	57.7 ^(Note)	14.0
IPO funds raised	128.5	286.5	106.3	25.7	81.6	19.8

Note: Average daily trading proportion attributable to foreign investors was approximately 30.2% and 36.4% on the Stock Exchange of Thailand in 2017 and 2018 respectively.

Source: HKEx website and Stock Exchange of Thailand website

Our Executive Directors also noted that listed companies in IT sector contributed approximately HK\$4.3 trillion or 14.3% of the total market capitalisation of the Stock Exchange as at the end of 2018 with annual turnover of approximately HK\$3.6 trillion and annual turnover velocity of approximately 83.7% during the year. On the other hand, approximately 7.0% of the total market capitalisation of the Stock Exchange of Thailand was contributed by listed companies in the technology sector at the end of 2018.

Taking into account the above market information, our Executive Directors favourably considered the Stock Exchange's ease of fundraising and receptiveness to companies in IT sector such as our Group.

FUTURE PLANS AND USE OF PROCEEDS

(ii) Strengthen our Group's corporate profile and expansion plans

Our Executive Directors believe a listing status on the Stock Exchange will raise our recognition among our existing and potential customers, and suppliers, both in Thailand and outside of Thailand, including the Southeast Asia and Greater China regions. This is in line with our long term target to expand into other new markets in Asia. Our experience and track record to deal with government agencies in Thailand puts our Group in good stead to cross over to meeting the IT integrated solutions requirements in other Southeast Asian countries after our Listing by leveraging on our standing as a listed company on the premier regional financial centre in Asia that is the Stock Exchange.

In addition, our Executive Directors consider there are ample cooperation opportunities to build on existing cooperation with major software and/or hardware suppliers in other Southeast Asian countries and Greater China region. We believe a listing status in the Stock Exchange, Asia's financial hub, will allow our Group to extend our reach to and enhance our credibility with these suppliers, given that public listed companies have established track record and are subject to ongoing regulatory compliance for announcements, financial disclosures and corporate governance.

Moreover, as we look to expand within Thailand and regionally, we wish to recruit long term and international investors who have a similar regional perspective and better understanding of cross border businesses. Our Executive Directors believe that our Listing on the Stock Exchange will put us in a good stead in this regard given the Stock Exchange's base of international investors. The Stock Exchange has an established reputation as the premier listing venue in Asia and houses 2,300 listed companies with total market capitalisation of approximately HK\$29.9 trillion at the end of 2018.

Hence, our Executive Directors believe that the Listing will enhance our reputation and corporate image, which will in turn augur well for our customers, suppliers and investors base and help enhance our expansion plans.

(iii) Enhancing our recruitment and retention of talents

Our Executive Directors believe that being listed on the Stock Exchange will facilitate us in attracting talents in the IT solutions industry to join our Group and access to regional and international talents will improve our service quality.

The status of being a listed company will also facilitate our in-house talent management, through staff retention and development, whereby our existing staff may be motivated to further develop their career with us in view of the perceived status associated with working for a listed company. With our listing status, we will be able to offer equity award to our employees, which will enhance their sense of ownership to our Group and help to retain our key employees.

FUTURE PLANS AND USE OF PROCEEDS

Although our Group does not have the share option or award scheme at current stage, a listing status will provide us with the option to launch the scheme to award our experienced management team in the future. Our Executive Directors believe that such equity award of shares on a reputable and liquid equity market such as the Stock Exchange will enable the Company to effectively attract and retain talents. This is especially critical when we strengthen our workforce as part of our strategy to broaden our customer base since 2018.

(iv) Ease of raising funds in capital market for future business development

Despite the significant one-off Listing expenses, the fact that our Group was able to expand our business by internally generated funds and bank borrowings during the Track Record Period, our Executive Directors believe that equity or equity-linked financing is a better alternative in the long run due to the following reasons:

- (a) debt financing from banks or financial institutions normally requires collaterals, such as cash deposit, properties and/or personal guarantee from our Group and/or our Controlling Shareholders, which would increase our reliance on our Controlling Shareholders. Moreover, the amount of financial support from our Controlling Shareholder is not unlimited and may eventually hold back our pace of growth given the high gearing status of our Group throughout the Track Record Period.

Taking into account (i) the huge upfront capital required at the initial stage of our each project; and (ii) the necessity to achieve an optimal capital structure and maintain a disciplined financial strategy without exposing our Group to excessively high gearing, our Executive Directors consider that the net proceeds from the Share Offer are necessary for the successful implementation of our business plans as opposed to pure debt financing. On the contrary, our Executive Directors believe that our Listing and enlarged capital base will put us in a better position to negotiate with banks and financial institutions, which in turn will enable our Group to obtain debt financing on more favourable terms than before; and

- (b) heavy reliance on debt financing would subject our Group to the inherent risks of higher interest rate and finance costs and expose ourselves to negative liquidity events.

Primary and potential secondary equity fundraising, including hybrid debt-cum-equity fund raising, after the listing on the Stock Exchange will enable our Group to maintain a lower level of gearing ratio and enhance our capital structure. Our Executive Directors therefore believe that the equity financing would mitigate the risk of high interest rate in Thailand associated with debt financing, which exposes our Group to increasing financing costs in the future.

In fact the intention for us to seek a listing can be traced back to late 2015. In late 2015, our Controlling Shareholder, Mr. Asvaplungprohm, as a Thai national and considering our Group's operations were only in Thailand, therefore contemplated a listing on The Stock

FUTURE PLANS AND USE OF PROCEEDS

Exchange of Thailand and had commenced the relevant preparation work. Between late 2015 to 2017, Platt Nera appointed financial adviser, internal control consultants, auditors and legal adviser for the Thailand listing. In late 2017, Platt Nera changed the financial adviser because the key members of the project team left and were employed by the new financial adviser.

During our preparatory work, Mr. Asvaplungprohm, extended his network to participants in the equity markets and obtained further knowledge on various listing platforms and started to consider Hong Kong as a more suitable venue for listing. After performing research on the listing requirements on the Stock Exchange and considering factors illustrated above, our Executive Directors decided to change our Group's listing plan in July 2018 and to seek a listing on the Stock Exchange. Accordingly, we retired the then financial adviser, auditors and legal advisers, and formed the Hong Kong Listing professional team (including the original internal control consultants). Our Group has never submitted any application for listing on The Stock Exchange of Thailand. Our Executive Directors believe the Stock Exchange will serve as the best listing platform as we expand our business going forward. For further details of our expansion plan and business strategies, please refer to the paragraph headed "3. Business strategies" under the section headed "Business" of this prospectus and this section.

Sponsor's view

The Sponsor has had discussions with our Executive Directors and analysed all relevant facts and statistics to understand their reasons for terminating the Thailand listing exercise and for the Listing. The Sponsor after conducting its own due diligence, concurs with our Executive Directors' reasons to terminate the Thai listing exercise; and is not aware of any other matters in relation to the Listing that needs to be brought to the attention of the prospective investors.

FUTURE PLANS

We intend to expand our business in line with the strategies set out in the paragraph headed "3. Business strategies" under the section headed "Business" of this prospectus. In particular, with the enhanced capital base upon Listing, we intend to (i) expand our services offered to the banking and financial sector; (ii) enhance our reach to customers in telecommunications and utilities and government administrative sectors; and (iii) offer the latest technology solutions relevant to our customers in South East Asia.

Our Group intends to leverage on our foundation built up with BAAC and expand our services offered to the banking and financial sector. For example, after securing the project to provide ATM backend system for Customer F in 2018, we were invited by Customer F in 2019 to bid for the building or replacing of 5,030 machines (including 2,900 ATMs and 2,130 automatic cash deposit machines) and provision of the respective operation, support and maintenance services. We also intend to capture opportunities arising from the white-label ATM project which is still in nascent stage in Thailand. In 2019, the ATM Project with BAAC has been extended over another seven years. For major terms of the supplementary contract, please refer to the paragraph headed "Phase three extension of the ATM Project" under the section headed "Business" of this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

In addition, riding on our experience and knowhow on cardless ATM and IoT technology, we will employ more resources to capture the opportunities from the latest developments in Fintech.

We recognise the opportunities opening up in the rapidly developing Fintech space (as set out in the Euromonitor Report) and has actively incorporated such new technologies in IT integrated solutions to our banking/financial sector customers, e.g. cardless ATM mobile application. Although Thailand is still in the initial stages of adopting Fintech technologies, we believe our track records and relationship in the financial industry and technology knowhow such as IoT will enhance the sustainability of our business model. Combining our experience in IoT technology and the cardless ATM mobile application will pave the way for our Fintech development, such as advanced wireless payment and transfers, going forward. Except the aforesaid, we are currently looking into applying the IoT technology outside of the financial industry. In March 2019, we have secured a smart street light project with a contract value of approximately THB83.8 million with Customer D, which we performed trial runs in the past year. With the adoptions of IoT technology, we are able to enhance the ability to monitor and regulate street light performance and usage levels, thereby reducing costs and improve efficiency in the long run. As Sigfox's IoT technology can transmit data in a more efficient and cost effective manner, we intend to continuously utilise IoT technology into our IT solutions as appropriate to enhance our value adds to our customers. Going forward, we shall continue to collaborate closely with our suppliers and where appropriate, proactively seek strategic partnerships with our suppliers, so as to ensure that we will be able to deliver solutions to customers utilising the most appropriate and latest technologies.

Furthermore, we are currently working with Mutiara, a Malaysian government-owned company, to explore participating in the telecommunications towers business in Malaysia. We are currently in discussions with Mutiara to determine an optimal and mutually beneficial cooperation model for this new venture. This venture could present an opportunity for our Company to extend beyond its home market in Thailand and secure a new revenue stream.

USE OF PROCEEDS

Assuming an Offer Price of HK\$1.40 per Offer Share, being the mid-point of the indicative Offer Price range, we estimate that we will receive net proceeds of approximately HK\$106.7 million (equivalent to approximately THB430.7 million) from the Share Offer after deducting the underwriting fees, commission fees and estimated expenses payable by us in connection with the Share Offer, assuming that the Over-allotment Option is not exercised.

FUTURE PLANS AND USE OF PROCEEDS

In line with our business strategies, we currently intend to apply the net proceeds from the Share Offer for the following purposes:

Purpose of the net proceeds to be utilised	Amount of net proceeds of the Share Offer to be utilised		Percentage of net proceeds of the Share Offer to be utilised
	<i>HK\$'million</i>	<i>THB'million</i>	%
Project financing	88.7	358.1	83.1
Repayment of our existing borrowings	11.8	47.4	11.0
Working capital	6.2	25.2	5.9
Total	106.7	430.7	100.0

We set out below the detailed breakdown and description of our intended use of the net proceeds of the Share Offer:

- (i) as to approximately 83.1% of the net proceeds, representing approximately HK\$88.7 million (equivalent to approximately THB358.1 million), will be used to finance our projects. Notwithstanding that our Executive Directors believe that equity financing is a better source of funding in the long run as illustrated under the paragraph headed “Reasons for Listing” above, our Group has relied and is expected to continue relying on bank borrowings to finance our key projects after Listing and in the event that the proceeds is insufficient to cover our funding needs. Out of the net proceeds for project financing:
 - (a) as to approximately 54.9% of the net proceeds, representing approximately HK\$58.6 million (equivalent to approximately THB236.5 million), will be used to finance three projects with Customer D in 2019. We have substantially completed our first security system project for Customer D in northeastern Thailand as at the Latest Practicable Date and secured three similar projects for Customer D in northern, central and southern Thailand. We will provide and install a comprehensive security system for substation of Customer D at different locations, including closed-circuit television, smoke detector and fire alarm. Besides, we will set up a centralised software system to monitor and control the security system of Customer D.

According to the term sheets of the projects, there are 73 substations for the North project, 70 substations for the South project and 167 substations for the Central project. Based on discussions with Customer D, the South and Central projects are expected to commence in the second quarter of 2019, while North project is expected to start slightly later in the second half of 2019.

FUTURE PLANS AND USE OF PROCEEDS

- (b) as to approximately 6.4% of the net proceeds, representing approximately HK\$6.9 million (equivalent to approximately THB27.7 million), will be used to finance the ATM/CDM project with Customer F. In March 2018, our Group bid in Customer F's ATM only project (“**ATM Only Tender**”) and our Group was the only qualified bidder in that tender. Subsequently, Customer F decided to expand the scope of this project and incorporate CDMs into their project. As such, we were invited by Customer F to bid for the building or replacing of 5,030 machines (including 2,900 ATMs and 2,130 automatic cash deposit machines) and provision of the respective operations, support and maintenance services in April 2019.

Based on the fact that (i) our Group was closely involved with Customer F in developing project solutions that put us in an exclusive position; (ii) Customer F shall require the ATM IT solutions provider to have undertaken full suite of fronted and backend ATM IT solutions before and confirmed that our Group is the only qualified tenderer; and (iii) Customer F will be awarding the ATM/CDM project to our Group in due course, our Executive Directors consider that the project has been secured¹; and

- (c) as to approximately 21.8% of the net proceeds, representing approximately HK\$23.2 million (equivalent to approximately THB93.8 million), will be used for financing the ATM Project with BAAC. The net proceeds will be utilised for the purchasing of ATM cards from our suppliers. According to the policy issued by Bank of Thailand, BAAC will have to replace approximately 4.6 million of existing magnetic ATM cards to chip cards for its customers in 2019. Since we had completed chip card system upgrade and commenced card replacement since May 2016, which is still ongoing as at the Latest Practicable Date, the planned issuance of approximately 4.4 million of new chip cards and debit cards is expected to incur significant material cost for the ATM Project in 2019. For further details on the ATM Project, please refer to the paragraph headed “The ATM Project” under the section headed “Business” of this prospectus.
- (ii) as to approximately 11.0% of the net proceeds, representing approximately HK\$11.8 million (equivalent to approximately THB47.4 million), will be used for repayment of our existing borrowings (without early repayment penalty) to lower our gearing ratio, thus resulting in improved financial positions and enhancing our gearing headroom (which is limited given the current level of debts) when we undertake more projects in the future, out of which:
- (a) as to approximately 6.8% of the net proceeds, representing approximately HK\$7.3 million (equivalent to approximately THB29.5 million), will be used for the repayment of project loan relating to the Debit Card Project with BAAC, which will mature in January 2020 with interest at 0.35% above the

¹ Secured project in this context refers to a project where our Group has taken all necessary actions to ensure that there are no remaining obstacles to be awarded, in particular, our Group has been closely involved in the project design/formulation, technology development, and/or tender preparation.

FUTURE PLANS AND USE OF PROCEEDS

minimum lending rate of 6.25% (for illustrative purposes, the interest expenses for the year ending 31 December 2019 related thereto would amount to approximately THB5.6 million); and

- (b) as to approximately 4.2% of the net proceeds, representing approximately HK\$4.5 million (equivalent to approximately THB18.0 million), will be used for the repayment of our bank overdraft balances with interest at minimum overdraft rate of 7.12% (for illustrative purposes, the interest expenses for the year ending 31 December 2019 related thereto would amount to approximately THB1.2 million); and
- (iii) as to approximately 5.9% of the net proceeds, representing approximately HK\$6.2 million (equivalent to approximately THB25.2 million), will be used for working capital and other general corporate purpose.

If the Offer Price is set at either the high-end or low-end of the indicative Offer Price range, the net proceeds of the Share Offer will increase or decrease by approximately HK\$14.3 million (equivalent to approximately THB57.5 million). In the event that the Offer Price is fixed at a higher level compared to the mid-point of the estimated Offer Price, the additional net proceeds of the Share offer will be allocated to the above purposes on a pro-rata basis. In the event that the Offer Price is fixed at a lower level compared to the mid-point of the estimated Offer Price, we will reduce the amount of net proceeds of the Share Offer allocated to the above purposes on a pro-rata basis.

If the Over-allotment Option is exercised in full, we estimate that the additional net proceeds from the offering of these additional Shares to be received by us, after deducting underwriting fees and estimated expenses payable by it, will be approximately (i) HK\$22.1 million, assuming the Offer Price is fixed at the high-end of the indicative range of the Offer Price, being HK\$1.55 per Share; (ii) HK\$20.0 million, assuming the Offer Price is fixed at the mid-point of the indicative range of the Offer Price, being HK\$1.40 per Share; and (iii) HK\$17.8 million, assuming the Offer Price is fixed at the low-end of the indicative range of the Offer Price, being HK\$1.25 per Share. Any additional proceeds received by us from the exercise of the Over-allotment Option will also be allocated to the above purposes on a pro-rata basis.

To the extent that the net proceeds of the Share Offer are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we intend to deposit the net proceeds of the Share Offer into short-term demand deposits with authorised financial institutions and/or licensed banks in Thailand or Hong Kong. Our Company will issue an appropriate announcement and make disclosure in our annual report in accordance with the Listing Rules if there is any material change in the abovementioned use of proceeds.

In the event that our Group is unable to secure the projects with Customer F and BAAC, our Group can channel the net proceeds towards the three projects and the smart street light projects with Customer D as well as other projects on hand. The total costs for such projects with Customer D are approximately THB378.1 million (equivalent to approximately HK\$93.6 million), which exceeds the net proceeds we allocated for project financing.

UNDERWRITING

PUBLIC OFFER UNDERWRITER

ChaoShang Securities Limited

SOLE BOOKRUNNER

ChaoShang Securities Limited

SOLE LEAD MANAGER

ChaoShang Securities Limited

CO-LEAD MANAGERS

AFG Securities Limited
Alpha Financial Group Limited
Aristo Securities Limited
Bluemount Securities Limited
Cinda International Securities Limited
Head & Shoulders Securities Limited
Supreme China Securities Limited
Zeus Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is initially offering for subscription by the public in Hong Kong of 10,000,000 Public Offer Shares at the Offer Price under the Public Offer, on and subject to the terms and conditions set forth in this prospectus and the Application Forms. The Public Offer Underwriter has agreed, on and subject to the terms and conditions in the Public Offer Underwriting Agreement, to procure subscribers for, or failing which they shall subscribe for, the Public Offer Shares.

The Public Offer Underwriting Agreement is subject to various conditions, which include, without limitation:

- (a) the Listing Committee granting listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus; and
- (b) the Placing Underwriting Agreement having been executed, becoming unconditional and not having been terminated.

UNDERWRITING

Grounds for termination

The respective obligations of the Public Offer Underwriter to subscribe for, or procure subscribers for, the Public Offer Shares under the Public Offer Underwriting Agreement are subject to termination. The Sole Bookrunner (for itself and on behalf of the Public Offer Underwriter) may in its absolute discretion terminate the Public Offer Underwriting Agreement with immediate effect by written notice to our Company at any time at or before 8:00 a.m. (Hong Kong time) on the Listing Date if:

- (i) there shall develop, occur, exist or come into effect:
 - (a) any change or prospective change (whether or not permanent) in the business or in the financial or trading position of our Group; or
 - (b) any change or development involving a prospective change or development, or any event or series of events resulting or representing or likely to result in any change or development involving a prospective change or deterioration (whether or not permanent) in local, national, regional or international financial, political, military, industrial, economic, legal framework, regulatory, fiscal, currency, credit or market conditions (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting any of Hong Kong, PRC, the United States, the United Kingdom, the European Union (or any member thereof), BVI, the Cayman Islands, Thailand or any other jurisdictions where any member of our Group is incorporated or operates (collectively, the “**Relevant Jurisdictions**”); or
 - (c) any deterioration of any pre-existing local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions in or affecting any of the Relevant Jurisdictions; or
 - (d) any new laws or any change or development involving a prospective change in existing laws or any change or development involving a prospective change in the interpretation or application thereof by any court or governmental authority in or affecting any of the Relevant Jurisdictions; or
 - (e) a change or development or event involving a prospective change in taxation or exchange control (or in the implementation of any exchange control) or foreign investment regulations in or affecting any of the Relevant Jurisdictions adversely affecting an investment in shares; or
 - (f) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or crisis involving or affecting any of the Relevant Jurisdictions; or
 - (g) any event, act or omission which gives rise or is likely to give rise to any liability of any of our Company, our Controlling Shareholders and our Executive Directors under the Public Offer Underwriting Agreement pursuant to the indemnities contained therein; or

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- (h) (i) any suspension or restriction on dealings in shares or securities generally on the Stock Exchange or (ii) any moratorium on commercial banking activities or disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions; or
- (i) the imposition of economic or other sanctions, in whatever form, directly or indirectly, in or affecting any of the Relevant Jurisdictions; or
- (j) any event, or series of events, in the nature of force majeure (including without limitation, any acts of God, acts of government, declaration of a national or international emergency or war, acts or threats of war, calamity, crisis, economic sanction, riot, public disorder, civil commotion, fire, flood, explosion, epidemic (including but not limited to severe acute respiratory syndrome or avian flu), pandemic, outbreak of disease, terrorism, strike or lockout) in or affecting any of the Relevant Jurisdictions; or
- (k) any change or development involving a prospective change, or a materialisation of any of the risks set out under the section headed “Risk factors” of this prospectus; or
- (l) any change in the system under which the value of the HK\$ is linked to that of the US\$ or a material devaluation of HK\$ or THB against any foreign currency; or
- (m) any valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity; or
- (n) save as disclosed in this prospectus, a contravention by any member of our Group of the Listing Rules or applicable laws; or
- (o) a prohibition on our Company for whatever reason from allotting the Shares pursuant to the terms of the Share Offer; or
- (p) non-compliance of this prospectus or any aspect of the Share Offer with the Listing Rules or any other applicable laws; or
- (q) an order is made or a petition is presented for the winding-up or liquidation of any member of our Group or any member of our Group making any composition or arrangement with our creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto in respect of any member of our Group; or

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- (r) any loss or damage sustained by any member of our Group; or
- (s) save as disclosed in this prospectus, any litigation or claim of material importance of any third party being threatened or instigated against any member of our Group; or
- (t) a Director being charged with an indictable offence or prohibited by the operation of law or is otherwise disqualified from taking part in the management of a company; or
- (u) the chairperson of our Company vacating his/her office; or
- (v) the commencement by any governmental, regulatory or judicial body or organisation of any action against a Director or an announcement by any governmental, regulatory or judicial body or organisation that it intends to take any such action; or
- (w) any matter or event resulting in a breach of any of the warranties, representations or undertakings contained in the Public Offer Underwriting Agreement or there has been a material breach of any other provisions thereof; or
- (x) the issue or requirement to issue by our Company of a supplement or amendment to this prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) pursuant to the Companies Ordinance or the Listing Rules or any requirement or request of the Stock Exchange and/or the SFC,

which in the sole and absolute opinion of the Sole Bookrunner:

- (a) is or will or may individually or in the aggregate have a material adverse effect on the business, financial, trading or other condition or prospects of our Group taken as a whole; or
- (b) has or will or may have a material adverse effect on the success of the Share Offer or the level of Offer Shares being applied for or accepted or the distribution of Offer Shares; or
- (c) is or will or may make it impracticable, inadvisable or inexpedient or not commercially viable (i) for any material part of the Public Offer Underwriting Agreement, the Placing Underwriting Agreement, and/or the Share Offer to be performed or implemented in accordance with its terms; or (ii) to proceed with or to market the Share Offer on the terms and in the manner contemplated in this prospectus; or

UNDERWRITING

- (ii) the Sole Bookrunner or the Public Offer Underwriter shall become aware of the fact that, or have cause to believe that:
 - (a) any of the warranties given by our Company, our Controlling Shareholders and our Executive Directors under the Public Offer Underwriting Agreement is untrue, inaccurate, misleading or breached in any material respect when given or as repeated as determined by the Sole Bookrunner (in its sole and absolute discretion), or has been declared or determined by any court or governmental authorities to be illegal, invalid or unenforceable in any material respect; or
 - (b) any statement contained in this prospectus, the Application Forms, the formal notice or any announcement or advertisement issued by our Company in connection with the Public Offer (including any supplemental or amendment thereto) was or is untrue, incorrect or misleading in any material respect, or any matter arises or is discovered which would, if such document was to be issued at that time, constitute a material omission therefrom, or that any forecasts, expressions of opinion, intention or expectation expressed in such document are not, in all material aspects, fair and honest and based on reasonable assumptions, when taken as a whole; or
 - (c) there has been a material breach on the part of any of our Company, our Controlling Shareholders and our Executive Directors of any of the obligations of the Public Offer Underwriting Agreement or the Placing Underwriting Agreement; or
 - (d) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, constitute a material omission therefrom, save for any omission for the necessary purpose of compliance with relevant rules and/or requirements applicable to the Share Offer; or
 - (e) any material adverse change or development involving a prospective change in the assets, liabilities, conditions, business affairs, prospects, profits, losses or financial or trading position or performance of any member of our Group; or
 - (f) approval by the Listing Committee of the listing of, and permission to deal in, the Offer Shares to be issued or sold under the Share Offer is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or
 - (g) we withdraw this prospectus (and/or any other documents issued or used in connection with the Share Offer) or the Share Offer.

UNDERWRITING

Undertakings to the Public Offer Underwriter

Undertakings by our Company

Our Company has undertaken to the Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Public Offer Underwriter, and each of our Controlling Shareholders and our Executive Directors has undertaken to and covenants to the Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Public Offer Underwriter that he/she/it will procure our Company that:

- (a) except pursuant to the Share Offer, the Capitalisation Issue, the Over-allotment Option or under the circumstances provided under Rules 10.08(1) to 10.08(4) of the Listing Rules, not without the prior written consent of the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriter), and subject always to the provisions of the Listing Rules, offer, allot, issue or sell, or agree to allot, issue or sell, grant or agree to grant any option, right or warrant over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by our Company, or any of its affiliates (as defined in the Public Offer Underwriting Agreement)), either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exchangeable for such Shares or any voting right or any other right attaching thereto or enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares or such securities or any voting right or any other right attaching thereto, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise or announce any intention to effect any such transaction during the period commencing from the date of the Public Offer Underwriting Agreement up to and including the date falling six months after the Listing Date (the “**First Six-month Period**”);
- (b) not at any time during the First Six-month Period, issue or create any mortgage, pledge, charge or other security interest or any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company or any interest therein (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares or securities of our Company) or repurchase any Shares or securities of our Company or grant any options, warrants or other rights to subscribe for any Shares or other securities of our Company or agree to do any of the foregoing, except pursuant to the Share Offer, the Capitalisation Issue or the Over-allotment Option or under the circumstances provided under Rules 10.08(1) to 10.08(4) of the Listing Rules or under note (2) to Rule 10.07(2) of the Listing Rules;

UNDERWRITING

- (c) not at any time within the period of six months immediately following the expiry of the First Six-month Period (the “**Second Six-month Period**”) do any of the acts set out in (a) and (b) above such that our Controlling Shareholder(s), directly or indirectly, would cease to be a controlling shareholder of our Company (within the meaning defined in the Listing Rules); and
- (d) in the event that our Company does any of the acts set out in clause (a) or (b) above after the expiry of the First Six-month Period or the Second Six-month Period, as the case may be, take all steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of our Company or any interest therein.

Provided that none of the above undertakings shall (a) restrict our Company’s ability to sell, pledge, mortgage or charge any share capital or other securities of or any other interest in any of the subsidiaries provided that such sale or any enforcement of such pledge, mortgage or charge will not result in such subsidiaries ceasing to be a subsidiary of our Company; or (b) restrict any of the subsidiaries from issuing any share capital or other securities thereof or any other interests therein provided that any such issue will not result in that subsidiary ceasing to be a subsidiary of our Company.

Undertakings by our Controlling Shareholder(s)

Each of our Controlling Shareholders has represented, warranted and undertaken to the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Public Offer Underwriter and our Company that, except pursuant to the Share Offer, the Stock Borrowing Agreement and unless in compliance with the Listing Rules, it shall not, without the prior written consent of the Sole Bookrunner (for itself and on behalf of the Public Offer Underwriter), directly or indirectly, and shall procure that none of his or her or its close associates (as defined in the Listing Rules) or companies controlled by him or her or it or any nominee or trustee holding in trust for him/her/it (the “**Relevant Parties**”) shall, during the period commencing on the date by reference to which disclosure of his/her/its shareholding is made in this prospectus and ending on the date which is six months from the Listing Date (the “**First Lock-up Period**”):

- (a) offer for sale, sell, transfer, contract to sell, or otherwise dispose of (including without limitation by the creation of any option, right, warrant to purchase or otherwise transfer or dispose of, or any lending, charges, pledges or encumbrances over, or by entering into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise)) any of the Shares (or any interest therein or any of the voting or other rights attaching thereto) in respect of which it is shown in this prospectus to be the beneficial owner (directly or indirectly) or any other securities convertible into or exchangeable for or which carry a right to subscribe, purchase or acquire any such Shares (or any interest therein or any of the voting or other rights attaching thereto);

UNDERWRITING

- (b) enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of the acquisition or ownership of any such Shares (or any interest therein or any of the voting or other rights attaching thereto) or such securities, at any time during the First Lock-up Period, save as provided under Note (2) to Rule 10.07(2) of the Listing Rules and subject always to compliance with the provisions of the Listing Rules, and in the event of a disposal of any Shares (or any interest therein or any of the voting or other rights attaching thereto) or such securities at any time during the six months commencing on the expiry of the First Lock-up Period (the “**Second Lock-up Period**”), (i) such disposal shall not result in our Controlling Shareholders ceasing to be our controlling shareholder (as defined in the Listing Rules) of our Company at any time during the Second Lock-up Period; and (ii) he/she/it shall take all steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of our Company or any interest therein;
- (c) enter or agree to enter into, conditionally or unconditionally, or effect any of the transaction with the same economic effect as any transaction referred to in (a) or (b) above;
- (d) agree, or contract to, or publicly announce any intention to enter into or effect any of the transaction referred to in (a), (b) or (c) above; or
- (e) at any time during the Second Lock-up Period, he/she/it shall not, and shall procure that the Relevant Parties shall not, enter into any of the foregoing transactions in (a), (b) or (c) above or agree or contract to or publicly announce any intention to enter into any such transaction if, immediately following such transaction, he/she/it would cease to be a controlling shareholder (as defined in the Listing Rules) or would together with the other Controlling Shareholders cease to be, or regarded as, controlling shareholders (as defined in the Listing Rules) of our Company.

Without prejudice to our Controlling Shareholders’ undertaking above, each of the Controlling Shareholder undertakes to the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Public Offer Underwriter and our Company that within the First Lock-up Period and the Second Lock-up Period that he/she/it shall:

- (a) if and when he/she/it pledges or charges, directly or indirectly, any Shares (or any interest therein or any of the voting or other rights attaching thereto) or other securities of our Company beneficially owned by him/her/it (or any beneficial interest therein), including but not limited to (i) pledges or charges of any such Shares or other securities of our Company in favour of any authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note (2) to Rule 10.07(2) of the Listing Rules for a bona fide commercial loan, immediately inform our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Public Offer Underwriter in writing of such pledge or charge together with the number of such Shares or other securities so pledged or charged; and

UNDERWRITING

- (b) if and when he/she/it receives indications, either verbal or written, from any pledgee or chargee that any Shares (or any interest therein or any of the voting or other rights attaching thereto) or other securities of our Company (or any beneficial interest therein) pledged or charged by him/her/it will be disposed of, immediately inform our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Public Offer Underwriter in writing of such indications.

Our Company shall notify the Stock Exchange as soon as our Company has been informed of such event and shall make a public disclosure by way of announcement in accordance with the Listing Rules.

Undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by our Controlling Shareholders

In accordance with Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company that except pursuant to the Share Offer, the Stock Borrowing Agreement or unless in compliance with the requirements of the Listing Rules, he/she/it shall not, and shall procure that the relevant registered holder(s) shall not, (i) at any time during the period commencing on the date by reference to which disclosure of his/her/its shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares or other securities of our Company in respect of which his/her/it is shown by this prospectus to be the beneficial owner; and (ii) at any time during the period of six months from the date on which the period referred to in paragraph (i) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (i) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/she/it would cease to be our Controlling Shareholder.

Each of our Controlling Shareholders has further undertaken to us and the Stock Exchange that he/she/it will, within a period of commencing on the date by reference to which disclosure of his/her/its shareholding is made in this prospectus and ending on the date which is 12 months from the Listing Date, immediately inform us of: (a) any pledges or charges of any Shares or other securities of our Company beneficially owned by our Controlling Shareholders in favour of any authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) pursuant to Note 2 to Rule 10.07(2) of the Listing Rules for a bona fide commercial loan, and the number of such Shares or other securities of our Company so pledged or charged; and (b) when he/she/it or the relevant requested holders receive indication, either verbal or written, from any pledgee or chargee of any Shares or other securities of our Company pledged or charged that any of such securities will be disposed of.

UNDERWRITING

Undertaking by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued or form the subject of any agreement or arrangement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except pursuant to the Share Offer or, the Capitalisation Issue or, the Over-allotment Option in certain circumstances prescribed by Rule 10.08 of the Listing Rules.

Placing

Placing Underwriting Agreement

In connection with the Placing, it is expected that our Company, our Controlling Shareholders and our Executive Directors will enter into the Placing Underwriting Agreement with the Sponsor, Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Placing Underwriters and other parties (if any) on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below.

Under the Placing Underwriting Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to procure subscribers and purchasers to subscribe for or purchase, or failing which they shall subscribe for or purchase, the Placing Shares initially being offered pursuant to the Placing. It is expected that the Placing Underwriting Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Prospective investors shall be reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer will not proceed. The Placing Underwriting Agreement is conditional on and subject to the Public Offer Underwriting Agreement having been executed, becoming unconditional and not having been terminated. It is expected that pursuant to the Placing Underwriting Agreement, our Company and our Controlling Shareholders will make similar undertakings as those given pursuant to the Public Offer Underwriting Agreement as described in the paragraph headed “Undertakings to the Public Offer Underwriter” above in this section.

Our Company is expected to grant to the Placing Underwriters the Over-allotment Option, exercisable at the sole discretion of the Sole Bookrunner (for itself and on behalf of the Placing Underwriters) at any time from the date of the Placing Underwriting Agreement until 30 days from the date of the last day of lodging applications under the Public Offer to require our Company to allot and issue up to an aggregate of 15,000,000 additional Shares, representing approximately 15% of the initial Offer Shares in aggregate, at the same price per Share under the Share Offer to cover, among other things, over-allocations (if any) in the Placing.

UNDERWRITING

Commission, fees and expenses

The Underwriters will receive an underwriting commission at the rate of 5% of the aggregate Offer Price payable for the Offer Shares (including the Shares to be issued pursuant to the Over-allotment Option, if any), out of which they will pay any sub-underwriting commissions. The underwriting commission, together with the Stock Exchange listing fees, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees, printing, and other expenses relating to the Share Offer, is currently estimated to be approximately HK\$33.3 million in aggregate (based on an Offer Price of HK\$1.40 per Offer Share, being the mid-point of the indicative Offer Price range of HK\$1.25 and HK\$1.55 per Offer Share and based on the assumption that the Over-allotment Option is not exercised) and is paid or payable by our Company.

SPONSOR'S AND UNDERWRITERS' INTEREST IN OUR COMPANY

The Sponsor will receive a sponsorship fee to the Listing. The Sole Bookrunner and the Underwriters will receive an underwriting commission and/or praecipium. Particulars of these underwriting commission and expenses are set forth in the paragraph headed "Commission, fees and expenses" above.

We have appointed Altus as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules for the period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the full financial year commencing after the Listing Date.

Save as disclosed above, none of the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, or the Underwriters is interested legally or beneficially in any Shares or other securities of our Company or any members of our Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase any Shares or other securities of our Company or any members of our Group or has any interest in the Share Offer.

Following the completion of the Share Offer, the Public Offer Underwriter and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Public Offer Underwriting Agreement and/or the Placing Underwriting Agreement.

The Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules.

MINIMUM PUBLIC FLOAT

Our Directors and the Sole Bookrunner will ensure that there will be a minimum 25% of the total issued Shares held in public hands in accordance with Rule 8.08 of the Listing Rules after completion of the Share Offer.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

THE SHARE OFFER

This prospectus is published in connection with the Public Offer as part of the Share Offer. The Share Offer consists of:

- a. the Public Offer of 10,000,000 Public Offer Shares (subject to reallocation as mentioned below) in Hong Kong as described below in the paragraph headed “The Public Offer” below; and
- b. the Placing of an aggregate of 90,000,000 Placing Shares (subject to reallocation and the Over-allotment Option as mentioned below) which will conditionally be placed with selected professional, institutional, and other investors under the Placing.

Investors may apply for the Public Offer Shares under the Public Offer or indicate an interest, if qualified to do so, for the Placing Shares under the Placing, but may not do both.

The number of Offer Shares to be offered under the Public Offer and the Placing may be subject to reallocation as described in the paragraph headed “Reallocation” below.

References in this prospectus to applications, Application Forms, application monies or the procedure for application relate solely to the Public Offer.

THE PUBLIC OFFER

Number of Offer Shares initially offered

Our Company is initially offering 10,000,000 Public Offer Shares for subscription (subject to reallocation) at the Offer Price by members of the public in Hong Kong under the Public Offer, representing 10.0% of the total number of Offer Shares initially available under the Share Offer (assuming the Over-allotment Option is not exercised). The Public Offer Shares initially offered under the Public Offer, subject to any reallocation of Offer Shares between the Placing and the Public Offer, will represent 2.5% of our Company’s enlarged issued share capital after completion of the Capitalisation Issue and Share Offer (assuming the Over-allotment Option is not exercised).

The Public Offer is open to all members of the public in Hong Kong as well as to institutional and professional investors. Professional and institutional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Public Offer is subject to the conditions as set out in the paragraph headed “Conditions of the Share Offer” under this section.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Allocation

Allocation of the Public Offer Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may be allotted more Public Offer Shares than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

The total number of Public Offer Shares available under the Public Offer (after taking into account any reallocation as referred to below) is to be divided equally (to the nearest board lot) into two pools for allocation purposes: 5,000,000 Offer Shares for each of pool A and 5,000,000 Offer Shares for pool B. The Public Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for the Public Offer Shares with an aggregate subscription price of HK\$5.0 million (excluding the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable thereon) or less. The Public Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Public Offer Shares with an aggregate subscription price of more than HK\$5.0 million (excluding the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable thereon) and up to the total value in pool B.

Investors should be aware that the allocation ratios for applications in the two pools, as well as the allocation ratios for applications in the same pool, are likely to be different. Where one of the pools is undersubscribed, the surplus Public Offer Shares will be transferred to satisfy demand in the other pool and be allocated accordingly. Applicants can only receive an allocation of Public Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Public Offer and any application for more than 5,000,000 Public Offer Shares, being the 50% of the 10,000,000 Public Offer shares initially available under the Public Offer are liable to be rejected.

Reallocation

The allocation of Shares between the Public Offer and the Placing is subject to adjustment and reallocation on the following basis.

- (a) Where the Placing Shares are fully subscribed or oversubscribed:
 - (i) if the Public Offer Shares are undersubscribed, the Sole Bookrunner will have the discretion (but shall not be under any obligation) to reallocate all or any unsubscribed Public Offer Shares to the Placing, in such proportions as the Sole Bookrunner deems appropriate;
 - (ii) if the Public Offer Shares are not undersubscribed but the number of Offer Shares validly applied for under the Public Offer represents less than 15 times the number of the Offer Shares initially available for subscription under the Public Offer, then up to 10,000,000 Offer Shares may be reallocated to the Public Offer from the Placing, so that the total number of the Offer Shares available under the Public Offer will be increased to 20,000,000 Offer Shares, representing 20% of the number of the Offer Shares initially available under the Share Offer;

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

- (iii) if the number of Shares validly applied for in the Public Offer represents (i) 15 times or more but less than 50 times, (ii) 50 times or more but less than 100 times, and (iii) 100 times or more, of the number of Public Offer Shares initially available under the Public Offer, the total number of Public Offer Shares available under the Public Offer will be increased to 30,000,000, 40,000,000 and 50,000,000 Shares, respectively, representing 30% (in the case of (i)), 40% (in the case of (ii)) and 50% (in the case of (iii)), respectively, of the total number of Offer Shares initially available under the Share Offer, and such reallocation being referred to in this prospectus as “Mandatory Reallocation”.
- (b) Where the Placing Shares are not fully subscribed:
- (i) if the Public Offer Shares are not fully subscribed, the Share Offer will not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Share Offer on the terms and conditions of this prospectus, the Application Forms and Underwriting Agreements; or
 - (ii) if the Public Offer Shares are fully subscribed or over-subscribed irrespective of the number of times the number of Offer Shares initially available for subscription under the Public Offer, then up to 10,000,000 Offer Shares may be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available under the Public Offer may be increased to 20,000,000, representing 20% of the total number of Offer Shares initially available under the Share Offer.

In the event of reallocation of Offer Shares between the Public Offer and the Placing in the circumstances where (i) the Placing Shares are fully subscribed or oversubscribed and the Public Offer Shares are fully subscribed or oversubscribed by less than 15 times or (ii) the Placing Shares are undersubscribed and the Public Offer Shares are fully subscribed or oversubscribed irrespective of the number of times of the initial number of the Public Offer Shares, the final Offer Price shall be fixed at the low-end of the indicative Offer Price range (i.e. HK\$1.25 per Offer Share) stated in this prospectus.

In accordance with Guidance Letter HKEX-GL91-18 issued by the Stock Exchange, if such reallocation is conducted other than pursuant to Practice Note 18 of the Listing Rules, the maximum total number of Offer Shares that may be reallocated to the Public Offer following such reallocation shall be not more than double the initial allocation to the Public Offer (i.e. 20,000,000 Offer Shares).

In all cases, the number of Offer Shares allocated to the Placing will be correspondingly reduced. The Offer Shares to be offered in the Public Offer and the Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sole Bookrunner and such additional Offer Shares will be allocated to Pool A and Pool B equally. If the Public Offer Shares are not fully subscribed, the Sole Bookrunner has the authority to reallocate all or any unsubscribed Public Offer Shares to the Placing, in such proportions as the Sole Bookrunner deem appropriate.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Applications

Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the application submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Placing Shares under the Placing, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or if he or she has been or will be placed or allocated Placing Shares under the Placing.

The listing of the Offer Shares on the Stock Exchange is sponsored by the Sponsor. Applicants under the Public Offer are required to pay, on application, the maximum Offer Price of HK\$1.55 per Offer Share in addition to any brokerage, SFC transaction levy and Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK\$3,131.24 for one board lot of 2,000 Shares. If the Offer Price, as finally determined in the manner described in the paragraph headed "Pricing and allocation" under this section below, is less than the maximum Offer Price of HK\$1.55 per Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out under the section headed "How to apply for Public Offer Shares" of this prospectus.

THE PLACING

Number of Offer Shares offered

Subject to reallocation as described above, the Placing will consist of 90,000,000 Shares, representing 90% of the total number of Offer Shares initially available under the Share Offer. Subject to the reallocation of the Offer Shares between the Placing and the Public Offer, the number of Offer Shares initially offered under the Placing will represent approximately 22.5% of our Company's enlarged issued share capital immediately after completion of the Capitalisation Issue and Share Offer (before any exercise of the Over-allotment Option).

Allocation

Pursuant to the Placing, the Placing Shares will be conditionally placed on behalf of our Company by the Placing Underwriters or through selling agents appointed by them. The Placing Shares will be selectively placed to certain professional and institutional and other investors in Hong Kong and elsewhere in the world outside the United States who generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The Placing is subject to the Public Offer being unconditional.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Allocation of Offer Shares pursuant to the Placing will be effected in accordance with the book-building process based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in relevant sector and whether or not it is expected that the relevant investor is likely to buy further Offer Shares, and/or hold or sell its Offer Shares, after the listing of the Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole.

The Sole Bookrunner (for itself and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the Placing, and who has made an application under the Public Offer to provide sufficient information to the Sole Bookrunner so as to allow it to identify the relevant applications under the Public Offer and to ensure that they are excluded from any application of Offer Shares under the Public Offer.

Reallocation

The total number of Offer Shares to be issued pursuant to the Placing may change as a result of the clawback arrangement described in the paragraph headed "Reallocation" above, and/or any reallocation of unsubscribed Offer Shares originally included in the Public Offer.

OVER-ALLOTMENT OPTION

In connection with the Share Offer, our Company intends to grant the Over-allotment Option to the Sole Bookrunner. The Over-allotment Option gives the Sole Bookrunner the right, exercisable at any time from the day on which trading of our Shares commences on the Stock Exchange within 30 days from the last day for lodging of applications under the Public Offer, to require our Company to allot and issue up to an aggregate of 15,000,000 additional Shares, representing in aggregate 15% of the initial size of the Share Offer at the Offer Price to cover over-allocations in the Placing, if any. In the event that the Over-allotment Option is exercised, we will make an announcement.

The Sole Bookrunner may cover any over-allocations by using Shares purchased by the Stabilising Manager, its affiliates or any person acting for it in the secondary market, exercising the Over-allotment Option in full or in part, or through the stock borrowing arrangements mentioned below or by a combination of these means. Any such secondary market purchase will be made in compliance with all applicable laws, rules and regulations in place in Hong Kong, including in relation to stabilisation, the Securities and Futures (Price Stabilising) Rules, as amended, made under the SFO. The number of Shares which can be over-allocated will not exceed the number of Shares which may be issued under the Over-allotment Option, namely 15,000,000 Shares, representing 15% of the Shares initially available under the Share Offer.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public offer price of the securities. In Hong Kong and certain other jurisdictions, the stabilisation price is not permitted to exceed the offer price.

In connection with the Share Offer, the Stabilising Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect any other transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period which begins on the commencement of trading of the Shares on the Stock Exchange and ends on the 30th day after the last day for the lodging of applications under the Public Offer. The stabilising period is expected to expire on 8 August 2019. However, there is no obligation on the Stabilising Manager, or its affiliates or any person acting for it to do this. Such stabilising action, if taken, may be discontinued at any time, and must be brought to an end after a limited period. The number of Shares which can be over-allocated will not exceed the number of Shares which may be sold under the Over-allotment Option, namely 15,000,000 Shares, which is 15.0% of the Offer Shares initially available under the Share Offer. For purposes of covering such over-allocations, the Stabilising Manager may borrow from Pynk in the aggregate up to 15,000,000 Shares, which is equivalent to the maximum number of Shares to be allotted and issued upon exercise of the Over-allotment Option in full, pursuant to the Stock Borrowing Agreement.

Stabilising action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilising) Rules includes (a) primary stabilisation, including purchasing, or agreeing to purchase, any of the Shares or offering or attempting to do so for the purpose of preventing or minimising any reduction in the market price of the Shares, and (b) ancillary stabilisation in connection with any primary stabilising action, including: (i) over-allocation for the purpose of preventing or minimizing any reduction in the market price; (ii) selling or agreeing to sell Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price; (iii) purchasing or agreeing to purchase Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above; (iv) selling or agreeing to sell Shares to liquidate a long position held as a result of those purchases or subscriptions; and (v) offering or attempting to do anything described in (ii), (iii) or (iv). The Stabilising Manager may take any one or more of the stabilising actions described above.

Prospective applicants for and investors in the Offer Shares should note that:

- the Stabilising Manager or any person acting for it may, in connection with the stabilising action, maintain a long position in our Shares;
- there is no certainty as to the extent to which and the time or period for which the Stabilising Manager or any person acting for it will maintain such a long position;

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

- liquidation of any such long position by the Stabilising Manager or any person acting for it and selling in the open market, may have an adverse impact on the market price of our Shares;
- no stabilising action can be taken to support the price of our Shares for longer than the stabilisation period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last date for lodging applications under the Public Offer. After this date, when no further stabilising action may be taken, demand for our Shares, and therefore the price of our Shares, could fall;
- the price of our Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilising action; and
- stabilising bids or transactions effected in the course of the stabilising action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

Our Company will ensure to procure that an announcement in compliance with the Securities and Futures (Price Stabilising) Rules of the SFO will be made within seven days of the expiration of the stabilisation period.

STOCK BORROWING ARRANGEMENT

In order to facilitate the settlement of over-allocations in connection with the Placing, the Stabilising Manager may choose to borrow Shares from Pynk under the Stock Borrowing Agreement, or acquire Shares from other sources. The stock borrowing arrangement will only be effected by the Stabilising Manager, its affiliates or any person acting for it for settlement of over-allocations in the Placing and such arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules provided that the requirements set forth in Rule 10.07(3) of the Listing Rules are complied with. The same number of Shares so borrowed must be returned to Pynk or its nominees on or before the third Business Day following the earlier of (a) the last day on which the Over-allotment Option may be exercised; or (b) the day on which the Over-allotment Option is exercised in full and the relevant Offer Shares subject to the Over-allotment Option have been issued. The stock borrowing arrangement will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to Pynk by the Stabilising Manager, its affiliates or any person acting for it in relation to such stock borrowing arrangement.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

PRICING AND ALLOCATION

Determining the Offer Price

The Sole Bookrunner will solicit from prospective investors the indications of interest in acquiring the Offer Shares in the Placing. Prospective investors will be required to specify the number of Offer Shares under the Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to, and to cease on or around, the last day for lodging applications under the Share Offer. Pricing for the Offer Shares for the purpose of the Share Offer will be fixed on the Price Determination Date, which is expected to be on or around Tuesday, 9 July 2019, and in any event on or before 5:00 p.m. on Wednesday, 10 July 2019, by agreement between the Sole Bookrunner (for itself and on behalf of the Underwriters) and our Company and the number of Offer Shares to be allocated under the Share Offer will be determined shortly thereafter.

Offer Price range

The Offer Price will be not more than HK\$1.55 per Offer Share and is expected to be not less than HK\$1.25 per Offer Share unless otherwise announced, as further explained below, not later than the morning of the last day for lodging applications under the Share Offer. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

Price payable on application

Applicants for Offer Shares under the Public Offer must pay, on application, the maximum Offer Price of HK\$1.55 for each Public Offer Share (plus the brokerage, Stock Exchange trading fee and SFC transaction levy payable on each Offer Share), amounting to a total of HK\$3,131.24 per board lot of 2,000 Offer Shares.

If the Offer Price, as finally determined in the manner described above, is lower than the maximum Offer Price of HK\$1.55 per Offer Share, appropriate refund payments (including the related brokerage, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants, without interest.

If, for any reason, our Company and the Sole Bookrunner (for itself and on behalf of the Underwriters) are unable to reach agreement on the Offer Price on or before 5:00 p.m. on Wednesday, 10 July 2019, the Share Offer will not proceed and will lapse.

Further details are set out under the section headed “How to apply for Public Offer Shares” of this prospectus.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Change to the Offer Price range

The Sole Bookrunner (for itself and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the Placing, and with the consent of our Company, reduce the number of the Offer Shares being offered under the Share Offer and/or change the indicative Offer Price range stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer.

In this case, we shall cause to be published, as soon as practicable following the decision to make such change, and in any event not later than the morning of the last day for lodging applications under the Public Offer:

- (a) a notice of the change on the website of the Stock Exchange at www.hkexnews.hk and our Company's website at www.plattnera.com. The notice will include a confirmation or revision, as appropriate, of the working capital statement, the use of proceeds and the Share Offer statistics and any other financial information in this prospectus which may change as a result of any such change; and
- (b) such supplemental offering documents as may be required by laws of any governmental authority to be published in such manner as the relevant laws or governmental authority may require as soon as practicable following the decision to make the change.

Upon issue of such a notice, the revised number of the Offer Shares and/or Offer Price range will be final and conclusive and the Offer Price, if agreed upon with our Company, will be fixed within such revised number of the Offer Shares and/or Offer Price range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the Share Offer statistics, and any other financial information in this prospectus which may change as a result of any such change.

Before submitting applications for the Public Offer Shares, applicants should have regard to the possibility that any announcement of an extension or reduction in the number of Offer Shares being offered under the Share Offer and/or the indicative Offer Price range may not be made until the day which is the last day for lodging applications under the Public Offer. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the use of proceeds and the Share Offer statistics as currently set out in this prospectus and any other financial information which may change as a result of such reduction. In the absence of any such notice published in relation to the reduction in the Offer Price, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by our Company and the Sole Bookrunner (for itself and on behalf of the Underwriters) will under no circumstances be set outside the Offer Price range as stated in this prospectus. If the number of Offer Shares and/or the indicative Offer Price range is reduced, applicants who have submitted an application under the Public Offer will be entitled to withdraw their applications unless positive confirmations from the applicants to proceed are received.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Announcement of Offer Price and the basis of allocations

Announcement of the final Offer Price together with the level of indication of interests in the Placing and the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares are expected to be published on Monday, 15 July 2019 on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.plattnera.com.

UNDERWRITING

The Public Offer is fully underwritten by the Public Offer Underwriter under the terms of the Public Offer Underwriting Agreement. We expect to enter into the Placing Underwriting Agreement relating to the Placing on or around Tuesday, 9 July 2019. These Underwriting Agreements are summarised under the section headed "Underwriting" of this prospectus.

CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for the Offer Shares is conditional upon, amongst other things, the satisfaction of all the following conditions, in each case on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than 30 days after the date of this prospectus:

1. Listing

The Listing Committee granting the approval of the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Share Offer (including any additional Shares issuable pursuant to the exercise of the Over-allotment Option), and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Shares on the Stock Exchange.

2. Placing Underwriting Agreement

The execution and delivery of the Placing Underwriting Agreement on or about Tuesday, 9 July 2019.

3. Obligations under Underwriting Agreements

The obligations of the Underwriters under each of the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of a waiver of any condition(s)) and such obligations not being terminated in accordance with the terms of the Underwriting Agreements.

4. Price determination

The Offer Price having been determined and the execution of the Price Determination Agreement on or before the Price Determination Date.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

If, for any reason, the Offer Price is not agreed between our Company and the Sole Bookrunner (for itself and on behalf of the Underwriters) on or before 5:00 p.m. on Wednesday, 10 July 2019, the Share Offer will not proceed and will lapse.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other offering becoming and remaining unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Public Offer will be published by us on the Stock Exchange's website at www.hkexnews.hk and our Company's website at www.plattnera.com on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the section headed "How to apply for Public Offer Shares." In the meantime, all application monies will be held in separate bank account(s) with the receiving bank or other licensed bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended from time to time).

Share certificates for the Offer Shares are expected to be issued on Monday, 15 July 2019 but will only become valid certificates of title at 8:00 a.m. on Tuesday, 16 July 2019 provided that (i) the Share Offer has become unconditional in all respects, and (ii) the right of termination as described in the paragraph headed "Grounds for termination" under the section headed "Underwriting" of this prospectus has not been exercised.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made for the Shares to be admitted into CCASS.

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any Trading Day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, 16 July 2019, it is expected that dealings in Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, 16 July 2019.

The Shares will be traded in board lots of 2,000 Shares each. The stock code of the Shares is 1949.

HOW TO APPLY FOR PUBLIC OFFER SHARES

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares.

To apply for Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **HK eIPO White Form** service at *www.hkeipo.hk*; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the **HK eIPO White Form** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **HK eIPO White Form** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number; and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

HOW TO APPLY FOR PUBLIC OFFER SHARES

If an application is made by a person under a power of attorney, our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **HK eIPO White Form** service for the Public Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Public Offer Shares if you:

- are an existing beneficial owner of Shares in our Company and/or any its subsidiaries;
- are a director of our Company or chief executive officer of our Company and/or any of its subsidiaries;
- are a core connected person (as defined in the Listing Rules) of our Company or will become a core connected person of our Company immediately upon completion of the Share Offer;
- are a close associate (as defined in the Listing Rules) of any of the above; and
- have been allocated or have applied for any Placing Shares or otherwise participate in the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which application channel to use

For Public Offer Shares to be issued in your own name, you can (i) use a **WHITE** Application Form; or (ii) apply online through the designated website of the **HK eIPO White Form** service provider at *www.hkeipo.hk* under the **HK eIPO White Form** service.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, you can either (i) complete and sign the **YELLOW** Application Form; or (ii) give **electronic application instructions** to HKSCC via CCASS.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Where to collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 28 June 2019 to 12:00 noon on Tuesday, 9 July 2019 from:

- (i) the following office of the Public Offer Underwriter:

ChaoShang Securities Limited	Room 2206-2210, 22nd Floor China Resources Building 26 Harbour Road Wan Chai Hong Kong
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- (ii) any of the following branches of Hang Seng Bank Limited, the receiving bank for the Public Offer:

District	Branch Name	Address
Hong Kong Island	Head Office	83 Des Voeux Road Central, Central, Hong Kong
Kowloon	Kowloon Main Branch	618 Nathan Road, Hong Kong
	Tsim Sha Tsui Branch	18 Carnarvon Road, Hong Kong
	Hung Hom Branch	21 Ma Tau Wai Road, Hong Kong

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Friday, 28 June 2019 until 12:00 noon on Tuesday, 9 July 2019 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "Hang Seng (Nominee) Limited – Platt Nera International Limited Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

Friday, 28 June 2019	– 9:00 a.m. to 5:00 p.m.
Saturday, 29 June 2019	– 9:00 a.m. to 1:00 p.m.
Tuesday, 2 July 2019	– 9:00 a.m. to 5:00 p.m.
Wednesday, 3 July 2019	– 9:00 a.m. to 5:00 p.m.
Thursday, 4 July 2019	– 9:00 a.m. to 5:00 p.m.
Friday, 5 July 2019	– 9:00 a.m. to 5:00 p.m.
Saturday, 6 July 2019	– 9:00 a.m. to 1:00 p.m.
Monday, 8 July 2019	– 9:00 a.m. to 5:00 p.m.
Tuesday, 9 July 2019	– 9:00 a.m. to 12:00 noon

HOW TO APPLY FOR PUBLIC OFFER SHARES

The application lists will be open from 11:45 a.m. to 12:00 noon on Tuesday, 9 July 2019, the last application day or such later time as described in “10. Effect of bad weather on the opening of the applications lists” under this section.

The application for the Public Offer Shares will commence on Friday, 28 June 2019 through Tuesday, 9 July 2019. Such time period is longer than the normal market practice of four days. The application monies (including brokerage fee, SFC transaction levy and Hong Kong Stock Exchange trading fee) will be held by the receiving bank on behalf of our Company and the refund monies, if any, will be returned to the applicant(s) without interest on Monday, 15 July 2019. Investors should be aware that the dealings in the Shares on the Stock Exchange are expected to commence on Tuesday, 16 July 2019.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **HK eIPO White Form** service, among other things, you (and if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person for whom you act:

- (i) undertake to execute all relevant documents and instruct and authorise our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;
- (ii) agree to comply with the Companies Law, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Memorandum and Articles of Association;
- (iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;
- (iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;
- (v) confirm that you are aware of the restrictions on the Share Offer in this prospectus;
- (vi) agree that none of our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any of the Placing Shares nor participated in the Placing;
- (viii) agree to disclose to our Company, our Hong Kong Branch Share Registrar, the receiving bank, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;
- (ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;
- (x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;
- (xi) agree that your application will be governed by the laws of Hong Kong;
- (xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;
- (xiii) warrant that the information you have provided is true and accurate;
- (xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;
- (xv) authorise our Company to place your name(s) or the name of HKSCC Nominees on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/or its agents to deposit any share certificate(s) into CCASS and/or to send any share certificate(s) and/or any refund cheque(s) and/or e-Auto Refund payment Instruction to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund cheque(s) in person;
- (xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- (xvii) understand that our Company, the Directors, the Sponsor, the Sole Bookrunner, the Sole Lead Manager will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;
- (xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider by you or by any one as your agent or by any other person; and
- (xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH HK eIPO WHITE FORM SERVICE

General

Individuals who meet the criteria in the paragraph headed “2. Who can apply” in this section, may apply through the **HK eIPO White Form** service for the Public Offer Shares to be allotted and registered in their own names through the designated website at www.hkeipo.hk.

Detailed instructions for application through the **HK eIPO White Form** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorise the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

Time for submitting applications under the HK eIPO White Form

You may submit your application online to the **HK eIPO White Form** Service Provider through the designated website at www.hkeipo.hk (24 hours daily, except on the last application day) from 9:00 a.m. on Friday, 28 June 2019 until 11:30 a.m. on Tuesday, 9 July 2019 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Tuesday, 9 July 2019 or such later time stated in the paragraph headed “10. Effect of bad weather on the opening of the application lists” under this section.

HOW TO APPLY FOR PUBLIC OFFER SHARES

No multiple applications

If you apply by means of **HK eIPO White Form**, once you complete payment in respect of any **electronic application instruction** given by you or for your benefit through the **HK eIPO White Form** service to make an application for Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an **electronic application instruction** under **HK eIPO White Form** more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Miscellaneous Provisions) Ordinance).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Centre
1/F, One & Two Exchange Square
8 Connaught Place Central
Hong Kong

and complete an input request form.

HOW TO APPLY FOR PUBLIC OFFER SHARES

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager and our Hong Kong Branch Share Registrar.

Giving electronic application instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

- (i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;
- (ii) HKSCC Nominees will do the following things on your behalf:
 - agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;
 - agree to accept the Public Offer Shares applied for or any lesser number allocated;
 - undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing;
 - (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
 - (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
 - confirm that you understand that our Company, our Directors, the Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Underwriters will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, our Hong Kong Branch Share Registrar, the receiving bank, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Co-Lead Managers, the Underwriters and/or their respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

HOW TO APPLY FOR PUBLIC OFFER SHARES

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;
- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for giving **electronic application instructions** to apply for Public Offer Shares;
- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Law, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Memorandum and Articles of Association of our Company; and
- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of giving electronic application instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;
- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and
- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Minimum purchase amount and permitted numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 2,000 Public Offer Shares. Instructions for more than 2,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for inputting electronic application instructions⁽¹⁾

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Friday, 28 June 2019	– 9:00 a.m. to 8:30 p.m.
Saturday, 29 June 2019	– 8:00 a.m. to 1:00 p.m.
Tuesday, 2 July 2019	– 8:00 a.m. to 8:30 p.m.
Wednesday, 3 July 2019	– 8:00 a.m. to 8:30 p.m.
Thursday, 4 July 2019	– 8:00 a.m. to 8:30 p.m.
Friday, 5 July 2019	– 8:00 a.m. to 8:30 p.m.
Monday, 8 July 2019	– 8:00 a.m. to 8:30 p.m.
Tuesday, 9 July 2019	– 8:00 a.m. to 12:00 noon

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Friday, 28 June 2019 until 12:00 noon on Tuesday, 9 July 2019 (24 hours daily, except on Tuesday, 9 July 2019, the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Tuesday, 9 July 2019, the last application day or such later time as described in the paragraph headed “10. Effect of bad weather on the opening of the application lists” under this section.

Note:

1. The times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

No multiple applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit.

Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Section 40 of the Companies (Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Miscellaneous Provisions) Ordinance).

Personal data

The section of the Application Form headed “Personal Data” applies to any personal data held by our Company, the Hong Kong Branch Share Registrar, the receiving bank, the Sponsor, the Sole Bookrunner, the Sole Lead Manager, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Public Offer Shares through the **HK eIPO White Form** service is also only a facility provided by the **HK eIPO White Form** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Sponsor, the Sole Bookrunner, the Sole Lead Manager and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO White Form** service will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC’s Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Tuesday, 9 July 2019.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked “For nominees” you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

HOW TO APPLY FOR PUBLIC OFFER SHARES

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

“Unlisted company” means a company with no equity securities listed on the Stock Exchange.

“Statutory control” means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **HK eIPO White Form** service in respect of a minimum of 2,000 Public Offer Shares. Each application or **electronic application instruction** in respect of more than 2,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or otherwise specified on the designated website at www.hkeipo.hk.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC). For further details on the Offer Price, please refer to the paragraph headed “Pricing and allocation” under the section headed “Structure and conditions of the Share Offer” of this prospectus.

HOW TO APPLY FOR PUBLIC OFFER SHARES

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a “black” rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Tuesday, 9 July 2019. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Tuesday, 9 July 2019 or if there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force in Hong Kong that may affect the dates mentioned under the section headed “Expected timetable” of this prospectus, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

Our Company expects to announce the final Offer Price, the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer on Monday, 15 July 2019 on our Company’s website at www.plattnera.com and the website of the Stock Exchange at www.hkexnews.hk.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers (where appropriate) of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company’s website at www.plattnera.com and the Stock Exchange’s website at www.hkexnews.hk by no later than 9:00 a.m. on Monday, 15 July 2019;
- from the designated results of allocations website at www.tricor.com.hk/ipo/result (alternatively: www.hkeipo.hk/iporesult) with a “search by ID Number/Business Registration Number” function on a 24-hour basis from 9:00 a.m. on Monday, 15 July 2019 to 12:00 midnight on Sunday, 21 July 2019;
- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Monday, 15 July 2019 to Thursday, 18 July 2019 (excluding Saturday, Sunday and public holiday);
- in the special allocation results booklets which will be available for inspection during opening hours from Monday, 15 July 2019 to Wednesday, 17 July 2019 at all the receiving bank’s designated branches.

HOW TO APPLY FOR PUBLIC OFFER SHARES

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained under the section headed “Structure and conditions of the Share Offer” of this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED PUBLIC OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person’s responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Sole Bookrunner, the Sole Lead Manager, the **HK eIPO White Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

HOW TO APPLY FOR PUBLIC OFFER SHARES

(iii) If the allotment of Public Offer Shares is void:

The allotment of Public Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **HK eIPO White Form** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company, the Sponsor, the Sole Bookrunner, the Sole Lead Manager believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Public Offer Shares initially offered under the Public Offer.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK\$1.55 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Public Offer are not fulfilled in accordance with the paragraph headed "Conditions of the Share Offer" under the section headed "Structure and Conditions of the Share Offer" of this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared. Any refund of your application monies will be made on Monday, 15 July 2019.

HOW TO APPLY FOR PUBLIC OFFER SHARES

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Public Offer Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and
- refund cheque(s) crossed “Account Payee Only” in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest).

Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on despatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Monday, 15 July 2019. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker’s cashier’s order(s).

Share certificates will only become valid at 8:00 a.m. on Tuesday, 16 July 2019 provided that the Share Offer has become unconditional and the right of termination described under the section headed “Underwriting” of this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Personal collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Monday, 15 July 2019 or such other date as notified by us.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Monday, 15 July 2019, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 or more Public Offer Shares, please follow the same instructions as described above. If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Monday, 15 July 2019, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Monday, 15 July 2019, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS Investor Participant)*

For Public Offer Shares credited to your designated CCASS participant's stock account (other than a CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS participant.

HOW TO APPLY FOR PUBLIC OFFER SHARES

- *If you are applying as a CCASS Investor Participant*

Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in "Publication of Results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Monday, 15 July 2019 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the HK eIPO White Form service

If you apply for 1,000,000 or more Public Offer Shares and your application is wholly or partially successful, you may collect your Share certificate(s) from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. and 1:00 p.m. on Monday, 15 July 2019, or such other date as notified by our Company as the date of despatch/collection of Share certificates/e-Auto Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on Monday, 15 July 2019 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via electronic application instructions to HKSCC

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

HOW TO APPLY FOR PUBLIC OFFER SHARES

Deposit of share certificates into CCASS and refund of application monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Monday, 15 July 2019, or, on any other date determined by HKSCC or HKSCC Nominees.
- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer in the manner specified in "11. Publication of results" above on Monday, 15 July 2019. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Monday, 15 July 2019 or such other date as determined by HKSCC or HKSCC Nominees.
- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.
- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Monday, 15 July 2019. Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.
- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Monday, 15 July 2019.

HOW TO APPLY FOR PUBLIC OFFER SHARES

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any Trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.



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The Directors
Platt Nera International Limited
Altus Capital Limited

Dear Sirs,

We report on the historical financial information of Platt Nera International Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-3 to I-48, which comprises the combined statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for each of the years ended 31 December 2016, 2017 and 2018 (the “Relevant Periods”), and the combined statements of financial position of the Group as at 31 December 2016, 2017 and 2018 and the statement of financial position of the Company as at 31 December 2018 and a summary of significant accounting policies and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-3 to I-48 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 28 June 2019 (the “Prospectus”) in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

DIRECTORS’ RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS’ RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group as at 31 December 2016, 2017 and 2018 and the financial position of the Company as at 31 December 2018 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Historical Financial Information, respectively.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

The Historical Financial Information is stated after making such adjustments to the Underlying Financial Statements as defined on page I-3 as were considered necessary.

Dividends

The Company was incorporated on 23 November 2018. We refer to note 12 to the Historical Financial Information which states that no dividends have been paid by the Group in respect of the Relevant Periods.

No historical financial statements for the Company

As at the date of this report, no statutory financial statements have been prepared for the Company since its date of incorporation.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong
28 June 2019

I. HISTORICAL FINANCIAL INFORMATION**Preparation of Historical Financial Information**

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared based on financial statements of Platt Nera Company Limited for the Relevant Periods and management accounts of the Company, Info Asset Holding Limited and Info Asset Holding (Thailand) Co., Limited (formerly known as Intel Asset Holding Co., Limited) for the period from their respective dates of incorporation to 31 December 2018. The financial statements of Platt Nera Company Limited were audited by EY Office Limited, certified public accountants registered in Thailand in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the "Underlying Financial Statements").

The Historical Financial Information is presented in Thai Baht ("THB") and all values are rounded to the nearest thousand (THB'000) except when otherwise indicated.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Year ended 31 December		
		2016 THB'000	2017 THB'000	2018 THB'000
REVENUE	5	367,765	298,804	772,133
Cost of sales		<u>(170,554)</u>	<u>(126,822)</u>	<u>(518,349)</u>
Gross profit		197,211	171,982	253,784
Other income and gain, net	6	1,364	1,349	1,370
Selling and distribution expenses		(7,494)	(8,230)	(10,438)
Administrative expenses		(29,428)	(35,073)	(41,822)
Other expenses		(2,459)	(2,452)	(1,075)
Listing expenses		–	–	(34,626)
Finance costs	7	<u>(39,998)</u>	<u>(28,312)</u>	<u>(19,613)</u>
PROFIT BEFORE TAX	8	119,196	99,264	147,580
Income tax	11	<u>(25,256)</u>	<u>(20,596)</u>	<u>(34,035)</u>
PROFIT FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		<u>93,940</u>	<u>78,668</u>	<u>113,545</u>
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/(loss)	25	–	156	(904)
Income tax effect	24	–	(31)	181
		<u>–</u>	<u>125</u>	<u>(723)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX		<u>–</u>	<u>125</u>	<u>(723)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		<u>93,940</u>	<u>78,793</u>	<u>112,822</u>

COMBINED STATEMENTS OF FINANCIAL POSITION

	Notes	At 31 December		
		2016 THB'000	2017 THB'000	2018 THB'000
NON-CURRENT ASSETS				
Leasehold improvements and equipment	14	1,624	5,570	4,030
Computer software	15	21	528	424
Prepayments, deposits and other receivables	18	599	30,828	1,360
Pledged bank deposits	19	78,126	82,760	61,848
Deferred tax assets	24	55,712	45,719	18,149
Total non-current assets		136,082	165,405	85,811
CURRENT ASSETS				
Inventories	16	8,431	34,928	6,917
Contract assets	5	257,767	180,098	442,106
Trade receivables	17	4,493	5,832	41,181
Prepayments, deposits and other receivables	18	1,913	6,276	17,530
Cash and cash equivalents	19	45,574	63,421	17,395
Non-current assets held for sale	18(a)	–	–	57,309
Total current assets		318,178	290,555	582,438
CURRENT LIABILITIES				
Contract liabilities	5	2,700	2,063	796
Trade payables	20	18,005	53,833	193,707
Other payables and accruals	21	49,525	68,898	99,323
Income tax payable		6,163	6,362	6,160
Provision for a litigation	22	52,972	55,424	–
Bank and other borrowings	23	443,750	281,285	213,352
Total current liabilities		573,115	467,865	513,338
NET CURRENT ASSETS/(LIABILITIES)		(254,937)	(177,310)	69,100
TOTAL ASSETS LESS CURRENT LIABILITIES		(118,855)	(11,905)	154,911
NON-CURRENT LIABILITIES				
Bank and other borrowings	23	116,297	44,247	37,000
Defined benefit obligations	25	1,635	1,842	3,080
Preference shares of a subsidiary	26	–	–	32,640
Total non-current liabilities		117,932	46,089	72,720
Net assets/(liabilities)		(236,787)	(57,994)	82,191
EQUITY/(DEFICIENCY IN ASSETS) ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY				
Issued capital	27	–	–	–
Reserves	28	(236,787)	(57,994)	82,191
Total equity/(deficiency in assets)		(236,787)	(57,994)	82,191

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Issued capital THB'000 (note 27)	Merger reserve THB'000 (note 28 (a)(ii))	Defined benefit plan reserve THB'000	Accumulated losses THB'000	Total equity/ (deficiency in assets) THB'000
At 1 January 2016	–	50,000	–	(380,727)	(330,727)
Profit for the year and total comprehensive income for the year	–	–	–	93,940	93,940
At 31 December 2016 and 1 January 2017	–	50,000*	–*	(286,787)*	(236,787)
Profit for the year	–	–	–	78,668	78,668
Other comprehensive income for the year:					
– Actuarial gain of a defined benefit plan, net of income tax	–	–	125	–	125
Total comprehensive income for the year	–	–	125	78,668	78,793
Increase in share capital of a subsidiary	–	100,000	–	–	100,000
At 31 December 2017 and 1 January 2018	–	150,000*	125*	(208,119)*	(57,994)
Profit for the year	–	–	–	113,545	113,545
Other comprehensive loss for the year:					
– Actuarial loss of a defined benefit plan, net of income tax	–	–	(723)	–	(723)
Total comprehensive income for the year	–	–	(723)	113,545	112,822
Capital injection from shareholders pursuant to the Reorganisation (as defined in note 1)	–	31,402	–	–	31,402
Acquisition of a subsidiary pursuant to the Reorganisation (as defined in note 1)	–	(4,039)	–	–	(4,039)
At 31 December 2018	–	177,363*	(598)*	(94,574)*	82,191

* These reserve accounts comprise the combined negative reserves of THB236,787,000, THB57,994,000 and positive reserves of THB82,191,000 in the combined statements of financial position as at 31 December 2016, 2017 and 2018, respectively.

COMBINED STATEMENTS OF CASH FLOWS

	Notes	Year ended 31 December		
		2016 THB'000	2017 THB'000	2018 THB'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		119,196	99,264	147,580
Adjustments for:				
Interest income	6	(1,052)	(1,078)	(977)
Finance costs		39,998	28,312	19,613
Depreciation	8	349	1,095	2,280
Amortisation of computer software	8	11	122	137
Write-off of withholding tax recoverable	8	6,006	–	–
Write-off of items of leasehold improvements and equipment	8	–	919	–
Write-off of computer software	8	–	7	–
Provision for a litigation	8	2,459	2,452	1,075
Provision for long-term employee benefits	8	342	363	334
		<u>167,309</u>	<u>131,456</u>	<u>170,042</u>
Decrease/(increase) in inventories		(8,431)	(26,497)	28,011
Decrease/(increase) in contract assets		(23,230)	77,669	(262,008)
Decrease/(increase) in trade receivables		34,032	(1,339)	(35,349)
Decrease/(increase) in prepayments, deposits and other receivables		19,758	(4,094)	(11,809)
Decrease in contract liabilities		(1,105)	(637)	(1,267)
Increase/(decrease) in trade payables		(2,280)	35,828	139,874
Increase/(decrease) in other payables and accruals		(8,745)	8,278	26,178
Payment of provision for a litigation	22	–	–	(38,300)
		<u>177,308</u>	<u>220,664</u>	<u>15,372</u>
Income tax paid		(11,721)	(10,435)	(9,479)
		<u>165,587</u>	<u>210,229</u>	<u>5,893</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from the repayment of a short term loan to a director		600	–	–
Purchases of items of leasehold improvements and equipment		(331)	(5,960)	(740)
Purchase of computer software		–	(636)	(33)
Advance payments for the acquisition of a distribution right and related equipment		–	(30,288)	(27,021)
		<u>269</u>	<u>(36,884)</u>	<u>(27,794)</u>
Net cash flows from/(used in) investing activities		<u>269</u>	<u>(36,884)</u>	<u>(27,794)</u>

	Notes	Year ended 31 December		
		2016 THB'000	2017 THB'000	2018 THB'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of new shares by subsidiaries		–	100,000	64,042
Acquisition of a subsidiary		–	–	(4,039)
New bank and other borrowings	29	150,890	107,476	262,653
Repayment of bank and other borrowings	29	(269,383)	(343,608)	(335,902)
Gross decrease in pledged bank deposits		2,387	449	44,595
Gross increase in pledged bank deposits		(2,174)	(5,083)	(23,683)
Interest received		1,052	868	713
Interest paid		(23,386)	(17,217)	(30,573)
Net cash flows used in financing activities		<u>(140,614)</u>	<u>(157,115)</u>	<u>(22,194)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash and cash equivalents at beginning of year		<u>13,158</u>	<u>38,400</u>	<u>54,630</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>38,400</u></u>	<u><u>54,630</u></u>	<u><u>10,535</u></u>
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS				
Cash and bank balances		123,700	146,181	79,243
Less: Pledged bank deposits		<u>(78,126)</u>	<u>(82,760)</u>	<u>(61,848)</u>
Cash and cash equivalents as stated in the combined statements of financial position	19	45,574	63,421	17,395
Less: Bank overdrafts	23	<u>(7,174)</u>	<u>(8,791)</u>	<u>(6,860)</u>
Cash and cash equivalents as stated in the combined statements of cash flows		<u><u>38,400</u></u>	<u><u>54,630</u></u>	<u><u>10,535</u></u>

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	<i>Notes</i>	At 31 December 2018 THB'000
CURRENT ASSETS		
Prepayments	18	<u>13,165</u>
CURRENT LIABILITIES		
Due to a subsidiary	32(b)	33,402
Accruals	21	<u>14,389</u>
Total current liabilities		<u>47,791</u>
NET CURRENT LIABILITIES		<u>(34,626)</u>
Net liabilities		<u><u>(34,626)</u></u>
DEFICIENCY IN ASSETS		
Issued capital	27	–
Accumulated loss	28(b)	<u>(34,626)</u>
Total deficiency in assets		<u><u>(34,626)</u></u>

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 23 November 2018. 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.

The Company is an investment holding company. During the Relevant Periods, the Group was principally engaged in the provision of IT integrated solutions and IT support services.

As at the date of this report, in the opinion of the directors of the Company, the immediate holding company and the ultimate holding company of the Company is Pynk Holding Limited, which is incorporated in the British Virgin Islands (the "BVI").

The Company and its subsidiaries now comprising the Group underwent a reorganisation (the "Reorganisation") as further detailed in the section headed "History, Reorganisation and corporate structure – Reorganisation" in the Prospectus. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

Prior to the incorporation of the Company and the completion of the Reorganisation, the principal activities of the Group were carried out by Platt Nera Company Limited ("Platt Nera"), which was incorporated in Thailand.

The Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies having substantially similar characteristics to a private company incorporated in Hong Kong, the particulars of which are set out below:

Company name	Place and date of incorporation and place of operations	Issued and paid-up share capital at the date of this report	Percentage of equity attributable to the Company				Principal activities
			At 31 December 2016	At 31 December 2017	At 31 December 2018	At the date of this report	
Info Asset Holding Limited (<i>note (a)</i>)	BVI 23 November 2018	Ordinary shares: US\$50	N/A	N/A	100%	100%	Investment holding
Info Asset Holding (Thailand) Co., Limited (formerly known as Intel Asset Holding Co., Limited) ("IAH") (<i>note (b)</i>)	Thailand 6 September 2018	Ordinary shares: THB36,260,000 Preference shares: THB37,740,000	N/A	N/A	49%*	49%*	Investment holding
PNS1(BVI) Limited (<i>note (a)</i>)	BVI 14 January 2019	Ordinary shares: US\$1	N/A	N/A	N/A	100%	Investment holding
PNS2(BVI) Limited (<i>note (a)</i>)	BVI 14 January 2019	Ordinary shares: US\$1	N/A	N/A	N/A	100%	Investment holding
Platt Nera Company Limited (<i>note (c)</i>)	Thailand 29 October 2004	Ordinary shares: THB220,000,000	100%	100%	49%*	49%*	Provision of IT integrated solutions and IT support services

Notes:

- (a) No audited financial statements have been prepared for these entities as these entities were not subject to any statutory audit requirements under the relevant rules and regulations in their jurisdiction of incorporation.
 - (b) The first statutory financial statements of this entity for the period from its date of incorporation of 6 September 2018 to 31 December 2018 prepared in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities were audited by EY Office Limited, certified public accountants registered in Thailand.
 - (c) This entity was held by several individual shareholders directly without any holding company before the Reorganisation. The statutory financial statements of this entity for the years ended 31 December 2016 and 2017 prepared in accordance with Thai Financial Reporting Standards (“**TFRSs**”) were audited by PricewaterhouseCoopers ABAS Ltd., certified public accountants registered in Thailand, and its statutory financial statements for the year ended 31 December 2018 prepared in accordance with TFRSs were audited by EY Office Limited, certified public accountants registered in Thailand.
- * 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 and as part of the Reorganisation, IAH is incorporated with 49.0% of the share capital held by the Group, through its ownership of 100.0% of the ordinary shares of IAH, and 51.0% of the share capital held by four Thai nationals, through their ownership of 100.0% 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 after the Reorganisation, namely 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**(a) Basis of combination**

Pursuant to the Reorganisation as more fully explained in the section headed “History, Reorganisation and corporate structure – Reorganisation” in the Prospectus, the Company became the holding company of the companies now comprising the Group subsequent to the Relevant Periods 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, for the purpose of this report, the Historical Financial Information for the Relevant Periods has been presented as a continuation of the existing company and prepared on a combined basis by using the pooling of interests method as if the Reorganisation had been completed at the beginning of the Relevant Periods.

The combined statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group for the Relevant Periods 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 combined statements of financial position of the Group as at 31 December 2016, 2017 and 2018 have been prepared to present the assets and liabilities of the subsidiaries 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.

All intra-group transactions and balances have been eliminated on combination.

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 in the accounting policy for “Subsidiaries” in note 2.4 to the Historical Financial Information. 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 derecognises (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 retained profits/accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

(b) Going concern assumption

The directors of the Company consider that the Group will have adequate funds available to enable it to operate as a going concern, based on the Group's operating cash flow projection which, inter alia, takes into account the projected operating performance of the Group and the following:

- the unutilised banking facilities of THB10.1 million available to the Group as at 31 December 2018 and on the assumption that the then existing drawn facilities will continue to be repaid to the Group's principal bankers in accordance with existing agreements without acceleration;
- increase in the ordinary and preference share capital of a subsidiary in a total amount of THB10 million, which was contributed by its shareholders in January 2019 (notes 36(i)).

Accordingly, the Historical Financial Information has been prepared on the going concern basis which assumes, inter alia, the realisation of assets and satisfaction of liabilities in the normal course of business.

2.2 BASIS OF PREPARATION

The Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise all standards and interpretations approved by the International Accounting Standards Board. All IFRSs effective for the accounting period commencing from 1 January 2018 including IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*, together with the relevant transitional provisions, have been adopted by the Group in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Historical Financial Information has been prepared under the historical cost convention, except for non-current assets held for sale and defined benefit obligations which have been measured in accordance with the accounting policy for "Non-current assets held for sale" and "Defined benefit plan" set out in note 2.4 below, respectively.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in the Historical Financial Information:

Amendments to IFRS 3	<i>Definition of a Business</i> ²
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> ¹
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
IFRS 16	<i>Leases</i> ¹
IFRS 17	<i>Insurance Contracts</i> ³
Amendments to IAS 1 and IAS 8	<i>Definition of Materials</i> ²
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> ¹
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> ¹
IFRIC 23	<i>Uncertainty over Income Tax Treatments</i> ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to the following four IFRSs: <i>IFRS 3 Business Combinations</i> ¹ <i>IFRS 11 Joint Arrangements</i> ¹ <i>IAS 12 Income Tax</i> ¹ <i>IAS 23 Borrowing Costs</i> ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2020

³ Effective for annual periods beginning on or after 1 January 2021

⁴ No mandatory effective date yet determined but is available for adoption

Except for IFRS 16, the directors of the Company expect that the adoption of the other new and revised standards above will have no material financial impact on the Group in the year of initial application. The nature of the impending changes in accounting policy on the adoption of IFRS 16 is described below:

IFRS 16 replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC – 15 *Operating Leases – Incentives* and SIC – 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees that they can elect as practical expedients – leases of low-value assets and short-term leases (i.e., where the lease term is 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40 *Investment Property*. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

IFRS 16 also requires lessees to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt IFRS 16 from 1 January 2019.

The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16. The Group has estimated that right-of-use assets of THB6,042,000 and lease liabilities of THB6,042,000 will be recognised at 1 January 2019. The operating lease commitment of the Group as at 31 December 2018 was THB6,546,000. In the opinion of the directors of the Company, except for aforementioned, the adoption of IFRS 16 will not have a significant impact on the financial position or performance of the Group.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

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.

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

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 a 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 a 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.

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 Historical Financial Information 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, inventories and non-current assets held for sale), 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.

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 to 5 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.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable.

Non-current assets (other than financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Equipment and intangible assets classified as held for sale are not depreciated or amortised.

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.

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under the operating leases, net of any incentives received from the lessor, are charged to profit or loss on the straight-line basis over the lease terms.

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.

In order for a financial asset 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.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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 combined 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.

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.

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).

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

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.

Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group are all classified, at initial recognition, as loans and borrowings. They are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings 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.

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 combined 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 combined 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 combined 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.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included as finance costs in profit or loss.

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, 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.

Revenue

(a) *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").

The Group used a 5-step approach for revenue recognition:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations in the contract; and

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. Control of the asset is transferred over time if the Group's performance satisfies one of the following criteria:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group principally earns revenue from the provision of IT products and services which can be broadly categorised as follows:

- Design and implementation of integrated IT solutions (“**IT integrated solutions**”); and
- Provision of operational, support and maintenance services (“**IT support services**”).

(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.

(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.

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, 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.

(b) *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 balances

(a) *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.

(b) *Trade receivables*

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

(c) *Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

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 currencies

The Historical Financial Information is 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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Historical Financial Information requires 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 Historical Financial Information 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:

Joint arrangement identification

The Group forms a consortium with a third party for a contract of IT integrated solutions and IT support services in Thailand. For accounting purpose, the directors of the Company assessed whether such arrangement is a joint arrangement, i.e., joint operation or joint venture, under IFRS 11 *Joint Arrangements*. After considering the rights and obligations of parties to the arrangement with reference to the structure, the legal form of the arrangement, the contractual terms agreed by the parties in the arrangement, and the relevant facts and circumstances, the directors of the Company concluded that the arrangement for the IT integrated solutions and IT support services under that contract should neither be classified as a joint operation nor a joint venture under IFRS 11.

Determination of performance obligations

The Group provides integration services that are sold together with the sale of hardware and/or software to customers. The integration services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customers.

The Group determined that the sale of hardware and/or software and integration are not capable of being distinct. The fact that the Group regularly sells both hardware and/or software and integration services together indicates that the customer can only benefit from the goods and services provided as a bundle. The Group also determined that the promises to transfer the hardware and/or software and to provide integration are not distinct within the context of the contract. The Group is providing a significant integration service because the presence of the hardware and/or software and integration together in this contract result in additional or combined functionality. In addition, the hardware and/or software and integration are highly interdependent or highly interrelated, because the Group would not be able to provide the IT solutions to the customers if the customer declined one of the goods or services. Consequently, the Group allocated the whole transaction price to a single performance obligation which includes the sale of hardware and/or software and the integration services.

Furthermore, the Group also enters into contracts to provide support service to customers together with the bundled sale of hardware and/or software with integration within a contract. The Group determined that the support service is a separate performance obligation as it is capable of being distinct from the bundled sale of hardware and/or software with integration. Customers can benefit from the support service together with the integrated system which has been separately delivered to the customer. The Group also determined that the support service is separately identifiable from other context of the contract, as there is no significant integration nor modification between the support service and the bundled sale of hardware and/or software with integration. In addition, the support service is not interdependent or interrelated to the bundled sale of hardware and/or software with integration. As a result, the Group allocated the transaction price among the performance obligations of support service and the bundled sale of hardware and/or software with integration based on the stand-alone selling price of each performance obligation.

Judgements in determining the timing of satisfaction of performance obligations

The Group concluded that revenue for IT integrated solutions business is to be recognised (i) 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; and (ii) for any other cases, at a point in time, generally upon complete delivery of the goods and services, as the Group have an enforceable right to payment only at that point of time and the control of the goods and services is passed to the customer at that time when they are accepted by the customer.

The Group concluded that revenue for IT support services business is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group determined that the straight-line method over the service contract period is the best method in measuring progress of the IT support services because there is a direct relationship between the Group's effort and the transfer of service to the customer. The Group recognises revenue based on the progress measured by the aforementioned method.

Judgements in determining method to estimate variable consideration

The consideration of certain contracts for the IT integrated solutions business 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 and contract assets

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 details of the estimation of the lifetime ECL provisions as at 31 December 2016, 2017 and 2018 are set out in note 35(c) to the Historical Financial Information.

4. SEGMENT INFORMATION

Operating segment information

No operating segment information is presented as the Group's revenue and reported results during each of the Relevant Periods, and the Group's total assets as at the end of each of the Relevant Periods were derived from one single operating segment, i.e., provision of IT integrated solutions and IT support services.

Geographical information

The Group's revenue during each of the Relevant Periods were all derived from external customers based in Thailand, and the Group's non-current assets, excluding financial assets, as at the end of each of the Relevant Periods were all located in Thailand.

Information about major customers

The revenue generated from sales to customers which individually contributed more than 10% of the Group's total revenue during the Relevant Periods is set out below:

	Year ended 31 December		
	2016	2017	2018
	THB'000	THB'000	THB'000
Customer A	330,310	285,928	508,393
Customer B	N/A*	N/A*	153,813
Customer C	N/A*	N/A*	79,194

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

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregated revenue information

	Year ended 31 December		
	2016	2017	2018
	THB'000	THB'000	THB'000
By type of goods or services:			
IT integrated solutions	184,144	47,333	533,876
IT support services	183,621	251,471	238,257
Total revenue from contracts with customers	367,765	298,804	772,133
By timing of revenue recognition:			
Transferred at a point in time	152,542	43,620	252,659
Transferred over time	215,223	255,184	519,474
Total revenue from contracts with customers	367,765	298,804	772,133

(b) Contract balances

	Notes	At 31 December		
		2016 THB'000	2017 THB'000	2018 THB'000
Contract assets	(i)	<u>257,767</u>	<u>180,098</u>	<u>442,106</u>
Trade receivables	17	<u>4,493</u>	<u>5,832</u>	<u>41,181</u>
Contract liabilities	(ii)	<u>(2,700)</u>	<u>(2,063)</u>	<u>(796)</u>

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 years ended 31 December 2016, 2017 and 2018, such transfer amounted to THB234,536,000, THB257,767,000 and THB180,098,000, respectively. ECL consideration in respect of contract assets is set out in note 35(c) to the Historical Financial Information.

The expected timing of recovery or settlement of contract assets as at the end of each of the Relevant Periods is as follows:

	At 31 December		
	2016 THB'000	2017 THB'000	2018 THB'000
Within one year	257,767	180,098	391,472
More than one year	<u>–</u>	<u>–</u>	<u>50,634</u>
	<u>257,767</u>	<u>180,098</u>	<u>442,106</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 each of the Relevant Periods and from performance obligations satisfied (or partially satisfied) in previous periods:

	Year ended 31 December		
	2016 THB'000	2017 THB'000	2018 THB'000
Revenue recognised that was included in contract liabilities at the beginning of the year	<u>2,905</u>	<u>1,440</u>	<u>1,267</u>
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	<u>5,677</u>	<u>63,085</u>	<u>27,206</u>

(c) Transaction price allocated to remaining performance obligations

The Group recognises revenue of IT integrated solutions and IT support services according to the accounting policies as set out in note 2.4 to the Historical Financial Information.

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

	At 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Within one year	180,873	242,613	230,350
More than one year	434,378	309,547	81,123
	<u>615,251</u>	<u>552,160</u>	<u>311,473</u>

The remaining performance obligations expected to be recognised in more than one year as at 31 December 2016, 2017 and 2018 relate to the IT support services that have a remaining contract period of not more than 4 years, 3 years and 2 years, respectively. 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.

6. OTHER INCOME AND GAIN, NET

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

	Year ended 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Interest income	1,052	1,078	977
Foreign exchange differences, net	166	161	245
Others	146	110	148
	<u>1,364</u>	<u>1,349</u>	<u>1,370</u>

7. FINANCE COSTS

Finance costs during the Relevant Periods mainly are interest on bank and other borrowings.

8. PROFIT BEFORE TAX

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

	Notes	Year ended 31 December		
		2016 THB'000	2017 THB'000	2018 THB'000
Cost of inventories sold		23,362	47,217	29,925
Cost of services rendered		147,192	79,605	488,424
Depreciation	14	349	1,095	2,280
Amortisation of computer software*	15	11	122	137
Minimum lease payments under operating leases		572	1,902	2,995
Employee benefit expense (including directors' remuneration – note 9):				
Salaries, allowances and benefits in kind		25,494	31,027	37,406
Defined contribution schemes contributions		–	1,072	1,164
Net benefit expenses of a defined benefit plan	25	342	363	334
Total employee benefit expense		25,836	32,462	38,904
Less: Amount included in cost of services rendered		(10,560)	(12,169)	(12,874)
		15,276	20,293	26,030
Provision for a litigation**	22	2,459	2,452	1,075
Write-off of items of leasehold improvements and equipment*	14	–	919	–
Write-off of computer software*	15	–	7	–
Write-off of withholding tax recoverable		6,006	–	–

* The amortisation and the write-off expense of computer software, and the write-off expense of leasehold improvements and equipment are included in “Administrative expenses” on the face of the combined statements of profit or loss and other comprehensive income.

** The provision for a litigation is included in “Other expenses” on the face of the combined statements of profit or loss and other comprehensive income.

9. DIRECTORS' REMUNERATION

Messrs. Prapan Asvaplungprohm and Wison Archadechopon were appointed as executive directors of the Company on 23 November 2018 and 5 January 2019, respectively, and Messrs. Julapong Vorasontharosoht, Cheung Pan and Tong Yee Ming were appointed as independent non-executive directors of the Company on 17 June 2019.

Certain of the Company's directors received remuneration from a subsidiary now comprising the Group in their capacity as being directors and/or employees of that subsidiary during the Relevant Periods. The remuneration of these directors as recorded in the financial statements of that subsidiary during the Relevant Periods is set out below:

	Year ended 31 December		
	2016 THB'000	2017 THB'000	2018 THB'000
Fees	–	–	–
Other emoluments:			
Salaries, allowances and benefits in kind	3,168	4,780	7,702
Performance related bonuses	–	804	546
Post-employment benefits	–	226	324
Total directors' remuneration	<u>3,168</u>	<u>5,810</u>	<u>8,572</u>

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 2016					
Mr. Wison Archadechopon	–	3,168	–	–	3,168
Year ended 31 December 2017					
Mr. Prapan Asvaplungprohm	–	1,480	–	–	1,480
Mr. Wison Archadechopon	–	3,300	804	226	4,330
	–	4,780	804	226	5,810
Year ended 31 December 2018					
Mr. Prapan Asvaplungprohm	–	4,449	–	–	4,449
Mr. Wison Archadechopon	–	3,253	546	324	4,123
	–	7,702	546	324	8,572

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees for the years ended 31 December 2016, 2017 and 2018 included 1, 2 and 2 directors of the Company, respectively, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining 4, 3 and 3 non-director highest paid employees for the years ended 31 December 2016, 2017 and 2018, respectively, are as follows:

	Year ended 31 December		
	2016 THB'000	2017 THB'000	2018 THB'000
Salaries, allowances and benefits in kind	5,048	3,944	4,461
Performance related bonuses	216	462	227
Post-employment benefits	–	176	294
	<u>5,264</u>	<u>4,582</u>	<u>4,982</u>

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

	Year ended 31 December		
	2016	2017	2018
Nil to HK\$1,000,000	4	3	3

11. INCOME TAX

Thailand income tax has been provided at the rate of 20% on the estimated assessable profits arising in Thailand during the Relevant Periods.

An analysis of income tax charged in profit or loss during the Relevant Periods is as follows:

	Year ended 31 December		
	2016 THB'000	2017 THB'000	2018 THB'000
Current:			
Charge for the year	10,519	10,634	9,100
Over provision in prior year	–	–	(2,816)
Deferred tax (<i>note 24</i>)	14,737	9,962	27,751
Total tax expense for the year	25,256	20,596	34,035

A reconciliation of the tax expense applicable to profit before tax at the statutory tax rate of Thailand in which the Group is domiciled to the tax expense at the effective tax rate is as follows:

	Year ended 31 December		
	2016 THB'000	2017 THB'000	2018 THB'000
Profit before tax	119,196	99,264	147,580
Tax expense at the statutory tax rate	23,839	19,853	36,441
Adjustment in respect of income tax of previous year	–	–	(2,816)
Expenses not deductible for tax	1,417	743	410
Tax expense at the effective tax rate of 21.2%, 20.7% and 23.1% for the years ended 31 December 2016, 2017 and 2018, respectively	25,256	20,596	34,035

12. DIVIDENDS

No dividend has been paid or declared by the Company or any of its subsidiaries during the Relevant Periods.

13. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the presentation of the results of the Group for the Relevant Periods on a combined basis as disclosed in note 2.1 to the Historical Financial Information.

14. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Group

	Leasehold improvements <i>THB'000</i>	Furniture and fixtures <i>THB'000</i>	Computer equipment <i>THB'000</i>	Total <i>THB'000</i>
Year ended 31 December 2016				
At 1 January 2016:				
Cost	1,001	2,960	2,720	6,681
Accumulated depreciation	(122)	(2,701)	(2,216)	(5,039)
Net carrying amount	<u>879</u>	<u>259</u>	<u>504</u>	<u>1,642</u>
Net carrying amount:				
At 1 January 2016	879	259	504	1,642
Additions	105	37	189	331
Depreciation provided during the year	(39)	(95)	(215)	(349)
At 31 December 2016	<u>945</u>	<u>201</u>	<u>478</u>	<u>1,624</u>
At 31 December 2016:				
Cost	1,106	2,997	2,909	7,012
Accumulated depreciation	(161)	(2,796)	(2,431)	(5,388)
Net carrying amount	<u>945</u>	<u>201</u>	<u>478</u>	<u>1,624</u>
Year ended 31 December 2017				
At 1 January 2017:				
Cost	1,106	2,997	2,909	7,012
Accumulated depreciation	(161)	(2,796)	(2,431)	(5,388)
Net carrying amount	<u>945</u>	<u>201</u>	<u>478</u>	<u>1,624</u>
Net carrying amount:				
At 1 January 2017	945	201	478	1,624
Additions	3,860	1,021	1,079	5,960
Depreciation provided during the year	(500)	(154)	(441)	(1,095)
Write-off	(908)	(11)	-	(919)
At 31 December 2017	<u>3,397</u>	<u>1,057</u>	<u>1,116</u>	<u>5,570</u>
At 31 December 2017:				
Cost	3,860	1,760	1,994	7,614
Accumulated depreciation	(463)	(703)	(878)	(2,044)
Net carrying amount	<u>3,397</u>	<u>1,057</u>	<u>1,116</u>	<u>5,570</u>
Year ended 31 December 2018				
At 1 January 2018:				
Cost	3,860	1,760	1,994	7,614
Accumulated depreciation	(463)	(703)	(878)	(2,044)
Net carrying amount	<u>3,397</u>	<u>1,057</u>	<u>1,116</u>	<u>5,570</u>
Net carrying amount:				
At 1 January 2018	3,397	1,057	1,116	5,570
Additions	-	104	636	740
Depreciation provided during the year	(1,408)	(290)	(582)	(2,280)
At 31 December 2018	<u>1,989</u>	<u>871</u>	<u>1,170</u>	<u>4,030</u>

Group

	Leasehold improvements <i>THB'000</i>	Furniture and fixtures <i>THB'000</i>	Computer equipment <i>THB'000</i>	Total <i>THB'000</i>
At 31 December 2018:				
Cost	3,860	1,864	2,630	8,354
Accumulated depreciation	(1,871)	(993)	(1,460)	(4,324)
Net carrying amount	<u>1,989</u>	<u>871</u>	<u>1,170</u>	<u>4,030</u>

15. COMPUTER SOFTWARE**Group**

	Year ended 31 December		
	2016 <i>THB'000</i>	2017 <i>THB'000</i>	2018 <i>THB'000</i>
At 1 January:			
Cost	1,908	1,908	709
Accumulated amortisation	(1,876)	(1,887)	(181)
Net carrying amount	<u>32</u>	<u>21</u>	<u>528</u>
Net carrying amount:			
At 1 January	32	21	528
Addition	–	636	33
Amortisation provided during the year	(11)	(122)	(137)
Write-off	–	(7)	–
At 31 December	<u>21</u>	<u>528</u>	<u>424</u>
At 31 December:			
Cost	1,908	709	742
Accumulated amortisation	(1,887)	(181)	(318)
Net carrying amount	<u>21</u>	<u>528</u>	<u>424</u>

16. INVENTORIES**Group**

	At 31 December		
	2016 <i>THB'000</i>	2017 <i>THB'000</i>	2018 <i>THB'000</i>
Materials held for use on an IT support service contract	8,431	8,846	6,917
Work in progress for IT integrated solution contracts	–	26,082	–
Equipment purchased under a terminated service contract (<i>note</i>)	–	–	–
	<u>8,431</u>	<u>34,928</u>	<u>6,917</u>

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 is being considered by the Central Administrative Court of Thailand and no judgement has been made. In the opinion of the Group's legal counsel, there is a possibility that the Central Administrative Court will make the judgement against the customer to pay for the damages. 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 prior to the Relevant Periods as the possibility for reselling these inventories to third parties is remote.

17. TRADE RECEIVABLES

Group

	At 31 December		
	2016	2017	2018
	THB'000	THB'000	THB'000
Trade receivables (<i>note</i>)	4,493	5,832	41,181

Note: 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 of the Company, there is no significant credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

Group

	At 31 December		
	2016	2017	2018
	THB'000	THB'000	THB'000
Within 1 month	2,400	5,212	5,313
1 to 3 months	2,093	620	35,868
	4,493	5,832	41,181

ECL consideration in respect of trade receivables is set out in note 35(c) to the Historical Financial Information.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Notes	Group			Company
		At 31 December			At
		2016	2017	2018	31 December
		THB'000	THB'000	THB'000	2018
					THB'000
Prepayments		971	2,806	15,985	13,165
Interest receivables		–	210	474	–
Advance payments for the acquisition of a distribution right and related equipment	(a)	–	30,288	–	–
Deposits and other receivables	(b)	912	1,885	1,634	–
Others		629	1,915	797	–
		<u>2,512</u>	<u>37,104</u>	<u>18,890</u>	<u>13,165</u>
Portion classified as current assets		<u>(1,913)</u>	<u>(6,276)</u>	<u>(17,530)</u>	<u>(13,165)</u>
Non-current portion		<u>599</u>	<u>30,828</u>	<u>1,360</u>	<u>–</u>

Notes:

- (a) The amount represented advance payments made under a “deployment, maintenance, marketing and distribution agreement” (the “Distribution Agreement”) entered into between the Group and an independent third party in 2017, pursuant to which, the Group was granted the right (the “Distribution Right”) to market and sell an Internet of Things (“IoT”) technology developed by the independent third party in Thailand (the “IoT Technology”) by the Group for a period of 13 years from the effective date of the Distribution Agreement, which has not yet been started as at 31 December 2018. In accordance with the Distribution Agreement, the Group has the obligations, inter alia, to: (i) pay certain sums for the purpose of obtaining the Distribution Right which is an intangible asset for accounting purpose; and (ii) purchase, install and maintain a minimum number of specified equipment from the independent third party to apply the IoT Technology for the provision of a radio communication service by the Group. The Group’s all performance, financial and other obligations under the Distribution Agreement was guaranteed by a related company controlled by a director of the Company.

On 15 October 2018, the Group entered into a novation agreement (the “Novation Agreement”) with the independent third party and another related company controlled by a director of the Company. Under the Novation Agreement, the parties agreed that the related company shall be substituted in place of the Group as a party to the Distribution Agreement and that the independent third party releases and discharges the Group from further performance of the Distribution Agreement and all liabilities, obligations, claims and demands whatsoever under or in connection with the Distribution Agreement, provided that the Group does pay (for and on behalf of the related company) to the independent third party on or before 31 October 2018 a sum of EUR760,000 and on or before 31 December 2018 a sum of EUR1,068,800 for the purchase of certain equipment from the independent third party. On 31 December 2018, the independent third party agreed that the payment of EUR1,068,800 shall be made by the related company directly. As each party to the Novation Agreement had principally agreed the terms of the transaction in early September 2018, in the opinion of the directors of the Company, it was highly probable to complete the transactions within one year at 31 December 2018. Accordingly, the advance payments as at 31 December 2017, together with additional payments of THB27,021,000 during the year ended 31 December 2018, totaling THB57,309,000 were classified as non-current assets held for sale as at 31 December 2018. In addition, as a result of the novation transaction, the guarantee given by the related company to the Group in respect of the Distribution Agreement as disclosed above was released in October 2018.

In accordance with a memorandum of agreement dated 28 December 2018 and amendments thereto dated 14 January 2019 and 14 March 2019 entered into between the Group, the related company and a director of the Company, the total consideration payable by the related company to the Group in respect of the novation transaction is THB57.3 million, which has been satisfied subsequent to the Relevant Periods by way of (i) offsetting the Group's payment obligations in respect of interest payable on loans from the director of approximately THB39.7 million; and (ii) cash settlement of approximately THB17.6 million.

- (b) The other receivables are neither past due nor impaired and their ECL consideration is set out in note 35(c) to the Historical Financial Information.

19. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

Group

	Notes	At 31 December		
		2016 THB'000	2017 THB'000	2018 THB'000
Cash and bank balances other than time deposits		45,574	63,421	17,395
Time deposits		78,126	82,760	61,848
Total cash and bank balances	(a)	123,700	146,181	79,243
Less: Pledged bank deposits	(b)	(78,126)	(82,760)	(61,848)
Cash and cash equivalents		45,574	63,421	17,395

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 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 each of the Relevant Periods, certain bank deposits of the Group were pledged to banks for letters of guarantee, bank loans and bank overdrafts.

The pledged deposits bore interest rates ranging from 0.85% to 1.38% per annum, 0.85% to 1.25% per annum and 0.85% to 1.25% per annum as at 31 December 2016, 2017 and 2018, respectively.

20. TRADE PAYABLES

Trade payables of the Company 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 each of the Relevant Periods, based on the invoice date, is as follows:

Group

	At 31 December		
	2016 THB'000	2017 THB'000	2018 THB'000
Within 1 month	8,280	6,400	21,414
1 to 2 months	3,673	14,480	10,621
2 to 3 months	3,823	6,692	1,588
Over 3 months	2,229	26,261	26,334
	<u>18,005</u>	<u>53,833</u>	<u>59,957</u>
Unbilled	–	–	133,750
	<u>18,005</u>	<u>53,833</u>	<u>193,707</u>

21. OTHER PAYABLES AND ACCRUALS

	Group			Company
	At 31 December			At 31 December
	2016 THB'000	2017 THB'000	2018 THB'000	2018 THB'000
Accruals	5,751	9,354	21,396	14,389
Other payables	1,371	2,240	14,665	–
Interest-bearing other payable (note 22)	–	–	9,270	–
Interest payable on loans from a director (note)	39,570	50,665	39,705	–
Other tax payables	2,833	6,639	14,287	–
	<u>49,525</u>	<u>68,898</u>	<u>99,323</u>	<u>14,389</u>

Note: The balance represented the interest payable to a director of the Company in respect of the loans from the director which bear a fixed interest rate of 6% per annum (note 23(e)(ii)). The balance was unsecured and repayable on demand.

22. PROVISION FOR A LITIGATION**Group**

	Year ended 31 December		
	2016 THB'000	2017 THB'000	2018 THB'000
At 1 January	50,513	52,972	55,424
Additional provision	2,459	2,452	1,075
Settlement	–	–	(56,499)
At 31 December	<u>52,972</u>	<u>55,424</u>	<u>–</u>

The balance represented the damages and related interest payable in connection with a litigation with a customer of a consortium to which the Group is a party. On 27 August 2008, the Group together with two other companies (collectively, the "SME Consortium") signed an agreement with the customer to install a core banking system for the customer within 630 days from the date of the contract. However, the customer terminated the contract in June 2010 and made a legal claim against the SME Consortium in May 2012 at the Central Intellectual Property and International Trade Court of Thailand ("CIPITC"). The CIPITC ruled against the SME Consortium in 2015. The SME Consortium filed an appeal against the above judgement in July 2015 at the Supreme Court of Thailand. The Supreme Court of Thailand upheld the decision made by CIPITC in March 2018 and ordered the SME Consortium to pay damages of THB32,699,000 plus interest at 7.5% per annum from 21 May 2012 until the whole amount is settled. Because of the high degree of uncertainty regarding the amount expected to be recovered, the Group wrote off the total project costs incurred of THB139,255,000 in full in 2015. In addition, as previously agreed with the SME Consortium, the Group shall bear all the liabilities arising from the litigation and hence, the Group make a provision for the damage of THB32,699,000 as set out in the CIPITC judgement in 2015, and the corresponding ongoing interest costs in each year since 2015.

After the judgement was made by the Supreme Court of Thailand in March 2018, the compensation of approximately THB56.5 million, which comprised the damages of approximately THB32.7 million and related interest of approximately THB23.8 million, has been settled, of which approximately THB38.3 million was settled by the Group and approximately THB18.2 million was settled by a party in the SME Consortium on behalf of the Group pursuant to an agreement entered into with that party in the SME Consortium in June 2018.

The amount settled on behalf by a party in the SME Consortium was accounted for as an interest-bearing other payable and the Group will repay a total amount of approximately THB18.9 million to that party in the SME Consortium in 12 equal instalments from July 2018 to June 2019 in accordance with the agreement entered into.

As at 31 December 2018, the amount due to that party in the SME Consortium included in interest-bearing other payable amounted to approximately THB9,270,000 (note 21).

23. BANK AND OTHER BORROWINGS

Group

	Notes	At 31 December		
		2016 THB'000	2017 THB'000	2018 THB'000
Bank overdrafts:				
Secured	(a)	7,174	8,791	6,860
Bank loans:				
Secured	(b)	298,611	212,520	144,712
Unsecured	(c)	7,800	7,800	–
		<u>306,411</u>	<u>220,320</u>	<u>144,712</u>
Other loans:				
Secured	(d)	9,726	–	92,000
Unsecured	(e)	236,736	96,421	6,780
		<u>246,462</u>	<u>96,421</u>	<u>98,780</u>
Total bank and other borrowings		<u>560,047</u>	<u>325,532</u>	<u>250,352</u>

Group

	Note	At 31 December		
		2016 THB'000	2017 THB'000	2018 THB'000
Analysed into:				
Bank loans and overdrafts repayable:				
Within one year or on demand		197,288	184,864	147,079
In the second year		71,871	39,754	1,491
In the third to fifth years, inclusive		44,426	4,493	3,002
		<u>313,585</u>	<u>229,111</u>	<u>151,572</u>
Other loans repayable				
Within one year or on demand		246,462	96,421	66,273
In the second year		–	–	32,507
		<u>246,462</u>	<u>96,421</u>	<u>98,780</u>
Total bank and other borrowings		560,047	325,532	250,352
Portion classified as current liabilities	(f)	<u>(443,750)</u>	<u>(281,285)</u>	<u>(213,352)</u>
Non-current portion		<u>116,297</u>	<u>44,247</u>	<u>37,000</u>

Notes:

- (a) The secured bank overdrafts of the Group as at 31 December 2016, 2017 and 2018 bore annual interest rate at the minimum overdraft rate (“MOR”) promulgated by the banks and are repayable on demand.
- (b) A secured bank loan of the Group amounted to THB8,626,000, THB7,303,000 and THB5,926,000 as at 31 December 2016, 2017 and 2018, respectively, bore a fixed interest rate at 4% per annum.

Other secured bank loans of the Group with an aggregate amount of THB289,985,000, THB205,217,000 and THB130,786,000 as at 31 December 2016, 2017 and 2018, respectively, bore interest at rates ranging from the minimum lending rate (“MLR”) promulgated by the banks to MLR plus 1% per annum. In addition, as at 31 December 2018, the Group has a promissory note of THB8,000,000, which bore annual interest rate at MOR per annum and is repayable within one year.

As at 31 December 2016 and 2017, the Group’s secured bank overdrafts and loans were guaranteed by a third party credit guarantee corporation, two directors of the Company, a director of a subsidiary and two related companies controlled by a director of the Company, and secured by:

- (i) certain bank deposits of the Group (note 19);
- (ii) land and structure thereon owned by a director of the Company; and
- (iii) right of receiving payment from projects.

As at 31 December 2018, the Group’s secured bank overdrafts and loans were guaranteed by a third party credit guarantee corporation, two directors of the Company and a director of a subsidiary, and secured by:

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

- (c) The unsecured bank loans of the Group as at 31 December 2016 and 2017 represented promissory notes with an aggregate principal amount of THB7,800,000, which bore annual interest rate at MOR and are repayable within one year.
- (d) The Group's secured other loan as at 31 December 2016 represented bill of exchange with a third party which bore interest at 6.5% per annum and is repayable within one year. The loan was secured by a director's share in a related company.

The Group's secured other loan as at 31 December 2018 represented loan from a third party company bore interest at 6.5% per annum and is repayable within 18 months. The loan was secured by right of receiving payment from a project which had a total contract sum of THB92,000,000.

- (e) The Group's unsecured other loans represented (i) promissory note with a third party of THB29,641,000, which bore interest at 12.0% per annum as at 31 December 2017, and is repayable within one year; and (ii) loans from a director with an aggregate amount of THB236,736,000, THB66,780,000 and THB6,780,000 as at 31 December 2016, 2017 and 2018, respectively, which bore interest at 6.0%, 6.0% and 6.0% per annum as at 31 December 2016, 2017 and 2018, respectively, and are repayable on demand.
- (f) During the Relevant Periods, the Group breached a provision of the long-term loan arrangement from financial institutions before the end of reporting period with the effect that the liability became payable on demand. Accordingly, certain long-term borrowings from financial institutions in a total amount of THB60,990,000, which has been settled in 2018, and THB49,976,000 have been reclassified from non-current liabilities to current portion of long-term borrowings under current liabilities as at 31 December 2016 and 2017, respectively. Certain long-term borrowings from financial institutions in a total amount of THB57,985,000 will be settle within one year and has been recorded under current liabilities as at 31 December 2018.

Subsequent to the Relevant Periods, on 17 January 2019, the Group obtained a bank's consent to, among other things, repay certain indebtedness due to a director, on the condition that the share capital of a subsidiary will be increased and fully paid up by the same amount of any repayment made.

24. DEFERRED TAX

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

Group

	Arising from					Net deferred tax assets THB'000
	Effect of the adoption of IFRS 15 THB'000	Defined benefit plan THB'000	Provision for a litigation THB'000	Impairment of inventories THB'000	Others THB'000	
At 1 January 2016	39,494	259	10,102	20,594	–	70,449
Deferred tax credited/ (charged) to profit or loss during the year (note 11)	(15,297)	68	492	–	–	(14,737)
At 31 December 2016 and 1 January 2017	24,197	327	10,594	20,594	–	55,712
Deferred tax credited/ (charged) to profit or loss during the year (note 11)	(10,363)	72	491	–	(162)	(9,962)
Deferred tax charged to other comprehensive income during the year	–	(31)	–	–	–	(31)
At 31 December 2017 and 1 January 2018	13,834	368	11,085	20,594	(162)	45,719
Deferred tax credited/ (charged) to profit or loss during the year (note 11)	(16,877)	67	(11,085)	–	144	(27,751)
Deferred tax credited to other comprehensive income during the year	–	181	–	–	–	181
At 31 December 2018	<u>(3,043)</u>	<u>616</u>	<u>–</u>	<u>20,594</u>	<u>(18)</u>	<u>18,149</u>

Note: There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

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 Relevant Periods are as follows:

Group

	Year ended 31 December		
	2016 THB'000	2017 THB'000	2018 THB'000
At 1 January	1,293	1,635	1,842
Pension cost charged to profit or loss:			
Current service costs	295	305	275
Interest cost	47	58	59
	<u>342</u>	<u>363</u>	<u>334</u>
Net benefit expense			
	<u>342</u>	<u>363</u>	<u>334</u>
Remeasurement losses/(gains) in other comprehensive income:			
Actuarial gains arising from changes in demographic assumptions	–	(1,003)	15
Actuarial losses arising from changes in financial assumptions	–	42	(36)
Actuarial losses arising from experience adjustments	–	805	925
	<u>–</u>	<u>(156)</u>	<u>904</u>
At 31 December	<u>1,635</u>	<u>1,842</u>	<u>3,080</u>

- (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 2016, 2017 and 2018 were carried out at 31 December 2015, 31 December 2017 and 31 December 2018, respectively, 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:

Group

	At 31 December		
	2016	2017	2018
Discount rate	2.97%	2.81%	2.66%
Expected rate of salary increase	6.12%	6.09%	5.79%
Turnover rate			
– Under 40 years old	27.00%	20.00%	17.00%
– 40 to 49 years old	18.00%	17.00%	17.00%
– 50 to 59 years old	0.00%	5.00%	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 each of the Relevant Periods is as follows:

Group

	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 2016				
Discount rate	0.50%	(95)	0.50%	102
Expected rate of salary increase	0.50%	102	0.50%	(96)
Turnover rate	0.50%	(113)	0.50%	35
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2017				
Discount rate	0.50%	(104)	0.50%	111
Expected rate of salary increase	0.50%	104	0.50%	(99)
Turnover rate	0.50%	(116)	0.50%	124
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018				
Discount rate	0.50%	(131)	0.50%	140
Expected rate of salary increase	0.50%	131	0.50%	(125)
Turnover rate	0.50%	(146)	0.50%	155
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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 each of the Relevant Periods.

At 31 December 2016 and 2017, there are no expected contribution to be made within the next 12 months out of the defined benefit obligations. At 31 December 2018, the Group expects to pay THB1,101,000 of the defined benefit obligations during next year.

The average duration of the defined benefit obligations as at 31 December 2016, 2017 and 2018 are 14 years, 13 years and 11 years, respectively.

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 THB 577,000. The Group will reflect the effect of the change by recognising past services costs as expenses in profit or loss for the year ending 31 December 2019.

26. PREFERENCE SHARES OF A SUBSIDIARY

The amount represented preference shares of THB100 each (the "IAH Preference Shares") issued by IAH.

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 Historical Financial Information 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 2018, IAH had a total of 326,400 IAH Preference Shares with a par value of THB100 each totaling THB32,640,000 in issue which were issued on 6 September 2018 (20,400 IAH Preference Shares) and 30 December 2018 (306,000 IAH Preference Shares), and have been fully paid up. No dividend was accrued during the Relevant Periods as the amount is not significant.

Subsequent to the Relevant Periods, on 17 January 2019, IAH allotted and issued a total of 51,000 IAH Preference Shares for a total cash consideration of THB5.1 million.

27. SHARE CAPITAL**Company**

	At 31 December 2018	
	<i>HK\$'000</i>	<i>THB'000</i>
Authorised:		
38,000,000 ordinary shares of HK\$0.01 each	<u>380</u>	
Issued and nil paid:		
1,500,000 ordinary shares of HK\$0.01 each	<u>–</u>	<u>–</u>

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 shares of HK\$0.01 each, of which 1,500,000 shares were allotted and issued nil paid on the same date.

Subsequent to the Relevant Periods, the Company's authorised share capital and issued share capital were increased, further details of which are set out in notes 36(ii) and (iii) to the Historical Financial Information.

28. RESERVES**(a) Group**

(i) The amounts of the Group's reserves and the movements therein for the Relevant Periods are presented in the combined statements of changes in equity.

(ii) Merger reserve

For the purpose of the preparation of the combined statements of financial position, 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.

(b) Company

	Accumulated loss <i>THB'000</i>
At 23 November 2018 (date of incorporation)	–
Loss for the period and total comprehensive loss for the period	<u>(34,626)</u>
At 31 December 2018	<u><u>(34,626)</u></u>

29. NOTE TO THE COMBINED STATEMENTS OF CASH FLOWS

Changes in liabilities arising from financing activities

Group

	Bank and other borrowings		
	Year ended 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
At 1 January	678,321	560,047	325,532
Changes from financing cash flows	(118,493)	(236,132)	(73,249)
Increase/(decrease) in bank overdrafts	<u>219</u>	<u>1,617</u>	<u>(1,931)</u>
At 31 December	<u><u>560,047</u></u>	<u><u>325,532</u></u>	<u><u>250,352</u></u>

30. CONTINGENT LIABILITIES**(a) Corporate guarantees**

At 31 December 2016 and 2017, the Group provided corporate guarantees in respect of certain banking facilities granted to a related company with an aggregate amount of THB75,000,000 and THB65,000,000, respectively. These guarantees were released in November 2018 and the Group did not have any corporate guarantees given as at 31 December 2018.

(b) Bank guarantees

At 31 December 2016, 2017 and 2018, there were outstanding bank guarantees of THB62,000,000, THB124,000,000 and THB102,000,000, respectively, 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.

31. COMMITMENTS

(a) Capital commitments

At 31 December 2017, the Group had capital commitments of THB150,000,000 and THB255,249,000 for the acquisition of the Distribution Right and certain equipment, respectively, in respect of the Distribution Agreement. As a result of entering into the Novation Agreement in October 2018, the Group was released and discharged from all further performance of the Distribution Agreement as at 31 December 2018, further details of which are set out in note 18(a) to the Historical Financial Information.

The Group did not have any material capital commitment as at 31 December 2016 and 2018.

(b) Operating lease commitments

The Group leases certain office premises and equipment under operating lease arrangements, with the leases negotiated with terms ranging from one to three years.

At the end of each of the Relevant Periods, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Group

	At 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
Within one year	1,902	4,395	4,565
In the second to fifth years, inclusive	2,751	6,086	1,981
	<u>4,653</u>	<u>10,481</u>	<u>6,546</u>

32. RELATED PARTY DISCLOSURES

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

Group

	Year ended 31 December		
	2016	2017	2018
	<i>THB'000</i>	<i>THB'000</i>	<i>THB'000</i>
<u>Transactions with a director of the Company</u>			
Interest expenses (<i>note</i>)	16,612	11,095	2,745

Note: The interest expenses were paid and payable to a director of the Company in respect of certain loans granted to the Group, further details of which are set out in note 23(e)(ii) to the Historical Financial Information.

(b) Other than the balances with related parties as disclosed in notes 21 and 23(e)(ii) to the Historical Financial Information, the Group had no outstanding balances with related parties as at the end of each of the Relevant Periods.

The amount due to a subsidiary by the Company as at 31 December 2018 is unsecured, interest-free and repayable on demand.

(c) Details of the guarantees and pledged assets given by related parties in respect of the Distribution Agreement and the Group's bank loans are set out in notes 18(a), 23(b) and 23(d) to the Historical Financial Information.

Details of the corporate guarantees given by the Group in respect of certain banking facilities granted to a related company are set out in note 30(a) to the Historical Financial Information.

- (d) The compensation of the key management personnel of the Group for each of the Relevant Periods is summarised as follows:

Group

	Year ended 31 December		
	2016	2017	2018
	THB'000	THB'000	THB'000
Short term employee benefits	7,787	10,303	13,787
Post-employee benefits	–	488	665
Total compensation paid and payable to key management personnel	7,787	10,791	14,452

33. FINANCIAL INSTRUMENTS BY CATEGORIES

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

34. 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.

35. 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) foreign currency risk, (c) credit risk and (d) 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 2016, 2017 and 2018 would decrease/increase by THB3,895,000, THB2,723,000 and THB1,809,000, respectively.

(b) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group considers itself no foreign currency risk because it has no significant foreign currency transactions, and no significant monetary assets and liabilities denominated in foreign currencies outstanding at the end of each of the Relevant Periods.

(c) 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.

(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 debtor. The ECL also incorporate forward looking information such as forecast of economic conditions. The loss allowance provision as at 31 December 2016, 2017 and 2018 is determined using rates at 0.02%, 0.02% and 0.02% to 0.28%, respectively. Since the loss on collection is not material hence no additional provision is considered.

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

(ii) Other receivables and deposits carried at amortised cost

The Group provides for 12-month ECL for all financial assets included in other receivables and deposits at initial recognition. Where there is a significant deterioration in credit risk or when the 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 historical data and management's analysis, loss on collection is not material hence no provision is considered.

There were no financial assets included in other receivables and deposits written off during the Relevant Periods.

Exposure to credit risk

The Group's maximum exposure to credit risk at the end of each of the Relevant Periods is represented by the carrying amount of contract assets and financial assets as disclosed in notes 5, 17 and 18 to the Historical Financial Information.

Credit risk concentration profile

The trade receivables of the Group were all from Thailand, which comprised a major debtor that individually represented 99% and 61% of trade receivables as at 31 December 2016 and 2017, respectively. As at 31 December 2018, the trade receivables comprised two major debtors that together represented 98% of trade receivables.

(d) 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 each of the Relevant Periods, assets held by the Group for managing liquidity risk include cash and bank balances as disclosed in note 19 to the Historical Financial Information.

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. 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:

Group

	On demand <i>THB'000</i>	Less than one year <i>THB'000</i>	One to five years <i>THB'000</i>	Total <i>THB'000</i>
At 31 December 2016				
Trade payables	–	18,005	–	18,005
Other payables and accruals	39,570	1,371	–	40,941
Bank and other borrowings	243,910	215,561	122,837	582,308
	<u>283,480</u>	<u>234,937</u>	<u>122,837</u>	<u>641,254</u>
At 31 December 2017				
Trade payables	–	53,833	–	53,833
Other payables and accruals	50,665	2,240	–	52,905
Bank and other borrowings	75,572	217,221	45,865	338,658
	<u>126,237</u>	<u>273,294</u>	<u>45,865</u>	<u>445,396</u>
At 31 December 2018				
Trade payables	–	59,957	–	59,957
Other payables and accruals	48,975	14,665	–	63,640
Bank and other borrowings	13,640	211,854	38,423	263,917
	<u>62,615</u>	<u>286,476</u>	<u>38,423</u>	<u>387,514</u>

Note: The preference shares of a subsidiary are non-redeemable and perpetual in nature. Therefore, the financial liabilities arising from preference shares of a subsidiary over five years are not disclosed.

(e) 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 Relevant Periods.

36. EVENTS AFTER THE RELEVANT PERIODS

Save as disclosed in notes 2.1(b) and 18(a) to the Historical Financial Information, the Group had the following significant events subsequent to the Relevant Periods:

- (i) On 17 January 2019, IAH allotted and issued additional 49,000 ordinary shares of THB100 each and 51,000 preference shares of THB100 each to its then shareholders for a total cash consideration of THB10,000,000. There was no change in the percentage of equity interest in IAH held by the Group following the completion of these transactions;
- (ii) On 17 June 2019, the Company increased its authorised share capital from HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 ordinary shares of HK\$0.01 each; and
- (iii) On 17 June 2019, pursuant to a sale and purchase agreement entered into between Mr. Prapan Asvaplunghroh, 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 Info Asset Holding Limited 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, Info Asset Holding Limited became a wholly-owned subsidiary of the Company and the Company's issued share capital was increased to HK\$15,000 (equivalent to approximately THB61,000).

II. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company, the Group or any of the companies now comprising the Group in respect of any period subsequent to 31 December 2018.

The information set forth in this appendix does not form part of the Accountants' Report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only.

The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" of this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted combined net tangible assets prepared by the directors of the Company in accordance with rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants and on the basis of the notes set out below, is set forth to illustrate the effect of the Share Offer on the combined net tangible assets of the Group attributable to shareholders of the Company as if it had taken place on 31 December 2018. The unaudited pro forma statement of adjusted combined net tangible assets of the Group attributable to shareholders of the Company has been prepared for illustration purpose only and, because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of the Group as at 31 December 2018 or any future dates had the Share Offer been completed on those dates.

	Unaudited					
	Combined net assets of the Group attributable to shareholders of the Company as at 31 December 2018	Less: Computer software of the Group attributable to shareholders of the Company as at 31 December 2018	Add: Estimated net proceeds from the Share Offer	Pro forma adjusted combined net tangible assets of the Group attributable to shareholders of the Company immediately after completion of the Share Offer	Pro forma adjusted combined net tangible assets of the Group attributable to shareholders of the Company immediately after completion of the Share Offer	
	THB'000 (note 1)	THB'000 (note 1)	THB'000 (note 2)	THB'000	THB (note 4)	HK\$ equivalent (note 5)
Based on the minimum indicative offer price of HK\$1.25 per Offer Share	82,191	(424)	405,289	487,056	1.22	0.30
Based on the maximum indicative offer price of HK\$1.55 per Offer Share	82,191	(424)	520,357	602,124	1.51	0.37

Notes:

- (1) The combined net assets of the Group attributable to shareholders of the Company and the computer software of the Group attributable to shareholders of the Company as at 31 December 2018 are extracted from the Accountants' Report set out in Appendix I to this prospectus.
- (2) The estimated net proceeds from the Share Offer are based on the minimum and maximum indicative offer prices of HK\$1.25 and HK\$1.55 per Offer Share, respectively, and after deduction of the estimated underwriting fees and other listing expenses payable by our Company (excluding listing expenses of approximately THB34,626,000 which have been recognised in profit or loss prior to 31 December 2018). The estimated net proceeds are converted into THB at the rate of HK\$1 = THB4.0378.
- (3) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group attributable to shareholders of the Company to reflect any trading results or other transactions of our Group entered into subsequent to 31 December 2018.
- (4) The number of Shares used for the calculation of the unaudited pro forma adjusted combined net tangible assets of the Group attributable to shareholders of the Company per Share is calculated based on 400,000,000 Shares in issue upon completion of the Share Offer, which comprises the existing 1,500,000 Shares in issue as at the date of this prospectus, 298,500,000 Shares to be issued pursuant to the Capitalisation Issue and 100,000,000 Shares to be issued pursuant to the Share Offer, but without taking into account any Shares which may be issued as a result of the exercise of the Over-allotment Option, or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares.
- (5) The HK\$ equivalent amount is converted at the rate of HK\$1 = THB4.0378.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the Company's reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of inclusion in this prospectus.



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To the directors of Platt Nera International Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Platt Nera International Limited (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The pro forma financial information (the “Pro Forma Financial Information”) consists of the pro forma combined net tangible assets of the Group attributable to shareholders of the Company as at 31 December 2018 and related notes as set out in section A of Appendix II to the prospectus dated 28 June 2019 (the “Prospectus”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in section A of Appendix II to the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Share Offer (as defined in the Prospectus) of the Company on the Group's financial position as at 31 December 2018, as if the transaction had taken place on 31 December 2018. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2018, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline (“AG”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by rule 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with rule 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Share Offer of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to rule 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young
Certified Public Accountants
Hong Kong
28 June 2019

**APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY
AND CAYMAN ISLANDS COMPANY LAW**

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 23 November 2018 under the Companies Law. The Company's constitutional documents consist of its Memorandum of Association and its Articles of Association.

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on 17 June 2019 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned

meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may by ordinary resolution of its members:

- (i) increase its share capital by the creation of new shares;
- (ii) consolidate all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are listed on the Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares. The register of members in respect of its listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by Section 40 of the Companies Law in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

The board may accept the surrender for no consideration of any fully paid share.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent (20%) per annum as the board determines.

(b) Directors*(i) Appointment, retirement and removal*

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then 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. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

- (aa) he resigns by notice in writing delivered to the Company;
- (bb) he becomes of unsound mind or dies;
- (cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

- (ee) he is prohibited from being a director by law; or
- (ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or past Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

The board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the

Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or
- (ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of members

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings and extraordinary general meetings

The Company must hold an annual general meeting of the Company every year within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of the Stock Exchange.

Extraordinary general meetings may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition

shall be made in writing to the board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the board shall be reimbursed to the requisitionist(s) by the Company.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to, among others, the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

- (aa) the declaration and sanctioning of dividends;
- (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
- (cc) the election of directors in place of those retiring;
- (dd) the appointment of auditors and other officers; and
- (ee) the fixing of the remuneration of the directors and of the auditors.

(v) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(f) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by special resolution remove the auditor at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another auditor for the remainder of his term. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees

upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the “**Court**”), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company’s shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm’s-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company’s articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the

treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the

company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to the Tax Concessions Law of the Cayman Islands, the Company has obtained an undertaking:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and
- (2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 30 November 2018.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. A branch register must be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within sixty (60) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, more than 25% of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands. Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange. Accordingly, for so long as the shares of the Company are listed on the Stock Exchange, the Company is not required to maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or

where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

(u) Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Law, 2018 of the Cayman Islands (the "ES Law") that came into force on 1 January 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Law. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is a tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Law.

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix V to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

FURTHER INFORMATION ABOUT OUR GROUP**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 23 November 2018.

As our Company is incorporated in the Cayman Islands, we are subject to the relevant laws of the Cayman Islands and our constitution which comprises a memorandum of association and an articles of association. A summary of the relevant aspects of the Cayman Islands company law and certain provisions of our constitution are set out in Appendix III to this prospectus.

2. Changes in the share capital of our Company

The following alterations in the share capital of our Company have taken place within the two years immediately preceding the date of this prospectus:

- (a) On 23 November 2018, our Company was incorporated with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares with a par value of HK\$0.01 each. Upon incorporation, one Share was allotted and issued nil paid to the initial subscriber and was transferred to Mr. Asvaplungprohm at nil consideration on the same date.
- (b) On 23 November 2018, 1,499,999 Shares were allotted and issued nil paid to Mr. Asvaplungprohm, Mr. Archadechopon and Ms. Talomsin in the following manner:

Shareholders	Number of Shares
Mr. Asvaplungprohm	1,439,999
Mr. Archadechopon	30,000
Ms. Talomsin	30,000

- (c) On 17 June 2019, the 1,500,000 nil-paid Shares were credited as fully paid up by Mr. Asvaplungprohm, Mr. Archadechopon and Ms. Talomsin.
- (d) Pursuant to a resolution in writing passed by our Shareholder on 17 June 2019, the authorised share capital of our Company was increased from HK\$380,000 to HK\$100,000,000 by the creation of a further 9,962,000,000 Shares.

Immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be issued under the Over-allotment Option), 400,000,000 Shares will be issued fully paid or credited as fully paid, and 9,600,000,000 Shares will remain unissued. Our Directors do not have any present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed herein and in paragraphs 3 and 4 below, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of the sole Shareholder passed on 17 June 2019

On 17 June 2019, pursuant to resolutions in writing passed by the sole Shareholder:

- (a) the authorised share capital of our Company was increased from HK\$380,000 to HK\$100,000,000 by the creation of a further 9,962,000,000 Shares;
- (b) the Memorandum of Association was adopted with immediate effect;
- (c) the Articles of Association were conditionally adopted with effect from the Listing Date; and
- (d) conditional on the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on the Main Board and on the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of those agreements or otherwise, in each case on or before the day falling 30 days after the date of this prospectus:
 - (i) the Share Offer and the grant of the Over-allotment Option (which shall be exercisable by the Sole Bookrunner on behalf of the Placing Underwriters) were approved and our Directors were authorised to approve the allot and issue the Offer Shares pursuant to the Share Offer and such number of Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option;
 - (ii) conditional on the share premium account of our Company being credited as a result of the Share Offer, our Directors were authorised to capitalise HK\$2,985,000 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 298,500,000 Shares for allotment and issue to Shareholder(s) whose name(s) appear(s) on the register of members of our Company at the close of business of the Business Day immediately preceding the Listing Date in proportion (as nearly as possible without involving fractions) to its/their then existing shareholdings in our 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 (other than the right to participate in the Capitalisation Issue) and our Directors are hereby authorised to give effect to such capitalisation;
 - (iii) a general unconditional mandate was given to our Directors to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements in accordance with the Articles of Association, or under the Share Offer or the Capitalisation Issue, Shares with an aggregate nominal amount of not exceeding the sum of (aa) 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion

of the Share Offer and the Capitalisation Issue (but excluding (where applicable) any Shares which may be issued pursuant to the exercise of the Over-allotment Option), and (bb) the aggregate nominal amount of the share capital of our Company which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in paragraph (v) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association, the Companies Law or any applicable laws of the Cayman Islands to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to our Directors, whichever occurs first (the “**Applicable Period**”);

- (iv) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to purchase Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue and to be issued immediately following completion of the Share Offer and the Capitalisation Issue (but excluding (where applicable) any Shares which may be issued pursuant to the exercise of the Over-allotment Option until expiry of the Applicable Period; and
- (v) the extension of the general mandate to allot, issue and deal with Shares to include the nominal amount of Shares which may be purchased or repurchased pursuant to paragraph (iv) above.

4. Corporate reorganisation

We underwent the Reorganisation to rationalise our Group’s structure in preparation for the Listing and our Company became the holding company of our Group. Please refer to the paragraph headed “Reorganisation” under the section headed “History, Reorganisation and corporate structure” of this prospectus for further details.

5. Particulars of our subsidiaries

Our Group comprises our Company and six subsidiaries. Please refer to the Accountants’ Report set out in Appendix I to this prospectus for a summary of the corporate information of these companies.

6. Changes in share capital of our subsidiaries

Save as disclosed in the section headed “History, Reorganisation and corporate structure” of this prospectus, there has been no alteration in the share capital of our subsidiaries within the three years immediately preceding the date of this prospectus.

7. Repurchase by our Company of our own securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

(a) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

(b) Core connected persons

The Listing Rules prohibit a company from knowingly repurchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or his or her close associates and a core connected person shall not knowingly sell his securities to such a company.

(c) Source of funds

Repurchases must be paid out of funds legally available for the purpose in accordance with the Memorandum and the Articles, the Listing Rules and the Companies Law. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Under the laws of the Cayman Islands, any repurchases by our Company may be made out of profits or out of amounts standing to the credit of our share premium account or out of the proceeds of a fresh issue of the Shares for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of the Shares to be purchased must be paid out of the profits of our Company or out of amounts standing to the credit of our share premium account of our Company. Subject to satisfaction of the solvency test prescribed by the Companies Law, a repurchase may also be made out of capital.

On the basis of our current financial position as disclosed in this prospectus and taking into account our current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on our working capital and/or gearing position as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Repurchase Mandate, on the basis of 400,000,000 Shares in issue immediately after the Listing, would result in up to 40,000,000 Shares being repurchased by us during the period in which the Repurchase Mandate remains in force.

(d) Status of repurchased Shares

The listing of all repurchased Shares (whether offered on the Stock Exchange or otherwise) on the Main Board will automatically be cancelled and the certificates for those Shares shall be cancelled and destroyed.

(e) Trading restrictions

The total number of shares which a listed company may repurchase on the Main Board is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the Company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Main Board. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant minimum prescribed percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(f) Suspension of repurchase

A listed company may not make any repurchase of securities on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarter-year or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year, half-year or quarter-year under the Listing Rules, or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Main Board if a listed company has breached the Listing Rules.

(g) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(h) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if our Directors believe that such repurchases will benefit our Company and our Shareholders.

(i) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

No core connected person (as defined in the Listing Rules) of our Company has notified our Company that he has a present intention to sell Shares to our Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

8. Registration under the Companies Ordinance

Our Company is a registered non-Hong Kong company as defined under the Companies Ordinance with a principal place of business in Hong Kong at Rooms 911-912, Wing On Centre, 111 Connaught Road Central, Hong Kong on 23 January 2019. Ms. Cheung Chit San and Ms. Choy Yee Man have been appointed as our agent for acceptance of service of process in Hong Kong. The address for service of process and notices on our Company is the same as the address of our principal place of business in Hong Kong.

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP**9. Summary of material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Group within the two years preceding the date of this prospectus and are or may be material:

- (a) the share transfer document dated 1 October 2018 entered into between Prapan Asvaplunghrohm as transferor and IAH as transferee, pursuant to which IAH acquired 1,379,954 shares of Platt Nera Co., Ltd. from Prapan Asvaplunghrohm for a cash consideration of THB3,725,876;
- (b) the share transfer document dated 1 October 2018 entered into between Wutipphan Lohaphantakit as transferor and IAH as transferee, pursuant to which IAH acquired 59,998 shares of Platt Nera Co., Ltd. from Wutipphan Lohaphantakit for a cash consideration of THB161,995;
- (c) the share transfer document dated 1 October 2018 entered into between Wison Archadechopon as transferor and IAH as transferee, pursuant to which IAH acquired 29,999 shares of Platt Nera Co., Ltd. from Wison Archadechopon for a cash consideration of THB80,998;
- (d) the share transfer document dated 1 October 2018 entered into between Aranya Talomsin as transferor and IAH as transferee, pursuant to which IAH acquired 29,999 shares of Platt Nera Co., Ltd. from Aranya Talomsin for a cash consideration of THB80,998;
- (e) the Novation Agreement dated 15 October 2018 entered into between Sigfox, Platt Nera Co. Ltd. and Things On Net as detailed in the paragraph headed “Novation Agreement with Sigfox and Things On Net” under the section headed “Relationship with our Controlling Shareholders” of this prospectus;
- (f) the share transfer document dated 29 November 2018 entered into between IAH as transferor and Prapan Asvaplunghrohm as transferee, pursuant to which Prapan Asvaplunghrohm acquired 874 shares of Platt Nera Co., Ltd. from IAH for a cash consideration of THB10,051;
- (g) the share transfer document dated 29 November 2018 entered into between IAH as transferor and Wutipphan Lohaphantakit as transferee, pursuant to which Wutipphan Lohaphantakit acquired 38 shares of Platt Nera Co., Ltd. from IAH for a cash consideration of THB437;
- (h) the share transfer document dated 29 November 2018 entered into between IAH as transferor and Wison Archadechopon as transferee, pursuant to which Wison Archadechopon acquired 19 shares of Platt Nera Co., Ltd. from IAH for a cash consideration of THB219;

- (i) the share transfer document dated 29 November 2018 entered into between IAH as transferor and Aranya Talomsin as transferee, pursuant to which Aranya Talomsin acquired 19 shares of Platt Nera Co., Ltd. from IAH for a cash consideration of THB219;
- (j) the memorandum of agreement dated 28 December 2018 entered into among Platt Nera Co., Ltd., Things On Net and Prapan Asvaplungprohm, pursuant to which, among other things, Platt Nera Co., Ltd. agreed to transfer certain assets on Sigfox project to Things On Net;
- (k) the amendment to the memorandum of agreement dated 28 December 2018 entered into among Platt Nera Co., Ltd., Things On Net and Prapan Asvaplungprohm dated 14 January 2019, pursuant to which (i) a paragraph was added to set out the total consideration for the transfer of the assets under the memorandum of agreement as set out in paragraph (j) above (the “**Memorandum**”), and the basis for the determination of this consideration and (ii) another paragraph was added to set out the amount agreed to be settled by Things On Net in cash upon completion of the transfer of certain assets under the Memorandum;
- (l) the share transfer document dated 17 January 2019 entered into between Prapan Asvaplungprohm as transferor and IAH as transferee, pursuant to which IAH acquired 1,347 shares of Platt Nera Co., Ltd. from Prapan Asvaplungprohm for a cash consideration of THB3,637;
- (m) the share transfer document dated 17 January 2019 entered into between Wutipphan Lohaphantakit as transferor and IAH as transferee, pursuant to which IAH acquired 59 shares of Platt Nera Co., Ltd. from Wutipphan Lohaphantakit for a cash consideration of THB160;
- (n) the share transfer document dated 17 January 2019 entered into between Wison Archadechopon as transferor and IAH as transferee, pursuant to which IAH acquired 29 shares of Platt Nera Co., Ltd. from Wison Archadechopon for a cash consideration of THB79;
- (o) the share transfer document dated 17 January 2019 entered into between Aranya Talomsin as transferor and IAH as transferee, pursuant to which IAH acquired 29 shares of Platt Nera Co., Ltd. from Aranya Talomsin for a cash consideration of THB79;
- (p) the share transfer document dated 17 January 2019 entered into between Prapan Asvaplungprohm as transferor and PNS1(BVI) as transferee, pursuant to which PNS1(BVI) acquired one share of Platt Nera Co., Ltd. from Prapan Asvaplungprohm for a cash consideration of THB3;

- (q) the share transfer document dated 17 January 2019 entered into between Prapan Asvaplungprohm as transferor and PNS2(BVI) as transferee, pursuant to which PNS2(BVI) acquired one share of Platt Nera Co., Ltd. from Prapan Asvaplungprohm for a cash consideration of THB3;
- (r) the share transfer document dated 23 January 2019 entered into between Prapan Asvaplungprohm as transferor and IAH (BIC) as transferee, pursuant to which IAH (BIC) acquired 333,592 shares of IAH from Prapan Asvaplungprohm for a cash consideration of THB333,592;
- (s) the share transfer document dated 23 January 2019 entered into between Wutipphan Lohaphantakit as transferor and IAH (BIC) as transferee, pursuant to which IAH (BIC) acquired 14,504 shares of IAH from Wutipphan Lohaphantakit for a cash consideration of THB14,504;
- (t) the share transfer document dated 23 January 2019 entered into between Wison Archadechopon as transferor and IAH (BIC) as transferee, pursuant to which IAH (BIC) acquired 7,252 shares of IAH from Wison Archadechopon for a cash consideration of THB7,252;
- (u) the share transfer document dated 23 January 2019 entered into between Aranya Talomsin as transferor and IAH (BIC) as transferee, pursuant to which IAH (BIC) acquired 7,252 shares of IAH from Aranya Talomsin for a cash consideration of THB7,252;
- (v) the amendment to the memorandum of agreement dated 28 December 2018 entered into among Platt Nera Co., Ltd., Things On Net and Prapan Asvaplungprohm dated 14 March 2019, pursuant to which, among other things, the completion date of the transfer of certain assets on Sigfox project from Platt Nera Co., Ltd. to Things On Net was extended to 31 May 2019 or before Listing, whichever is earlier;
- (w) the sale and purchase agreement dated 17 June 2019 entered into between Prapan Asvaplungprohm, Wison Archadechopon and Aranya Talomsin as vendors and the Company as purchaser, pursuant to which the Company acquired all the issued shares of IAH (BIC) from Prapan Asvaplungprohm, Wison Archadechopon and Aranya Talomsin respectively and in consideration the Company credited as fully paid at par the (i) 1,440,000 nil-paid Shares held by Prapan Asvaplungprohm, (ii) 30,000 nil-paid Shares held by Aranya Talomsin, and (iii) 30,000 nil-paid Shares held by Wison Archadechopon;
- (x) the Deed of Indemnity; and
- (y) the Public Offer Underwriting Agreement.

10. Intellectual property rights of our Group*(a) Trademark*

As of the Latest Practicable Date, our Group had registered the following trademark in relation to our Group's business:

No.	Trademark	Registered owner	Trademark no.	Place of registration	Classes	Expiry date
1.		Platt Nera	304672495	Hong Kong	9, 35, 36, 37, 38, 42	17 September 2028

(b) Domain name

As of the Latest Practicable Date, our Group was the registrant of the following domain name:

Domain name	Registrant	Date of registration	Expiry date
www.plattnera.com	Platt Nera	21 September 2018	21 September 2019

FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**11. Disclosure of interests***(a) Particulars of Directors' service contracts**Executive Directors*

Each of our executive Directors has entered into a service contract with our Company pursuant to which each of them agreed to act as an executive Director for an initial term of three years commencing from the Listing Date until terminated by not less than three months' notice in writing served by either party on the other.

Each of these executive Directors is entitled to a basic salary subject to an annual review by the remuneration committee of the Board during the term. In addition, each of our executive Directors is also entitled to a discretionary management bonus to be recommended by the remuneration committee of the Board and as approved by the majority of the Board. An executive Director may not vote on any resolution of our Directors regarding the amount of the management bonus payable to him. The annual salaries of the executive Directors (excluding any discretionary bonus) provided under the service contracts are as follows:

Name	Annual salary (THB)
Mr. Asvaplungprohm	4,440,000
Mr. Archadechopon	3,326,160

Independent non-executive Directors

Each of the independent non-executive Directors has been appointed for an initial term of three years commencing from the Listing Date. Our Company intends to pay an aggregate directors' fees of about HK\$480,000 and THB984,000 per annum to our three independent non-executive Directors.

Save for directors' fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Save as aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

(b) Directors' remuneration

The remuneration of each Director is determined by reference to market terms, seniority, his experiences, duties and responsibilities within our Group. Our Directors are entitled to statutory benefits as required by applicable laws from time to time.

- (i) During the three years ended 31 December 2018, the aggregate emoluments paid by our Group to our Directors were approximately THB3,168,000, THB5,810,000 and THB8,572,000, respectively.
- (ii) Under the arrangements currently in force, the aggregate emoluments (excluding any discretionary bonus) payable by our Group to our Directors for the year ending 31 December 2019 are estimated to be approximately THB9.5 million.

- (iii) None of our Directors or any past directors of any member of our Group has been paid any sum of money during the Track Record Period as (i) an inducement to join or upon joining our Company; or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (iv) There has been no arrangement under which a Director has waived or agreed to waive any emoluments during the Track Record Period.
- (c) ***Interests and short positions of Directors and chief executive in the shares, underlying shares or debentures of our Company and our associated corporations***

Immediately following the completion of the Capitalisation Issue and the Share Offer and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the interests and short positions of our Directors and chief executive of our Company in the shares, underlying shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO to be entered in the register referred to therein, or which will be required to notify our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

The Company

Name	Nature of interest	Number of Shares upon Listing ^(Note 1)	Percentage of shareholding upon Listing
Mr. Asvaplungprohm	Interest held jointly with other persons; interest in a controlled corporation ^(Note 2)	300,000,000 (L)	75%
Mr. Archadechopon	Interest held jointly with other persons; interest in a controlled corporation ^(Note 2)	300,000,000 (L)	75%

Notes:

- The letter "L" denotes a long position in the shareholder's interest in the share capital of our Company.
- The Company will be held as to 75% by Pynk immediately following the completion of the Capitalisation Issue and Share Offer (without taking into account any Shares which may be allotted and issued upon exercise of the Over-allotment Option). Pynk is held as to 96% by Mr. Asvaplungprohm, 2% by Mr. Archadechopon and 2% by Ms. Talomsin.

Associated corporation

Name of Director	Name of associated corporations	Nature of interest	Number and class of securities in the associated corporation ^(Note 1)	Percentage of interest in the associated corporation
Mr. Asvaplungprohm	Pynk	Beneficial owner	300,000,000 (L)	96%
Mr. Archadechopon	Pynk	Beneficial owner	300,000,000 (L)	2%

Note:

- The letter "L" denotes a long position in the shareholder's interest in the share capital of the relevant associated corporation.

12. Interest discloseable under the SFO and substantial shareholders

So far as is known to our Directors and chief executive of our Company, immediately following the completion of the Capitalisation Issue and the Share Offer (but without taking account any Shares which may be taken up under the Share Offer and without taking into account any Shares which may be issued pursuant to the exercise of the Over-allotment Option), the following persons (other than our Directors or chief executive officer of our Company) will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be expected, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

Name	Nature of interest	Number of Shares upon Listing ^(Note 1)	Percentage of shareholding upon Listing
Pynk	Beneficial owner ^(Note 2)	300,000,000 (L)	75%
Ms. Talomsin	Interest held jointly with other persons; interest in a controlled corporation ^(Note 3)	300,000,000 (L)	75%

Notes:

- The letter "L" denotes a long position in the shareholder's interest in the share capital of our Company.
- Pynk is directly interested in 75% in our Company (without taking into account any Shares which may be allotted and issued upon any exercise of the Over-allotment Option).
- Pynk is held as to 96% by Mr. Asvaplungprohm, 2% by Mr. Archadechopon, and 2% by Ms. Talomsin.

13. Connected transactions and related party transactions

Save as disclosed in the sections headed “Business”, “Relationship with our Controlling Shareholders”, note 31 to the Accountants’ Report, the text of which is set out in Appendix I to this prospectus during the three years immediately preceding the date of this prospectus, our Group has not engaged in any other material connected transactions or related party transactions.

14. Disclaimers

- (a) Taking no account of any Shares which may be taken up or acquired under the Share Offer, our Directors are not aware of any person who, save as disclosed in paragraph 12 in this appendix, will, immediately following the completion of the Capitalisation Issue and the Share Offer, have an interest or a short position in Shares or underlying shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group;
- (b) Save as disclosed in paragraph 11(c) in this appendix, none of our Directors has for the purpose of Divisions 7 and 8 of Part XV of the SFO or the Listing Rules, nor is any of them taken to or deemed to have under such provisions of the SFO, any interests or short position in the Shares or underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) or any interests which will have to be entered in the register to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, once the Shares are listed on the Main Board;
- (c) None of our Directors nor the experts named in paragraph 20 of this appendix has been interested in the promotion of, or has any direct or indirect interest in any assets acquired or disposed of by or leased to, any member of our Group within the two years immediately preceding the date of this prospectus, or which are proposed to be acquired or disposed of by or leased to any member of our Group nor will any Director apply for Shares either in his own name or in the name of a nominee;
- (d) Save in connection with the Underwriting Agreements, the material contracts referred to in paragraph 9 of this appendix and the service agreements and letters of appointments referred to in paragraph 11(a) of this appendix, none of our Directors nor the experts named in paragraph 20 of this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole; and
- (e) None of the experts named in paragraph 20 in this appendix has any shareholding in any member in our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member in our Group.

OTHER INFORMATION**15. Estate duty, tax and other indemnities**

Our Controlling Shareholders (collectively, the “**Indemnifiers**”) have executed the Deed of Indemnity in favour of our Company (for itself and as trustee for each of its present subsidiaries).

Pursuant to the Deed of Indemnity, the Indemnifiers have agreed to jointly and severally indemnify each of the members of our Group against the following:

- (a) tax liabilities (including all duties, estate duties, fines, penalties, costs, charges, expenses and interests incidental or relating to taxation) which might be payable by any member of our Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such tax liabilities are chargeable against or attributable to any other person, firm, company or corporation;
- (b) any expenses, payments, sums, outgoing, fees, demands, claims, damages, losses, costs (including but not limited to legal and other professional costs), charges, liabilities, fines, penalties in connection with any failure, delay or defects of corporate or regulatory compliance or errors, discrepancies or missing documents in the statutory records of any member of our Group under, or any breach of any provision of, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance or any other applicable laws, rules or regulations on or before the Listing Date;
- (c) all claims, payments, suits, damages, settlements, sums, outgoing, fees, losses and any associated costs and expenses which would be incurred or suffered directly or indirectly, from or on the basis of or in connection with the legal proceedings and non-compliance matters by any member of our Group as described in the paragraph headed “20. Litigation and legal matters” under the section headed “Business” in this prospectus or in connection with any other non-compliance of any member of our Group which has occurred at any time on or before the Listing Date; and
- (d) any liability for estate duty which might be incurred by any member of our Group and/or its associated companies by reason of any relevant transfer to any member of our Group on or before the Listing Date.

The Indemnifiers are under no liability under the Deed of Indemnity in respect of any taxation:

- (a) to the extent that provision or reserve has been made for such taxation in the audited accounts of any member of our Group for any accounting period up to 31 December 2018;

- (b) to the extent that such taxation or liability falling on any of the members of our Group in respect of any accounting period commencing on or after 1 January 2019 and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily entered into by, any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, other than any such act, omission or transaction:
- (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before the Listing Date; and
 - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before the Listing Date or pursuant to any statement of intention made in the prospectus; or
- (c) to the extent that such taxation liabilities or claim arise or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the taxation authority of Thailand, or any other relevant authority (whether in Hong Kong or Thailand or any other part of the world) coming into force after the date of the Deed of Indemnity or to the extent such claim arises or is increased by an increase in rates of taxation after the date of the Deed of Indemnity with retrospective effect; or
- (d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to 31 December 2018 which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifiers' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

16. Litigation

Save as disclosed in the paragraph headed "20. Litigation and legal matters" under the section headed "Business" of this prospectus, as at the Latest Practicable Date, neither our Company nor any of its subsidiaries is engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company or any of its subsidiaries, that would have a material adverse effect on the results of operations or financial condition of our Group.

17. Sponsor

The Sponsor has made an application for and on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus. The Sponsor is independent of our Company in accordance with Rule 3A.07 of the Listing Rules.

The Sponsor will be paid by the Company a total fee of HK\$5.5 million to act as the sponsor to the Company in connection with the Share Offer.

18. Preliminary expenses

The estimated preliminary expenses of our Company in relation to the incorporation of our Company were approximately HK\$43,797 and were paid by us.

19. Promoters

Our Company has no promoter for the purpose of the Listing Rules.

20. Qualifications of experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinion and/or advice in this prospectus are as follows:

Name	Qualification
Altus Capital Limited	A licensed corporation to carry on for Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO
Wissen & Co Ltd.	Legal adviser to the Company as to Thailand law
Siamrapee Law Office	Legal adviser to the Company as to the FTTx case
Conyers Dill & Pearman	Legal adviser to the Company as to Cayman Islands law
Ernst & Young	Certified public accountants
Euromonitor International Limited	Independent industry consultant

21. Consent of experts

Each of the experts named in paragraph 20 has given and has not withdrawn its written consents to the issue of this prospectus with the inclusion of its views, report, letter, valuation, opinion or summaries of opinion (as the case may be) and the references to its names included herein in the form and context in which they respectively appear.

22. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

23. Miscellaneous

- (a) Save as disclosed in the sections headed “History, Reorganisation and corporate structure” and “Structure and conditions of the Share Offer” of this prospectus and paragraph 2 in this appendix within two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries; and
 - (iii) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any Share in our Company or any of its subsidiaries;
- (b) No share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (c) There has been no material adverse change in the financial position or prospects of our Group since 31 December 2018 (being the date to which the latest unaudited combined financial information of our Group were made up);
- (d) There has not been any interruption in the business of our Group which may have or has had a material adverse effect on the financial position of our Group;
- (e) There is no arrangement under which future dividends are waived or agreed to be waived;

- (f) There are no founder, management or deferred shares in our Company or any of its subsidiaries;
- (g) We do not have any outstanding convertible debt securities or debentures;
- (h) No securities of our Group are listed, and no listing of any such securities is proposed to be sought, on any other stock exchange;
- (i) All necessary arrangements have been made to enable the Shares to be admitted into CCASS; and
- (j) None of the debt and equity securities of the companies comprising our Group is presently listed on any stock exchange or traded on any trading system.

24. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) copies of the **WHITE, YELLOW** and **GREEN** Application Forms;
- (b) the written consents referred to in the paragraph headed “21. Consent of experts” under the section headed “Statutory and general information” in Appendix IV to this prospectus; and
- (c) a copy of each of the material contracts referred to in the paragraph headed “9. Summary of material contracts” under the section headed “Statutory and general information” in Appendix IV to this prospectus.
- (d) the statement of adjustments referred to in the paragraph headed “Documents available for inspection” below.

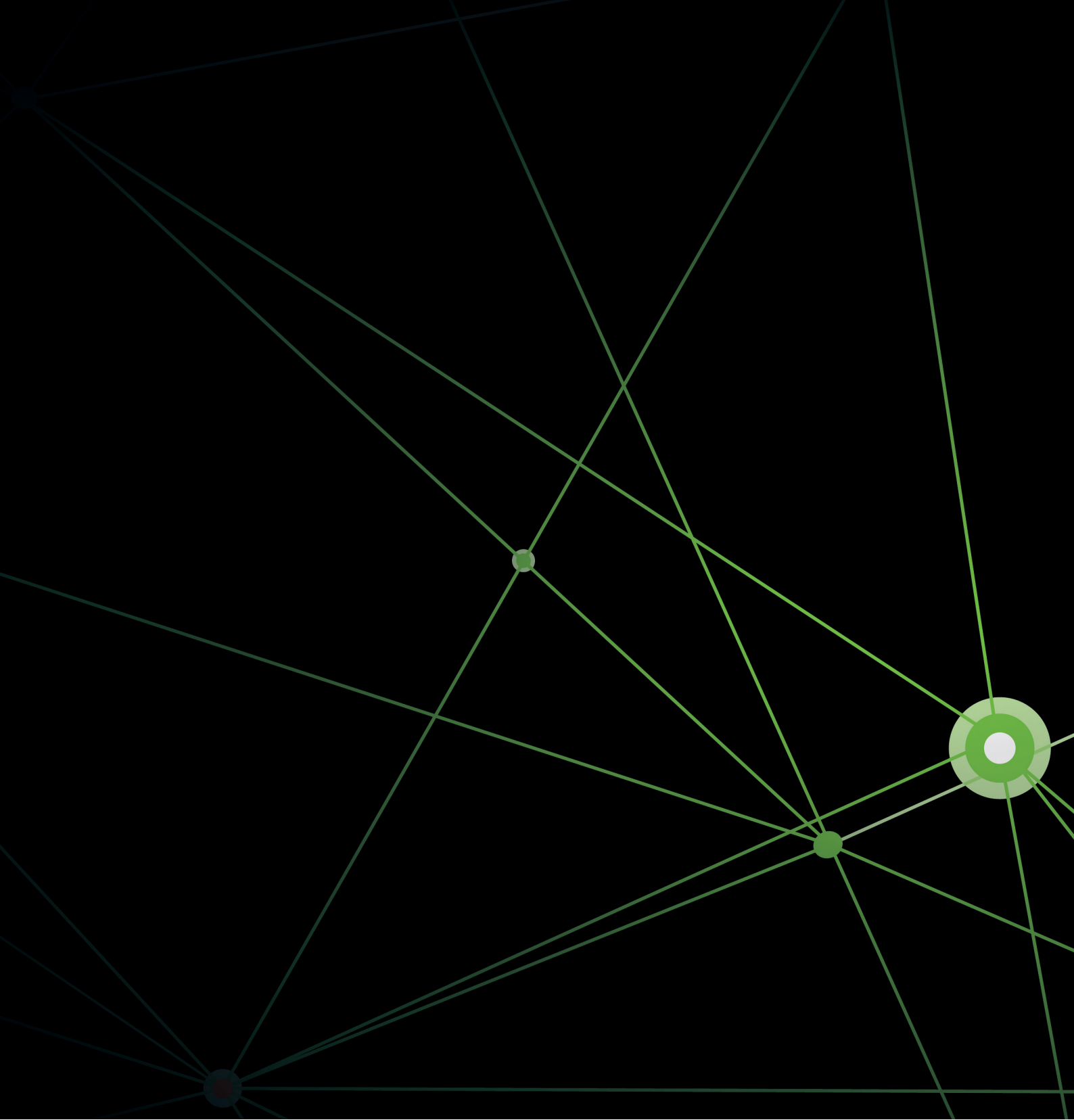
DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Wong Heung Sum & Lawyers at Rooms 911-912, 9/F, Wing On Centre, 111 Connaught Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

- (a) the Memorandum and Articles of Association of our Company;
- (b) the Accountants’ Report of our Group prepared by Ernst & Young, the text of which are set out in Appendix I to this prospectus;
- (c) the report from Ernst & Young in respect of the unaudited pro forma financial information of our Group, the text of which is set out in Appendix II to this prospectus;
- (d) the audited consolidated financial statements prepared for the companies comprising our Group for each of the three years ended 31 December 2018;
- (e) the statement of adjustments for each of the three years ended 31 December 2018;
- (f) the letter of advice prepared by Conyers Dill & Pearman summarising certain aspects of Cayman Islands company law referred to in Appendix III to this prospectus;

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES
IN HONG KONG AND AVAILABLE FOR INSPECTION**

- (g) the Companies Law;
- (h) the material contracts referred to in the paragraph headed “9. Summary of material contracts” under the section headed “Statutory and general information” in Appendix IV to this prospectus;
- (i) the service contracts and letters of appointment referred to in the paragraph headed “11. Disclosure of interests” under the section headed “Statutory and general information” in Appendix IV to this prospectus;
- (j) the written consents referred to in the paragraph headed “21. Consent of experts” under the section headed “Statutory and general information” in Appendix IV to this prospectus;
- (k) the industry report issued by Euromonitor International Limited referred to in “Industry overview” of this prospectus;
- (l) the legal opinion issued by Wissen & Co Ltd., our Thai legal adviser, in respect to the compliance of applicable laws and regulations in respect of certain aspects of our Group and the property interests of our Group in Thailand; and
- (m) the legal opinion issued by Siamrapee Law Office, our Thai legal adviser as the FTTx case.



PLATT NERA INTERNATIONAL LIMITED