

Premier Technology Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

To the Shareholders of Premier Technology Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Premier Technology Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Premier Technology Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Premier Technology Public Company Limited and its subsidiaries and of Premier Technology Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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

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

Recognition of sales revenue

The subsidiary's revenue from sales, amounting to Baht 1,627 million, consists of revenue from sales of goods and revenue from IT integrated solutions. The amount of sales revenue recognised by the subsidiary is significant to the Group's total revenue and has a direct impact on the profit or loss of the entity. In addition, the process of measurement underlying the recognition of revenue from IT integrated solutions requires management to exercise significant judgement to assess the percentage of completion of the project work. I therefore focused on the audit of the amount and timing of the subsidiary's recognition of revenue from sales.

In order to examine the subsidiary's recognition of revenue from sales of goods I assessed and tested internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative sample to test the operation of the designed control. Moreover, on a sampling basis, I examined documents supporting actual sales transactions occurring during the year and near the end of the accounting period, reviewed credit notes issued by the subsidiary after the period-end and performed analytical procedures on data of the revenue account to detect possible irregularities in sales transactions throughout the period.

For revenue from IT integrated solutions, I gained an understanding of the internal controls related to this revenue, including those related to procurement and the recording of project costs, inquired of responsible executives, and gained an understanding of the processes that the subsidiary applied in assessing the percentage of completion, estimating project costs and estimating possible losses. I also considered the conditions in the contracts relating to revenue recognition. In addition, I examined the estimation of project costs and, on a sampling basis, I examined the supporting documents for project costs incurred during the year and performed an analytical review of the percentage of completion estimated by the project managers and the percentage of completion determined through a comparison of project costs incurred throughout the period to the total estimated project costs. I also read related contracts and performed an analytical review of gross profit margin to detect possible irregularities.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

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

Chatchai Kasemsrithanawat
 Certified Public Accountant (Thailand) No. 5813

EY Office Limited
 Bangkok: 10 February 2021

Premier Technology Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets					
Current assets					
Cash and cash equivalents	8	21,969,269	34,004,018	37,277	742,460
Current investments	4	-	71,079,094	-	5,113,041
Trade and other receivables	7,9	436,648,954	507,030,670	1,086,023	1,066,500
Prepaid service cost		159,923,086	185,271,098	-	-
Inventories	10	33,279,530	71,877,835	-	-
Work in progress		143,974,791	208,750,067	-	-
Other current financial assets	11	202,318,511	-	-	-
Other current assets	7, 12	19,395,397	34,192,225	2,014,016	2,770,056
Total current assets		<u>1,017,509,538</u>	<u>1,112,205,007</u>	<u>3,137,316</u>	<u>9,692,057</u>
Non-current assets					
Restricted bank deposits	13	3,096,351	7,159,797	1,203,100	1,203,100
Non-current financial assets	14	46,356,000	-	-	-
Investment in subsidiaries	15	-	-	325,886,600	325,886,600
Investment in available-for-sale securities	4	-	53,702,000	-	-
Investment properties	16	149,649,105	156,646,970	247,531,840	259,657,338
Property, plant and equipment	4, 17	178,530,633	249,193,347	51,263	44,888
Right-of-use assets	18	77,681,372	-	-	-
Intangible assets	19	877,035	2,195,935	-	-
Deferred tax assets	26	31,640,352	28,815,686	-	-
Other non-current assets		9,219,214	10,218,826	-	-
Total non-current assets		<u>497,050,062</u>	<u>507,932,561</u>	<u>574,672,803</u>	<u>586,791,926</u>
Total assets		<u>1,514,559,600</u>	<u>1,620,137,568</u>	<u>577,810,119</u>	<u>596,483,983</u>

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

Premier Technology Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	7,20	279,917,317	439,415,496	1,678,266	2,920,065
Derivatives liabilities		1,687,282	-	-	-
Advances received for goods and services	24	195,517,283	196,766,211	-	-
Short-term loan from related party	7	-	-	4,015,000	-
Current portion of long-term loans	21	45,480,000	45,480,000	33,960,000	33,960,000
Current portion of long-term liabilities					
under finance lease agreements	4	-	10,094,778	-	-
Current portion of lease liabilities	18	21,693,290	-	-	-
Income tax payable		6,658,751	-	-	-
Other current liabilities		32,697,878	24,903,324	91,916	116,750
Total current liabilities		583,651,801	716,659,809	39,745,182	36,996,815
Non-current liabilities					
Long-term loans, net of current portion	21	23,330,380	68,810,380	19,370,000	53,330,000
Liabilities under finance lease agreements,					
net of current portion	4	-	26,942,588	-	-
Lease liabilities, net of current portion	18	56,164,264	-	-	-
Provision for long-term employee benefits	22	139,761,837	138,976,650	-	-
Deferred tax liabilities	26	-	3,184	-	3,184
Other non-current liabilities		5,237,631	8,080,515	8,294,895	11,137,778
Total non-current liabilities		224,494,112	242,813,317	27,664,895	64,470,962
Total liabilities		808,145,913	959,473,126	67,410,077	101,467,777

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

Premier Technology Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Shareholders' equity					
Share capital					
Registered					
283,888,942 ordinary shares of Baht 1 each		<u>283,888,942</u>	<u>283,888,942</u>	<u>283,888,942</u>	<u>283,888,942</u>
Issued and fully paid up					
283,888,942 ordinary shares of Baht 1 each		283,888,942	283,888,942	283,888,942	283,888,942
Retained earnings					
Appropriated - statutory reserve	23	28,388,894	28,388,894	28,388,894	28,388,894
Unappropriated		394,349,582	341,902,941	198,122,206	182,738,370
Other components of shareholders' equity		<u>(213,731)</u>	<u>6,483,665</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>706,413,687</u>	<u>660,664,442</u>	<u>510,400,042</u>	<u>495,016,206</u>
Total liabilities and shareholders' equity		<u>1,514,559,600</u>	<u>1,620,137,568</u>	<u>577,810,119</u>	<u>596,483,983</u>

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

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Directors

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Premier Technology Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2020

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues					
Sales	24	1,627,214,028	1,682,746,547	-	-
Rental and service income	24	1,159,606,849	1,114,884,494	49,755,738	55,792,637
Dividend income	15	-	-	158,998,092	159,998,080
Other income		66,129,324	71,925,736	119,094	971,874
Total revenues		2,852,950,201	2,869,556,777	208,872,924	216,762,591
Expenses					
Cost of sales and services		2,130,284,284	2,072,275,974	27,491,662	29,425,587
Distribution costs		81,331,274	82,568,176	-	-
Administrative expenses		392,300,729	478,072,028	19,740,481	21,492,773
Past service costs from change in long-term employee benefit	22	-	29,846,507	-	-
Unrealised loss from revaluation of fair value of financial assets		9,017,247	-	-	-
Total expenses		2,612,933,534	2,662,762,685	47,232,143	50,918,360
Profit from operating activities		240,016,667	206,794,092	161,640,781	165,844,231
Finance cost		(7,145,031)	(6,137,462)	(3,220,333)	(4,717,015)
Impairment loss on financial assets		(9,242,533)	-	-	-
Profit before income tax expenses		223,629,103	200,656,630	158,420,448	161,127,216
Income tax expenses	26	(47,477,084)	(40,245,605)	(1,092,181)	(2,270,582)
Profit for the year		176,152,019	160,411,025	157,328,267	158,856,634
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Gain on change in value of available-for-sale securities		-	2,277,500	-	-
Less: Income tax effect	26	-	(455,500)	-	-
Exchange differences on translation of financial statements in foreign currency		(1,397)	(106,346)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(1,397)	1,715,654	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain (loss)	22	14,428,817	(35,710,882)	-	-
Less: Income tax effect	26	(2,885,763)	7,142,176	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		11,543,054	(28,568,706)	-	-
Other comprehensive income for the year		11,541,657	(26,853,052)	-	-
Total comprehensive income for the year		187,693,676	133,557,973	157,328,267	158,856,634
Basic earnings per share					
Profit for the year	27	0.62	0.57	0.55	0.56

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

Premier Technology Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements							
				Other components of shareholer's equity			
				Other comprehensive income			
	Issued	Retained earnings		Surplus on changes in	Exchange differences	Total other	Total
	and paid-up	Appropriated -		value of	on translation of	components of	
	share capital	statutory reserve	Unappropriated	available-for-sale	financial statements	shareholders' equity	shareholders' equity
				securities	in foreign currency		
Balance as at 1 January 2019	283,888,942	28,388,894	386,071,766	4,873,999	(105,988)	4,768,011	703,117,613
Profit for the year	-	-	160,411,025	-	-	-	160,411,025
Other comprehensive income for the year	-	-	(28,568,706)	1,822,000	(106,346)	1,715,654	(26,853,052)
Total comprehensive income for the year	-	-	131,842,319	1,822,000	(106,346)	1,715,654	133,557,973
Dividend paid (Note 30)	-	-	(176,011,144)	-	-	-	(176,011,144)
Balance as at 31 December 2019	283,888,942	28,388,894	341,902,941	6,695,999	(212,334)	6,483,665	660,664,442
Balance as at 1 January 2020	283,888,942	28,388,894	341,902,941	6,695,999	(212,334)	6,483,665	660,664,442
Cumulative effect of changes in accounting policies (Note 4)	-	-	6,695,999	(6,695,999)	-	(6,695,999)	-
Balance as at 1 January 2020 - as restated	283,888,942	28,388,894	348,598,940	-	(212,334)	(212,334)	660,664,442
Profit for the year	-	-	176,152,019	-	-	-	176,152,019
Other comprehensive income for the year	-	-	11,543,054	-	(1,397)	(1,397)	11,541,657
Total comprehensive income for the year	-	-	187,695,073	-	(1,397)	(1,397)	187,693,676
Dividend paid (Note 30)	-	-	(141,944,431)	-	-	-	(141,944,431)
Balance as at 31 December 2020	283,888,942	28,388,894	394,349,582	-	(213,731)	(213,731)	706,413,687

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

Premier Technology Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements			Total
	Issued and paid-up share capital	Retained earnings Appropriated - statutory reserve	Unappropriated	
				shareholders' equity
Balance as at 1 January 2019	283,888,942	28,388,894	199,892,880	512,170,716
Profit for the year	-	-	158,856,634	158,856,634
Total comprehensive income for the year	-	-	158,856,634	158,856,634
Dividend paid (Note 30)	-	-	(176,011,144)	(176,011,144)
Balance as at 31 December 2019	<u>283,888,942</u>	<u>28,388,894</u>	<u>182,738,370</u>	<u>495,016,206</u>
Balance as at 1 January 2020	283,888,942	28,388,894	182,738,370	495,016,206
Profit for the year	-	-	157,328,267	157,328,267
Total comprehensive income for the year	-	-	157,328,267	157,328,267
Dividend paid (Note 30)	-	-	(141,944,431)	(141,944,431)
Balance as at 31 December 2020	<u>283,888,942</u>	<u>28,388,894</u>	<u>198,122,206</u>	<u>510,400,042</u>

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

Premier Technology Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit before tax	223,629,103	200,656,630	158,420,448	161,127,216
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised loss on exchange rate	1,182,765	1,686,629	-	-
Unrealised (gain) loss on changes in value of investments in unit trust-open-ended fund	7,329,964	(11,025)	-	(15,922)
Bad debts	-	6,947,312	-	-
Allowance for expected credit losses/				
Allowance for doubtful accounts (reversal)	9,242,533	(5,872,847)	-	-
Reduce cost of inventory to net realisable value (reversal)	980,112	(2,269,325)	-	-
Depreciation	80,211,894	65,573,667	12,808,824	11,702,457
Gain on sales of equipment	(107,437)	(136,381)	-	-
Amortisation of intangible assets	1,318,900	1,318,900	-	-
Amortisation of prepaid rental expenses	999,612	999,629	-	-
Long-term employee benefits expenses	19,029,458	40,714,215	-	-
Dividend income	-	-	(158,998,092)	(159,998,080)
Interest income	(125,245)	(241,432)	(18,054)	(599,161)
Interest expenses	7,145,031	5,929,895	3,220,333	4,717,015
Profit from operating activities before changes in operating assets and liabilities	350,836,690	315,295,867	15,433,459	16,933,525
(Increase) decrease in operating assets				
Trade and other receivables	61,139,183	131,196,643	(19,523)	2,127,602
Prepaid service cost	25,348,012	(17,560,906)	-	-
Inventories	37,618,193	135,389,790	-	-
Work in progress	64,775,276	10,982,690	-	-
Other current assets	14,620,258	938,923	1,311,818	(217,036)
Other non-current assets	-	(532,966)	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	(158,984,558)	(302,447,220)	(1,232,695)	(5,798,445)
Advances received for goods and services	(1,248,928)	(6,674,398)	-	-
Other current liabilities	7,794,554	11,768,731	(24,834)	(3,154,445)
Payment for long-term employee benefit	(3,815,454)	(8,301,779)	-	-
Other non-current liabilities	(2,842,884)	412,284	(2,842,883)	426,243
Cash flows from operating activities	395,240,342	270,467,659	12,625,342	10,317,444
Cash paid for interest expenses	(7,154,135)	(5,959,276)	(3,229,437)	(4,746,396)
Cash paid for income tax	(46,355,378)	(54,554,759)	(1,651,143)	(2,559,955)
Net cash flows from operating activities	341,730,829	209,953,624	7,744,762	3,011,093

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

Premier Technology Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
(Increase) decrease in investments in unit trust				
in debt securities open-ended fund	(131,223,381)	5,715,417	5,113,041	7,426,329
Decrease in short-term loan to related party	-	-	-	21,000,000
Decrease in restricted bank deposits	4,063,446	31,036,679	-	-
Renovation of investment properties	(405,542)	(6,738,232)	(670,800)	(11,169,265)
Acquisition of equipment	(17,706,555)	(75,353,433)	(18,901)	(40,000)
Proceeds from sales of equipment	311,538	815,973	-	-
Dividend received from investment in subsidiary	-	-	158,998,092	159,998,080
Interest income	125,245	241,432	18,054	599,161
Net cash flows from (used in) investing activities	<u>(144,835,249)</u>	<u>(44,282,164)</u>	<u>163,439,486</u>	<u>177,814,305</u>
Cash flows from financing activities				
Increase in short-term loans from related party	-	-	4,015,000	-
Cash receipt from long-term loans	-	56,880,380	-	27,000,000
Repayment of long-term loans	(45,480,000)	(35,490,000)	(33,960,000)	(32,610,000)
Repayment of lease liabilities	(21,504,501)	-	-	-
Repayment of liabilities under finance lease agreements	-	(10,094,778)	-	-
Dividend paid	(141,944,431)	(176,011,144)	(141,944,431)	(176,011,144)
Net cash flows used in financing activities	<u>(208,928,932)</u>	<u>(164,715,542)</u>	<u>(171,889,431)</u>	<u>(181,621,144)</u>
Exchange differences on translation				
of financial statements in foreign currency	<u>(1,397)</u>	<u>(106,346)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(12,034,749)</u>	<u>849,572</u>	<u>(705,183)</u>	<u>(795,746)</u>
Cash and cash equivalents at beginning of the year	<u>34,004,018</u>	<u>33,154,446</u>	<u>742,460</u>	<u>1,538,206</u>
Cash and cash equivalents at end of the year	<u><u>21,969,269</u></u>	<u><u>34,004,018</u></u>	<u><u>37,277</u></u>	<u><u>742,460</u></u>

Supplementary disclosures of cash flows information:

Non-cash items

Reclassified assets	332,788	(252,451)	-	-
Increase in right-of-use assets under the lease during the year	848,163	-	-	-

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

Premier Technology Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2020

1. General information

1.1 Corporate information

Premier Technology Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in a holding company. The registered office of the Company is at 1 Premier Corporate Park, Soi Premier 2, Srinakarin Road, Nongbon, Prawet, Bangkok.

1.2 Coronavirus disease 2019 Pandemic

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the group operates. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Premier Technology Public Company Limited (“the Company”) and the following subsidiaries (“the subsidiaries”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u>	<u>2019</u>
			Percent	Percent
<u>Owned by the Company</u>				
Datapro Computer Systems Company Limited	Distribution and provision of services relating to computer and computer systems	Thailand	100	100
<u>Owned by the Company's subsidiary</u>				
Datapro Computer Systems (Myanmar) Company Limited (Wholly owned by Datapro Computer Systems Company Limited)	Provision of services relating to computer systems	The Republic of the Union of Myanmar	100	100

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders' equity.
- f) Material balances and transactions between the Group have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Group's financial statements is as follows.

- Classification and measurement of investments in available-for-sale securities -
The Group's available-for-sale investments in unit trust in equity securities open-ended fund are measured at fair value through other comprehensive income. The Group has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gains on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.
- Recognition of derivatives - The Group initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

The Group adopted these financial reporting standards which the cumulative effect is recognised as an adjustment to the retained earnings and other components of shareholders' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Group adopted these financial reporting standards using the modified retrospective method of initial adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings and other components of shareholders' equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
		The impacts of		
	31 December	Financial reporting standards related to financial instruments	TFRS 16	1 January
	2019			2020
Statement of financial position				
Assets				
Current assets				
Current investments	71,079	(71,079)	-	-
Other current financial assets	-	71,079	-	71,079
Non-current assets				
Non-current financial assets	-	53,702	-	53,702
Investment in available-for-sale securities	53,702	(53,702)	-	-
Property, plant and equipment	249,193	-	(37,704)	211,489
Right-of-use assets	-	-	99,181	99,181
Liabilities and shareholders' equity				
Current liabilities				
Current portion of liabilities under finance lease agreements	10,095	-	(10,095)	-
Current portion of lease liabilities	-	-	21,517	21,517
Non-current liabilities				
Liabilities under finance lease agreements, net of current portion	26,942	-	(26,942)	-
Lease liabilities, net of current portion	-	-	76,997	76,997
Shareholders' equity				
Retained earnings - unappropriated	341,903	6,696	-	348,599
Other components of shareholders' equity	6,484	(6,696)	-	(212)

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	31 December	Financial reporting standards related to financial instruments	TFRS 16	1 January
	2019			2020
Statement of financial position				
Assets				
Current assets				
Current investments	5,113	(5,113)	-	-
Other current financial assets	-	5,113	-	5,113

4.1 Financial instruments

- a) Details of the impact on retained earnings and other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	Retained earnings	Other components of shareholders' equity
Classification of available-for-sale investments as financial assets at fair value through profit or loss	6,696	(6,696)

- b) As at 1 January 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	Classification and measurement in accordance with TFRS 9			
	Carrying amounts under the former basis	Fair value through profit		
		or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	34,004	-	34,004	34,004
Trade and other receivables	507,031	-	507,031	507,031
Other current financial assets	71,079	71,066	13	71,079
Restricted bank deposits	7,160	-	7,160	7,160
Non-current financial assets	53,702	53,702	-	53,702
Other non-current assets	7,786	-	7,786	7,786
Total financial assets	680,762	124,768	555,994	680,762

(Unit: Thousand Baht)

	Separate financial statements			
	Classification and measurement in accordance with TFRS 9			
	Carrying amounts under the former basis	Fair value through profit		
		or loss	Amortised cost	Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	742	-	742	742
Trade and other receivables	1,067	-	1,067	1,067
Other current financial assets	5,113	5,100	13	5,113
Restricted bank deposits	1,203	-	1,203	1,203
Total financial assets	8,125	5,100	3,025	8,125

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

4.2 Lease

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Operating lease commitments as at 31 December 2019	45,084
Less: Short-term leases and leases of low-value assets	(696)
Add: Option to extend lease term	40,270
Less: Contracts reassessed as service agreements	(15,810)
Less: Deferred interest expenses	(7,372)
Increase in lease liabilities due to TFRS 16 adoption	61,476
Liabilities under finance lease agreements as at	
31 December 2019	37,038
Lease liabilities as at 1 January 2020	98,514
Weighted average incremental borrowing rate (percent per annum)	4.5
Comprise of:	
Current lease liabilities	21,517
Non-current lease liabilities	76,997
	98,514

5. Significant accounting policies

5.1 Revenues recognition

a) Revenue from contracts with customers

The subsidiary recognised revenue from contracts with customers when the subsidiary entered into agreements which had enforceable rights and obligations. The subsidiary identifies the performance obligations in the contract and allocate the transaction price to the performance obligations in the contract.

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 subsidiary expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). 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.

The subsidiary principally earns revenue from IT integrated solutions and services relating to information technology systems which can be broadly categorised as follows:

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. Contracts for bundled sales of hardware and/or software and integration services are treated as a single performance obligation. Revenue from IT integrated solutions is recognised over time, when services have been rendered taking into account the stage of completion, using an output method, based on information provided by the subsidiary's engineers or project managers or recognised at a point in time depending on the terms of the contracts.

Services relating to information technology systems

Services relating to information technology systems is recognised over time when services have been rendered taking into account the stage of completion, measuring based on a straight-line basis over the contractual terms.

b) Rental income

Rental income is recognised as revenue on a straight-line basis over the related rental agreement.

c) Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

d) Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

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

5.3 Inventories

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

5.4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

5.5 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 3 - 20 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.6 Property, plant and equipment/Depreciation

Land is stated at cost. Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building	-	20 years
Leasehold improvements	-	5 and 10 years
Furniture and fixtures	-	5 and 10 years
Office equipment	-	5 years
Computer and equipment	-	3, 5 and 10 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.7 Intangible assets

Intangible assets are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

The Group amortises intangible assets, which comprise product design and development costs on the straight-line basis, with the periods of economic useful life being approximately 10 years.

5.8 Leases

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

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred (if any), and lease payments made at or before the commencement date of the lease less any lease incentives received (if any).

Depreciation of right-of-use assets are calculated by reference to their costs or the revalued amount, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Building and improvements	4 - 5 years
Computer and equipment	5 years
Motor vehicles	1 years

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 January 2020

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

Leases of plant and equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

5.9 Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors and officers with authority in the planning and direction of the Group's operations.

5.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.11 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment right-of-use asset, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment, if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

5.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The subsidiary has obligations in respect of the severance payments they must make to employees upon retirement under labor law. The subsidiary treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the subsidiary recognises restructuring-related costs

5.13 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.15 Financial instruments

Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

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

Accounting policies adopted before 1 January 2020

Trade accounts receivable

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

Investments

- a) Current investment of unit trusts are stated at fair value. Changes in the fair value of unit trusts are recorded in profit or loss. The fair value of unit trusts is determined from their net asset value.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income and will be recorded in profit or loss when the securities are sold.

The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.16 Derivatives

The Group uses derivatives, such as forward currency contracts to hedge its foreign currency risks, respectively.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

5.17 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 buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations, the management is required to use judgement regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

Determination of timing of revenue recognition

In determining the timing of revenue recognition, the management is required to use judgement regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The Group recognises revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs
- the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on information provided by the subsidiary's engineers or project managers

Allowance for expected credit losses of trade receivables

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

Investment property

In determining depreciation of investment property, the management is required to make estimates of the useful lives and residual values of investment property and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review investment property for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Property plant and equipment/Depreciation

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

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

7. Related party transactions

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

(Unit: Million Baht)

	Consolidated		Separate		
	financial statements		financial statements		Pricing policy
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	159	160	As announcement
Rental and service income	-	-	25	25	Contract price, which is price in the ordinary course of business
Interest income	-	-	-	1	4.5 and 5.0 percent per annum
<u>Transactions with related companies</u>					
Sales and service income	41	50	-	-	Note 7.1
Rental and service income	11	12	11	12	Contract price, which is price in the ordinary course of business
Cost of sales and services	3	3	3	3	Contract price, which is price in the ordinary course of business
Administrative expenses	25	26	7	7	Contract price, which is price in the ordinary course of business

- 7.1 Sales prices are determined based on cost plus a margin while price of service are based on the contract price, which is price in the ordinary course of business. However, pricing depends on the type of product or service and the pricing policy may change according to the type of business and the market situation at the time of the transaction.

As at 31 December 2020 and 2019, the balances of the accounts between the Group and those related parties are as follows:

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade receivables - related parties (Note 9)</u>					
Related companies (related by common directors)		<u>87</u>	<u>1,775</u>	<u>-</u>	<u>-</u>
<u>Accrued income - related parties (Note 9)</u>					
Related companies (related by common directors)		<u>91</u>	<u>88</u>	<u>229</u>	<u>88</u>
<u>Prepaid deposit - related party (Note 12)</u>					
Related company (related by common directors)		<u>426</u>	<u>444</u>	<u>426</u>	<u>444</u>
<u>Amounts due to related parties (Note 20)</u>					
Related companies (related by common directors)		<u>290</u>	<u>56</u>	<u>-</u>	<u>-</u>
<u>Accrued expenses - related party (Note 20)</u>					
Related company (related by common directors)		<u>102</u>	<u>86</u>	<u>-</u>	<u>-</u>
<u>Lease liabilities, net - related party</u>					
Related company (related by common directors)		<u>65</u>	<u>-</u>	<u>-</u>	<u>-</u>

Short-term loans from related party

As at 31 December 2020 and 2019, the balance of loans between the Company and the related party and the movement in loans are as follows:

		(Unit: Thousand Baht)			
		Separate financial statements			
		Balance as at			Balance as at
		31 December	Increase	Decrease	31 December
Related by		<u>2019</u>	<u>during the year</u>	<u>during the year</u>	<u>2020</u>
<u>Short-term loans from related party</u>					
Datapro Computer Systems Company Limited	Subsidiary	<u>-</u>	<u>4,015</u>	<u>-</u>	<u>4,015</u>

As at 31 December 2020, the balance of short-term loans from Datapro Computer Systems Company Limited represent loans in form of promissory notes, due at call and carrying interest at the rate of 3.8 and 4.5 percent per annum.

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Short-term employee benefits	36	31	2	2
Post-employment benefits	3	9	-	-
Total	39	40	2	2

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	115	115	5	5
Bank deposits	21,854	33,889	32	737
Total	21,969	34,004	37	742

As at 31 December 2020, bank deposits carried interests between 0.05 and 0.13 percent per annum (2019: between 0.10 and 0.38 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
<u>Trade receivables - related parties</u> (Note 7)		
Aged on the basis of due dates		
Not yet due	87	1,775
Total trade receivables - related parties	87	1,775

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	303,176	318,028
Past due		
Up to 3 months	63,004	121,594
3 - 6 months	1,908	1,842
6 - 12 months	11,599	1,913
Over 12 months	1,636	2,731
Total	381,323	446,108
Less: Allowance for expected credit losses		
(2019: Allowance for doubtful accounts)	(13,287)	(4,044)
Total trade receivables - unrelated parties, net	368,036	442,064
Total trade receivables - net (Note 24)	368,123	443,839
<u>Other receivables</u>		
Accrued income - related parties (Note 7)	91	88
Accrued income - unrelated parties	68,435	63,104
Total other receivables (Note 24)	68,526	63,192
Total trade and other receivables - net	436,649	507,031

	(Unit: Thousand Baht)	
	Separate financial statements	
	<u>2020</u>	<u>2019</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	-	247
Past due		
Up to 3 months	771	495
Total trade receivables (Note 24)	771	742
<u>Other receivables</u>		
Accrued income - related parties (Note 7)	229	88
Accrued income - unrelated parties	86	237
Total other receivables (Note 24)	315	325
Total trade and other receivables	1,086	1,067

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

	(Unit: Thousand Baht)
	Consolidated financial statements
As at 1 January 2020	4,044
Provision for expected credit losses	11,651
Amount recovered	(2,408)
As at 31 December 2020	13,287

10. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2020	2019	2020	2019	2020	2019
Finished goods	43,520	70,914	(13,614)	(12,634)	29,906	58,280
Goods in transit	3,374	13,598	-	-	3,374	13,598
Total	46,894	84,512	(13,614)	(12,634)	33,280	71,878

During the current year, the subsidiary reduced cost of inventories by Baht 15 million (2019: Baht 11 million), to reflect the net realisable value. This was included in cost of sales. In addition, the subsidiary reversed the write-down of cost of inventories by Baht 14 million (2019: Baht 13 million) and reduced the amount of inventories recognised as expenses during the year.

11. Other current financial assets

11.1 As at 31 December 2020, the outstanding other current financial assets of the Group consist of the following:

	(Unit: Thousand Baht)
	Consolidated financial statements
Investments in unit trust in debt securities open-ended fund (fair value)	202,319
Total	202,319

Investments in unit trust in debt securities open-ended fund are stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trust has been determined by using the net asset value as published by the Asset Management.

11.2 Movement in other current financial assets - investments in unit trusts are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	71,079	5,113
Increase during the year	1,021,785	67,030
Dispose during the year	(890,561)	(72,143)
Unrealised gain on changes in value of investments in unit trust	16	-
Net book value as at 31 December 2020	202,319	-

12. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Withholding tax deducted at source	8,302	14,315	826	949
Prepaid expenses	7,580	15,909	290	107
Prepaid deposit - related party (Note 7)	426	444	426	444
Others	3,087	3,524	472	1,270
Total other current assets	19,395	34,192	2,014	2,770

13. Restricted bank deposits

Deposits with banks of the Group has been pledged as security against credit facilities obtained from the financial institutions which are consist of bank guarantees and other credit facilities.

14. Non-current financial assets

Non-current financial assets are investment in unit trust in equity securities open-ended fund is stated at fair value using inputs of Level 2 which is use of other observable inputs for such assets or liabilities, whether directly or indirectly. Such fair value of investments in unit trust has been determined by using the net asset value as published by the Asset Management.

15. Investment in subsidiaries

Details of investment in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)								
Company	Paid-up capital		Shareholding percentage		Cost		Dividend received during the years	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			(%)	(%)				
<u>Subsidiary directly held by the Company</u>								
Datapro Computer Systems Company								
Limited	100,000	100,000	100	100	325,887	325,887	158,998	159,998
<u>Subsidiary held through Datapro Computer</u>								
<u>Systems Company Limited</u>								
Datapro Company Systems (Myanmar)								
Company Limited	50*	50*	100	100	-	-	-	-
Total					<u>325,887</u>	<u>325,887</u>	<u>158,998</u>	<u>159,998</u>

*Thousand USD

In April 2019, the annual general meeting of shareholders of the subsidiary passed a resolution approving the payment of a dividend for the year 2018 of Baht 160 per share, a total of Baht 160 million, to the subsidiary's shareholders. The subsidiary paid such dividend in April 2019.

In April 2020, the annual general meeting of shareholders of the subsidiary passed a resolution approving the payment of a dividend for the year 2019 of Baht 159 per share, a total of Baht 159 million, to the subsidiary's shareholders. The subsidiary paid such dividend in April 2020.

During the current year, Datapro Computer Systems (Myanmar) Company Limited which is registered and incorporated in the Republic of the Union of Myanmar has not yet commenced operation of its business.

16. Investment properties

The net book value of investment properties as at 31 December 2020 and 2019 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	Land and office building	Land and office building
As at 31 December 2020:		
Cost	199,930	330,700
<u>Less</u> Accumulated depreciation	(50,281)	(83,168)
Net book value	<u>149,649</u>	<u>247,532</u>

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	Land and office building	Land and office building
As at 31 December 2019:		
Cost	199,101	330,029
<u>Less</u> Accumulated depreciation	(42,454)	(70,372)
Net book value	<u>156,647</u>	<u>259,657</u>

A reconciliation of the net book value of investment properties for the year 2020 and 2019 are presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	156,647	157,220	259,657	260,189
Renovation of office building	406	6,738	671	11,169
Transfers	333	(252)	-	-
Depreciation charged	<u>(7,737)</u>	<u>(7,059)</u>	<u>(12,796)</u>	<u>(11,701)</u>
Net book value at end of year	<u>149,649</u>	<u>156,647</u>	<u>247,532</u>	<u>259,657</u>

The portion of the Company's investment properties, consist of land and office building, has leased to its subsidiary. The Company has mortgaged such investment properties as collateral against a long-term loan from a bank.

The fair values of the above investment properties of the Company amounting to Baht 354 million, were determined under the income approach, based on valuations performed by an accredited independent valuer in 2020. The key assumptions used in estimating the fair value included yield rate, rental rate and occupancy rate. The disclosed fair values are based on the use of Level 3 inputs.

17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Land	Building	Furniture, fixtures and equipment	Computer and equipment	Motor vehicles	Assets under installation	
Cost:							
1 January 2019	55,595	64,714	150,068	429,427	1,066	9,801	710,671
Transferred from							
investment properties	136	159	-	-	-	14	309
Additions	-	208	5,570	37,971	-	31,604	75,353
Disposals	-	-	(1,472)	(6,121)	-	-	(7,593)
Transfers in (out)	-	9,703	25,580	5,718	-	(41,001)	-
31 December 2019	55,731	74,784	179,746	466,995	1,066	418	778,740
The impact due to the adoption							
of TFRS16 (Note 4)	-	-	-	(49,177)	-	-	(49,177)
1 January 2020	55,731	74,784	179,746	417,818	1,066	418	729,563
Transferred to investment							
properties	(180)	(242)	-	-	-	(1)	(423)
Additions	-	-	1,236	16,098	-	373	17,707
Disposals	-	-	(1,977)	(3,923)	-	-	(5,900)
Transfers in (out)	-	310	-	-	-	(310)	-
31 December 2020	55,551	74,852	179,005	429,993	1,066	480	740,947

(Unit: Thousand Baht)

	Consolidated financial statements						
			Furniture, fixtures and equipment	Computer and equipment	Motor vehicles	Assets under installation	Total
Accumulated depreciation:							
1 January 2019	-	23,117	131,754	321,952	1,066	-	477,889
Depreciation - transferred							
from investment properties	-	57	-	-	-	-	57
Depreciation for the year	-	4,642	9,317	44,555	-	-	58,514
Depreciation on disposals	-	-	(1,259)	(5,654)	-	-	(6,913)
31 December 2019	-	27,816	139,812	360,853	1,066	-	529,547
The impact due to the adoption							
of TFRS16 (Note 4)	-	-	-	(11,473)	-	-	(11,473)
1 January 2020	-	27,816	139,812	349,380	1,066	-	518,074
Depreciation - transferred to							
investment properties	-	(90)	-	-	-	-	(90)
Depreciation for the year	-	5,060	10,953	34,115	-	-	50,128
Depreciation on disposals	-	-	(1,870)	(3,826)	-	-	(5,696)
31 December 2020	-	32,786	148,895	379,669	1,066	-	562,416
Net book value:							
31 December 2019	55,731	46,968	39,934	106,142	-	418	249,193
31 December 2020	55,551	42,066	30,110	50,324	-	480	178,531
Depreciation for the year:							
2019 (Baht 38 million included in service cost, and the balance in administrative expenses)							58,514
2020 (Baht 44 million included in service cost, and the balance in administrative expenses)							50,128

17. Property, plant and equipment (continued)

	(Unit: Thousand Baht)
	Separate financial statements
	Furniture and office equipment
Cost:	
1 January 2019	397
Additions	40
31 December 2019	437
Additions	19
31 December 2020	456
Accumulated depreciation:	
1 January 2019	390
Depreciation for the year	2
31 December 2019	392
Depreciation for the year	13
31 December 2020	405
Net book value:	
31 December 2019	45
31 December 2020	51
Depreciation for the year (include in administrative expenses):	
2019	2
2020	13

As at 31 December 2020 and 2019, land and building as presented in the consolidated financial statements is the portion of the Company's investment properties that it has leased to its subsidiary.

As at 31 December 2020, certain equipment items of the subsidiary have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 447 million (2019: Baht 393 million).

Land and building as presented in the consolidated financial statements have been mortgaged as collateral against a long-term loan from a bank.

18. Leases

The Group as a lessee

The Group has lease contracts for various items of building, motor vehicles and other equipment used in its operations. Leases of building has lease terms between 2 - 4 years. While motor vehicles and other equipment have lease terms of 5 years.

18.1 Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Buildings and improvement	Machinery and equipment	Motor vehicles	Total
1 January 2020	61,053	37,704	424	99,181
Additions	848	-	-	848
Depreciation for the year	(12,131)	(9,857)	(360)	(22,348)
31 December 2020	49,770	27,847	64	77,681

18.2 Lease liabilities

	(Unit: Thousand Baht)
	Consolidated financial statements
	<u>2020</u>
Lease payments	82,808
Less: Deferred interest expenses	(4,951)
Total	77,857
Less: Portion due within one year	(21,693)
Lease liabilities - net of current portion	56,164

A maturity analysis of lease payments is disclosed in Note 32.1 under the liquidity risk.

18.3 Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)
	For the year ended
	31 December 2020
	<u>Consolidated</u>
	<u>financial statements</u>
Depreciation expense of right-of-use assets	22,348
Interest expense on lease liabilities	2,545
Expense relating to leases of low-value assets	425

18.4 Others

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 24.5 million, including the cash outflow related to short-term lease and leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 0.8 million.

Group as a lessor

The Group has entered into operating leases for its investment property portfolio consisting of building of the lease terms are 3 years.

The Group has future minimum rentals receivable under non-cancellable operating leases as at 31 December 2020 as follows:

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Within 1 year	10,252	18,249
Over 1 and up to 3 years	2,256	2,260
Total	<u>12,508</u>	<u>20,509</u>

19. Intangible assets

Details of intangible assets which are the products' design and development costs are as follows:

	(Unit: Thousand Baht) Consolidated financial statements
As at 31 December 2020:	
Cost	13,188
<u>Less</u> Accumulated amortisation	(12,311)
Net book value	877
As at 31 December 2019:	
Cost	13,188
<u>Less</u> Accumulated amortisation	(10,992)
Net book value	2,196

A reconciliation of the net book value of intangible assets for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht) Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	2,196	3,515
Amortisation	(1,319)	(1,319)
Net book value at end of year	877	2,196

20. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related party (Note 7)	290	56	-	-
Trade payables - unrelated parties	193,011	338,996	1,089	2,374
Accrued expenses - related party (Note 7)	102	86	-	-
Accrued expenses - unrelated parties	86,514	100,277	589	546
Total trade and other payables	279,917	439,415	1,678	2,920

21. Long-term Loans

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
Loan	Interest rate (percent per annum)	Repayment schedule	2020	2019	2020	2019
1	MLR-1.50 and MLR-2.00	Monthly installments as from April 2015	35,780	64,340	35,780	64,340
2	MLR-2.00	Monthly installments as from April 2019	17,550	22,950	17,550	22,950
3	4.50	Monthly installments as from October 2019	15,480	27,000	-	-
Total			68,810	114,290	53,330	87,290
Less: Current portion			(45,480)	(45,480)	(33,960)	(33,960)
Long-term loans, net of current portion			23,330	68,810	19,370	53,330

Movement of the long - term loans account during the year ended 31 December 2020 are summarised below:

			(Unit: Thousand Baht)	
			Consolidated	Separate
			financial statements	financial statements
Balance as at 1 January 2020			114,290	87,290
Less: Repayment			(45,480)	(33,960)
Balance as at 31 December 2020			68,810	53,330

The loan is secured by the mortgage of investment properties of the Company.

The loan agreement contains certain covenants and restrictions imposed by the lenders regarding, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements, sales or transfers of assets other than in the ordinary course of business and merger or consolidation with any other companies.

22. Provision for long-term employee benefits

Provision for long-term employee benefits which, represents compensations payable to employees after they retire from a subsidiary was as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2020</u>	<u>2019</u>
Provision for long-term employee benefits at beginning of year	138,977	70,853
Included in profit or loss:		
Current service cost	16,713	8,636
Interest cost	2,316	2,231
Past service costs	-	29,847
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(1,034)	(1,197)
Financial assumptions changes	(1,963)	10,697
Experience adjustments	(11,432)	26,211
Decrease in provision for long-term employee benefits from transfer intercompany's employees	-	(5,375)
Benefits paid during the year	(3,815)	(2,926)
Provision for long-term employee benefits at end of year	<u>139,762</u>	<u>138,977</u>

On 5 April 2019, the Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law was effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and as a result, the Group has additional long-term employee benefit of Baht 22 million which was recorded in the second quarter of 2019. In addition during the third quarter of 2019, the subsidiary restructured base salary and have additional long-term employee benefit liabilities of Baht 8 million as a result. The Group reflects the effect of the change by recognising past service costs as expenses and presented separately in the consolidated comprehensive income statements in 2019.

The subsidiary expects to pay Baht 2.0 million of long-term employee benefits during the next year (2019: the subsidiary expected to pay Baht 2.4 million of long-term employee benefits during the next year).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit of subsidiary is 16 years (2019: 16 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements	
	<u>2020</u>	<u>2019</u>
	(%)	(%)
Discount rate	1.6	1.7
Future salary increase rate	4.8	5.0
Turnover rate	0 - 15.0	0 - 15.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019, are summarised below:

	(Unit: Million Baht)	
	As at 31 December 2020	
	Consolidated financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(16)	19
Salary increase rate	19	(16)
	<u>Increase 10%</u>	<u>Decrease 10%</u>
Turnover rate	(5)	5

	(Unit: Million Baht)	
	As at 31 December 2019	
	Consolidated financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(16)	19
Salary increase rate	17	(15)
	<u>Increase 10%</u>	<u>Decrease 10%</u>
Turnover rate	(4)	5

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

24. Revenue from contracts with customers

24.1 Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Type of goods or service:				
IT integrated solutions	1,627,214	1,682,747	-	-
Services relating to information technology systems	1,135,078	1,083,862	-	-
Rental and service income	24,529	31,022	49,756	55,793
Total revenue from contracts with customers	<u>2,786,821</u>	<u>2,797,631</u>	<u>49,756</u>	<u>55,793</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	1,808,227	1,680,560	-	-
Revenue recognised over time	978,594	1,117,071	49,756	55,793
Total revenue from contracts with customers	<u>2,786,821</u>	<u>2,797,631</u>	<u>49,756</u>	<u>55,793</u>

24.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue aggregating to Baht 350 million (The Company only: Baht 41 million) is expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) of contracts with customers. The Group expects to satisfy the performance obligations within 5 years.

The above information does not include revenue to be recognised for the unsatisfied portions of performance obligations related to contracts with a duration of one year or less and where the revenue is recognised in the amount to which the entity has a right to invoice.

24.3 Contract balances

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Contract assets (Note 9)	68,526	63,192	315	325
Trade receivables (Note 9)	368,123	443,839	771	742
Contract liabilities	195,517	196,766	-	-

Contract assets

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.

The Group recognised revenue which is not yet due per the contracts has been presented under the caption of "Accrued income" in the statement of financial position.

Contract liabilities

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 the obligation under the contract.

The Group recognised 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 is presented under the caption of "Advances received from customers" in the statement of financial position.

25. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Salaries and other employee benefits	517,043	511,160	1,663	1,828
Past service costs from change in long-term employee benefit	-	29,847	-	-
Depreciation	80,212	65,574	12,809	11,702
Purchase of goods and services	1,838,839	1,771,732	-	-
Changes in finished goods	27,394	143,660	-	-
Changes in work in progress	64,775	10,983	-	-

26. Income tax expenses

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current corporate income tax charge	53,187	46,896	1,092	2,268
Deferred tax:				
Relating to origination and reversal of temporary differences	(5,710)	(6,650)	-	3
Income tax expenses reported in profit or loss	<u>47,477</u>	<u>40,246</u>	<u>1,092</u>	<u>2,271</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to gain on change in value of available-for-sale securities	-	456	-	-
Deferred tax on actuarial gains and losses	2,886	(7,142)	-	-
	<u>2,886</u>	<u>(6,686)</u>	<u>-</u>	<u>-</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit before tax	<u>223,629</u>	<u>200,657</u>	<u>158,420</u>	<u>161,127</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	44,726	40,131	31,684	32,225
Tax loss for the year which unrecognised as deferred tax assets	10	10	-	-
Effects of:				
Tax-exempt income	(158)	-	(31,800)	(31,999)
Non-deductible expenses	4,436	2,046	1,281	2,121
Additional expense deductions allowed	(1,537)	(1,941)	(73)	(76)
Total	<u>2,741</u>	<u>105</u>	<u>(30,592)</u>	<u>(29,954)</u>
Income tax expenses reported in profit or loss	<u>47,477</u>	<u>40,246</u>	<u>1,092</u>	<u>2,271</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets				
Allowance for diminution in value of inventories	2,723	2,527	-	-
Provision for long-term employee benefits	27,952	27,795	-	-
Provision for project loss	420	-	-	-
Lease	729	-	-	-
Total	31,824	30,322	-	-
Deferred tax liabilities				
Difference depreciation between tax and accounting base of assets under finance lease agreements	181	762	-	-
Revaluation of investment in available for sale securities	-	740	-	-
Unrealised gain on change in value of current investments	3	7	-	3
Total	184	1,509	-	3
The presentation in financial statements				
Deferred tax assets	31,640	28,816	-	-
Deferred tax liabilities	-	3	-	3

27. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

	Consolidated		Separate	
	financial statement		financial statement	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit for the year (Thousand Baht)	176,152	160,411	157,328	158,857
Weighted average number of ordinary shares (Thousand Shares)	283,889	283,889	283,889	283,889
Earnings per share (Baht per share)	0.62	0.57	0.55	0.56

28. Financial information by segment

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Group's Board of Directors.

For management purposes, the Group is organised into business units based on its products and services and have 2 reportable segments as follows:

- (1) Distribution and provision of services relating to computer and computer systems.
- (2) Rent out space and services.

No other operating segments have been aggregated to form above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements. However, the Group's central administrative activities, financing activities (including finance costs and finance income) and income taxes are managed on a group basis. Therefore, these income and expenses are not allocated to operating segments.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the years ended 31 December 2020 and 2019.

(Unit: Million Baht)

	Distribution and provision of services relating to computer and computer systems segment		Rent out space and services segment		Elimination of inter-segment		Consolidation	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues								
Revenues from external customers								
Sales	1,627	1,683	-	-	-	-	1,627	1,683
Rental and service income	1,135	1,084	25	31	-	-	1,160	1,115
Total revenues from external customers	2,762	2,767	25	31	-	-	2,787	2,798
Inter-segment revenues	-	-	25	25	(25)	(25)	-	-
Total revenues	2,762	2,767	50	56	(25)	(25)	2,787	2,798
Segment profit	331	317	1	3	-	-	332	320
Unallocated income and expenses:								
Other income							66	72
Distribution costs							(1)	(2)
Administrative expenses							(149)	(154)
Past service costs from change in long-term employee benefit							-	(30)
Unrealised loss from revaluation of fair value of financial assets							(9)	-
Finance cost							(7)	(6)
Impairment loss on financial assets							(9)	-
Profit before income tax expenses							223	200
Income tax expenses							(47)	(40)
Profit for the year							176	160

Geographic information

The Group is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable segment.

Major customers

For the year 2020, the Group has revenue from three major customers in amount of Baht 799 million (2019: Baht 832 million derived from three major customers), arising from distribution and provision of services relating to computer and computer systems segment.

29. Provident fund

The subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the subsidiary contributed to the fund monthly at the rate of 5 and 8 percent of basic salary. The fund, which is managed by Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2020 amounting to approximately Baht 23 million (2019: Baht 19 million) were recognised as expenses.

30. Dividends

	Approved by	Total dividends (Unit: Million Baht)	Dividend per share (Unit: Baht)
Final Dividend for 2018	Annual General Meeting of the shareholders on 24 April 2019	142	0.50
Interim dividend for 2019	Board of Directors' meeting on 7 August 2019	34	0.12
Total dividend paid in 2019		176	
Interim dividend from operating for 2019	Board of Directors Meeting on 1 April 2020	114	0.40
Interim dividend from operating for 2020	Board of Directors' meeting on 5 August 2020	28	0.10
Total dividend paid in 2020		142	

31. Commitments and contingent liabilities

31.1 Capital commitments

As at 31 December 2020, the Group had capital commitments of approximately Baht 1.6 million (2019: Baht 0.3 million) (the Company only: Baht 1.6 million) (2019: Baht 0.3 million), relating to renovation of rental building and building systems.

31.2 Service commitments

The Group had entered into several service agreements in respect of the office building services with other companies and a related company. The terms of the agreements are generally between 1 to 4 years.

As at 31 December 2020 and 2019, future minimum payments required under these service agreements were as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Payable:				
In up to 1 year	10	11	2	4
In over 1 year and up to 4 years	1	9	-	-

31.3 Long-term management service commitments

The Group has entered into management service agreements with a related company, whereby management fees totaling Baht 1.8 million per month (2019: Baht 1.8 million per month) the separate financial statement: Baht 0.6 million per month (2019: Baht 0.6 million per month) is payable in the future. The agreements end in December 2020 but they automatically renew for period of one year each time until terminate.

31.4 Bank guarantees

As at 31 December 2020, the Group has outstanding bank guarantees of approximately Baht 116 million (2019: Baht 133 million) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group. These included letters of guarantee amounting to Baht 115 million (2019: Baht 132 million) to guarantee contractual performance of the subsidiary and amounting to Baht 1 million (2019: Baht 1 million) to guarantee electricity use of the Company.

32. Financial instruments

32.1 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, investment, trade accounts receivable, restricted bank deposits, trade and other payables, short-term loan from related party, long-term loans and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to deposits with banks and trade accounts receivable. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Group manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

There are two types of market risk comprising currency risk and interest rate risk. The Group enters into a variety of derivatives to manage its risk exposure, including foreign exchange forward contracts to hedge the foreign currency risk arising on the import of goods.

Foreign currency risk

The subsidiary manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12-month period.

When a derivative is entered into for the purpose of being a hedge, the subsidiary negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

The subsidiary's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. As at 31 December 2020, the subsidiary had the net liabilities denominated in foreign currency amounting to USD 1 million (2019: USD 2 million).

As at 31 December 2020 and 2019, the subsidiary had outstanding forward exchange contracts in order to hedge the foreign currency risk as follows:

Consolidated financial statements						
Foreign currency	Bought amount		Contractual exchange rate of bought amount		Contractual maturity date	
	(Million)		(Baht per 1 foreign currency unit)			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
US Dollar	2	2	30.16 - 31.20	29.98 - 30.47	16 April - 14 June 2021	8 April - 3 July 2020

The following tables demonstrate the sensitivity of the Group's profit before tax to a reasonably possible change in US dollar exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 31 December 2020. The Group's exposure to foreign currency changes for all other currencies is not material.

Currency	Change in FX rate	Effect on profit before tax
	(%)	(Thousand Baht)
US dollar	+10	(2,927)
	- 10	2,927

Interest rate risk

The Group's exposure to interest rate risk relates primarily to their cash at banks, short-term loan from related party, long-term loans and lease liabilities. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements	2020					Effective interest rate (% per annum)
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years				
Financial assets						
Cash and cash equivalents	-	-	22	-	22	Note 8
Other current financial assets	-	-	-	202	202	-
Trade receivables	-	-	-	368	368	-
Restricted bank deposits	-	-	3	-	3	0.10 and 0.30
Non-current financial assets	-	-	-	46	46	-
	-	-	25	616	641	
Financial liabilities						
Trade and other payables	-	-	-	280	280	-
Derivatives liabilities	-	-	-	2	2	-
Long-term loans	-	15	54	-	69	MLR-2.00 and 4.50
Lease liabilities	-	51	-	27	78	4.50
	-	66	54	309	429	

(Unit: Million Baht)

2019						
Consolidated financial statements	Fixed interest rates				Total	Effective
	Within	1-5	Floating	Non-interest		Interest
	1 year	years	interest rate	bearing		rate
(% per annum)						
Financial assets						
Cash and cash equivalents	-	-	34	-	34	Note 8
Current investments	-	-	-	71	71	-
Trade receivables	-	-	-	444	444	-
Restricted bank deposits	-	-	7	-	7	0.10
Investment in available-for-sale securities	-	-	-	54	54	-
	-	-	41	569	610	
Financial liabilities						
Trade and other payables	-	-	-	439	439	-
Long-term loans	-	27	87	-	114	MLR - 1.50, MLR - 2.00 and 4.50
Liabilities under finance lease agreements	-	-	-	37	37	-
	-	27	87	476	590	

(Unit: Million Baht)

	2020					
	Fixed interest rates					Effective
	Within	1-3	Floating	Non-interest		Interest
Separate financial statements	1 year	years	interest rate	bearing	Total	rate
						(% per annum)
Financial assets						
Trade receivables	-	-	-	1	1	-
Restricted bank deposits	-	-	1	-	1	0.30
	-	-	1	1	2	
Financial liabilities						
Trade and other payables	-	-	-	2	2	-
Short-term loan from related party	4	-	-	-	4	3.77 and 4.50
Long-term loans	-	-	53	-	53	MLR - 2.00
	4	-	53	2	59	

(Unit: Million Baht)

Separate financial statements	2019					Effective Interest rate (% per annum)
	Fixed interest rates				Total	
	Within	1-3	Floating	Non-interest		
	1 year	years	interest rate	bearing		
Financial assets						
Cash and cash equivalents	-	-	1	-	1	Note 8
Current investments	-	-	-	5	5	-
Trade receivables	-	-	-	1	1	-
Restricted bank deposits	-	-	1	-	1	0.10
	-	-	2	6	8	
Financial liabilities						
Trade and other payables	-	-	-	3	3	
Long-term loans	-	-	87	-	87	MLR - 1.50 and MLR - 2.00
	-	-	87	3	90	

The Group considers that the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans to and loans from affected as at 31 December 2020 is not material.

Liquidity risk

The Group monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Group's policy is maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the bank loans agreement. Approximately 72% of the Group's debt will mature in less than one year at 31 December 2020 (2019: 75%) (the Company only: 59%, 2019: 36%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities and derivative financial instruments as at 31 December 2020 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	279,917	-	-	279,917
Lease liabilities	-	23,746	59,062	-	82,808
Long-term loans	-	47,541	24,020	-	71,561
Total non-derivatives	-	351,204	83,082	-	434,286
Derivatives					
Derivative liabilities: gross settled					
Cash inflows	-	67,170	-	-	67,170
Cash outflows	-	(68,567)	-	-	(68,567)
Total	-	(1,687)	-	-	(1,687)

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Trade and other payables	-	1,678	-	-	1,678
Short-term loans from related party	4,015	-	-	-	4,015
Long-term loans	-	35,563	20,022	-	55,585
Total non-derivatives	4,015	37,241	20,022	-	61,278

32.2 Fair values of financial instruments

As the majority of financial instruments are short-term and long-term financial liabilities carry interest rates which are close to market rates, the Group expects that fair value of their financial instruments are close to the amounts presented in the statements of financial position.

33. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.1:1 (2019: 1.5:1) and the Company's was 0.1:1 (2019: 0.2:1).

34. Event after the reporting period

On 10 February 2021, the Board of directors meeting passed the resolution to raise the agenda to Annual General Meeting for approval to pay a dividend for the year 2020 to the shareholders of Baht 0.50 per share, a total of Baht 142 million. The Company has already paid an interim dividend of Baht 0.10 per share, a total of Baht 28 million. The remaining dividend is Baht 0.40 per share, a total of Baht 114 million will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

35. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 10 February 2021.