

Premier Technology Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2019

## **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 2019, 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 2019, 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 matters and how audit procedures respond for each matters are described below.

### **Recognition of sales revenue**

The subsidiary's revenue from sales, amounting to Baht 1,683 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.

Siraporn Ouaanunkun  
Certified Public Accountant (Thailand) No. 3844

EY Office Limited  
Bangkok: 12 February 2020

Premier Technology Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	8	34,004,018	33,154,446	742,460	1,538,206
Current investments	9	71,079,094	76,783,486	5,113,041	12,523,448
Trade and other receivables	10	507,030,670	639,301,778	1,066,500	3,194,102
Prepaid service cost		185,271,098	167,710,192	-	-
Short-term loan to related party	7	-	-	-	21,000,000
Inventories	11	71,877,835	204,998,300	-	-
Work in progress		208,750,067	219,732,757	-	-
Other current assets	12	34,192,225	27,472,073	2,770,056	2,260,464
<b>Total current assets</b>		<b>1,112,205,007</b>	<b>1,369,153,032</b>	<b>9,692,057</b>	<b>40,516,220</b>
<b>Non-current assets</b>					
Restricted bank deposits	13	7,159,797	38,196,476	1,203,100	1,203,100
Investment in subsidiaries	14	-	-	325,886,600	325,886,600
Investment in available-for-sale securities	15	53,702,000	51,424,500	-	-
Investment properties	16	156,646,970	157,219,953	259,657,338	260,188,649
Property, plant and equipment	17	249,193,347	232,781,957	44,888	6,769
Intangible assets	18	2,195,935	3,514,835	-	-
Deferred tax assets	26	28,815,686	15,475,747	-	-
Other non-current assets		10,218,826	10,685,489	-	-
<b>Total non-current assets</b>		<b>507,932,561</b>	<b>509,298,957</b>	<b>586,791,926</b>	<b>587,285,118</b>
<b>Total assets</b>		<b>1,620,137,568</b>	<b>1,878,451,989</b>	<b>596,483,983</b>	<b>627,801,338</b>

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	19	439,415,496	740,205,467	2,920,065	8,747,892
Advances received for goods and services	24	196,766,211	203,440,609	-	-
Current portion of long-term loans	20	45,480,000	28,560,000	33,960,000	28,560,000
Current portion of long-term liabilities					
under finance lease agreements	21	10,094,778	10,094,778	-	-
Other current liabilities		24,903,324	13,134,593	116,750	3,271,195
<b>Total current liabilities</b>		<b>716,659,809</b>	<b>995,435,447</b>	<b>36,996,815</b>	<b>40,579,087</b>
<b>Non-current liabilities</b>					
Long-term loans - net of current portion	20	68,810,380	64,340,000	53,330,000	64,340,000
Liabilities under finance lease agreements -					
net of current portion	21	26,942,588	37,037,366	-	-
Provision for long-term employee benefits	22	138,976,650	70,853,332	-	-
Deferred tax liabilities	26	3,184	-	3,184	-
Other non-current liabilities		8,080,515	7,668,231	11,137,778	10,711,535
<b>Total non-current liabilities</b>		<b>242,813,317</b>	<b>179,898,929</b>	<b>64,470,962</b>	<b>75,051,535</b>
<b>Total liabilities</b>		<b>959,473,126</b>	<b>1,175,334,376</b>	<b>101,467,777</b>	<b>115,630,622</b>

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 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Shareholders' equity</b>					
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		341,902,941	386,071,766	182,738,370	199,892,880
Other components of shareholders' equity		<u>6,483,665</u>	<u>4,768,011</u>	-	-
<b>Total shareholders' equity</b>		<u>660,664,442</u>	<u>703,117,613</u>	<u>495,016,206</u>	<u>512,170,716</u>
<b>Total liabilities and shareholders' equity</b>		<u>1,620,137,568</u>	<u>1,878,451,989</u>	<u>596,483,983</u>	<u>627,801,338</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 2019**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales	24	1,682,746,547	1,639,119,290	-	-
Rental and service income	24	1,114,884,494	1,024,612,487	55,792,637	50,025,032
Dividend income	14	-	-	159,998,080	194,997,660
Other income		71,925,736	54,643,740	971,874	1,900,469
<b>Total revenues</b>		<b>2,869,556,777</b>	<b>2,718,375,517</b>	<b>216,762,591</b>	<b>246,923,161</b>
<b>Expenses</b>					
Cost of sales and services		2,072,275,974	1,896,680,663	29,425,587	31,324,722
Selling expenses		95,243,888	227,221,861	-	-
Administrative expenses		465,396,316	391,827,769	21,492,773	18,491,647
Past service costs from change in long-term employee benefit	22	29,846,507	-	-	-
<b>Total expenses</b>		<b>2,662,762,685</b>	<b>2,515,730,293</b>	<b>50,918,360</b>	<b>49,816,369</b>
<b>Profit before finance cost and income tax expenses</b>		<b>206,794,092</b>	<b>202,645,224</b>	<b>165,844,231</b>	<b>197,106,792</b>
Finance cost		(6,137,462)	(6,097,795)	(4,717,015)	(5,409,208)
<b>Profit before income tax expenses</b>		<b>200,656,630</b>	<b>196,547,429</b>	<b>161,127,216</b>	<b>191,697,584</b>
Income tax expenses	26	(40,245,605)	(38,711,499)	(2,270,582)	(1,162,693)
<b>Profit for the year</b>		<b>160,411,025</b>	<b>157,835,930</b>	<b>158,856,634</b>	<b>190,534,891</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Gain (loss) on change in value of available-for-sale securities		2,277,500	(4,227,000)	-	-
Less: Income tax effect	26	(455,500)	845,400	-	-
Exchange differences on translation of financial statements in foreign currency		(106,346)	(30,611)	-	-
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</b>		<b>1,715,654</b>	<b>(3,412,211)</b>	<b>-</b>	<b>-</b>
<i>Other comprehensive income not to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Actuarial loss	22	(35,710,882)	-	-	-
Less: Income tax effect	26	7,142,176	-	-	-
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</b>		<b>(28,568,706)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year</b>		<b>(26,853,052)</b>	<b>(3,412,211)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>133,557,973</b>	<b>154,423,719</b>	<b>158,856,634</b>	<b>190,534,891</b>
<b>Basic earnings per share</b>					
Profit for the year		<u>0.57</u>	<u>0.56</u>	<u>0.56</u>	<u>0.67</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 2019**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>				
Profit before tax	200,656,630	196,547,429	161,127,216	191,697,584
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised gain on change in value of current investments	(11,025)	(33,366)	(15,922)	(7,824)
Bad debts	6,947,312	-	-	-
Doubtful accounts (reversal)	(5,872,847)	(1,147,733)	-	-
Reduce cost of inventory to net realisable value (reversal)	(2,269,325)	396,898	-	-
Depreciation	65,573,667	48,718,501	11,702,457	10,182,735
Gain on sales of equipment	(136,381)	(104,594)	-	-
Amortisation of intangible assets	1,318,900	1,318,900	-	-
Amortisation of prepaid rental expenses	999,629	999,629	-	-
Long-term employee benefits expenses	40,714,215	9,925,423	-	-
Income from investment - dividend received from investment in subsidiary	-	-	(159,998,080)	(194,997,660)
Interest income	(241,432)	(475,494)	(599,161)	(1,610,126)
Interest expenses	5,929,895	5,897,795	4,717,015	5,409,208
Profit from operating activities before changes in operating assets and liabilities	313,609,238	262,043,388	16,933,525	10,673,917
(Increase) decrease in operating assets				
Trade and other receivables	131,196,643	61,378,280	2,127,602	-
Prepaid service cost	(17,560,906)	30,495,281	-	-
Inventories	135,389,790	(166,096,797)	-	-
Work in progress	10,982,690	75,295,552	-	-
Other current assets	938,923	(806,411)	(217,036)	1,667,468
Other non-current assets	(532,966)	54,051	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	(300,760,591)	(91,132,585)	(5,798,445)	5,972,299
Advances received for goods and services	(6,674,398)	(71,427,913)	-	-
Other current liabilities	11,768,731	(23,908,279)	(3,154,445)	228,405
Other non-current liabilities	(7,889,495)	2,769,359	426,243	2,843,284
Cash flows from operating activities	270,467,659	78,663,926	10,317,444	21,385,373
Cash paid for interest expenses	(5,959,276)	(5,896,806)	(4,746,396)	(5,408,219)
Cash paid for income tax	(54,554,759)	(50,372,607)	(2,559,955)	(1,819,306)
<b>Net cash flows from operating activities</b>	<b>209,953,624</b>	<b>22,394,513</b>	<b>3,011,093</b>	<b>14,157,848</b>

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 2019**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities</b>				
(Increase) decrease in current investments	5,715,417	201,190,658	7,426,329	(11,034,458)
Decrease in short-term loan to related party	-	-	21,000,000	2,200,000
Decrease in restricted bank deposits	31,036,679	1,655,579	-	-
Renovation of investment properties	(6,738,232)	(9,980,054)	(11,169,265)	(16,516,331)
Acquisition of equipment	(75,353,433)	(56,464,048)	(40,000)	-
Proceeds from sales of equipment	815,973	699,134	-	-
Dividend received from investment in subsidiary	-	-	159,998,080	194,997,660
Interest income	241,432	475,494	599,161	1,610,126
<b>Net cash flows from (used in) investing activities</b>	<u>(44,282,164)</u>	<u>137,576,763</u>	<u>177,814,305</u>	<u>171,256,997</u>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from other company	-	(25,213,661)	-	-
Cash receipt from long-term loans	56,880,380	-	27,000,000	-
Repayment of long-term loans	(35,490,000)	(29,920,499)	(32,610,000)	(28,560,000)
Repayment of liabilities under finance lease agreements	(10,094,778)	(7,758,143)	-	-
Dividend paid	(176,011,144)	(156,138,918)	(176,011,144)	(156,138,918)
<b>Net cash flows used in financing activities</b>	<u>(164,715,542)</u>	<u>(219,031,221)</u>	<u>(181,621,144)</u>	<u>(184,698,918)</u>
<b>Exchange differences on translation</b>				
<b>of financial statements in foreign currency</b>	<u>(106,346)</u>	<u>(30,611)</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	849,572	(59,090,556)	(795,746)	715,927
Cash and cash equivalents at beginning of the year	<u>33,154,446</u>	<u>92,245,002</u>	<u>1,538,206</u>	<u>822,279</u>
<b>Cash and cash equivalents at end of the year</b>	<u>34,004,018</u>	<u>33,154,446</u>	<u>742,460</u>	<u>1,538,206</u>
	-	-	-	-
<b>Supplementary disclosures of cash flows information:</b>				
Non-cash items				
Reclassified assets	(252,451)	539,597	-	-
Assets acquired under financial lease agreements	-	49,177,555	-	-

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 2019

(Unit: Baht)

Consolidated financial statements

	Issued and paid-up share capital	Retained earnings		Other components of shareholder's equity			Total shareholders' equity	
		Appropriated - statutory reserve	Unappropriated	Other comprehensive income		Total other components of shareholders' equity		
				Gain on change in value of available-for-sale securities	Exchange differences on translation of financial statements in foreign currency			Total
<b>Balance as at 1 January 2018</b>	283,888,942	21,516,932	391,246,716	8,255,599	(75,377)	8,180,222	704,832,812	
Profit for the year	-	-	157,835,930	-	-	-	157,835,930	
Other comprehensive income for the year	-	-	-	(3,381,600)	(30,611)	(3,412,211)	(3,412,211)	
Total comprehensive income for the year	-	-	157,835,930	(3,381,600)	(30,611)	(3,412,211)	154,423,719	
Dividend paid (Note 30)	-	-	(156,138,918)	-	-	-	(156,138,918)	
Unappropriated retained earnings transferred to statutory reserve (Note 23)	-	6,871,962	(6,871,962)	-	-	-	-	
<b>Balance as at 31 December 2018</b>	<u>283,888,942</u>	<u>28,388,894</u>	<u>386,071,766</u>	<u>4,873,999</u>	<u>(105,988)</u>	<u>4,768,011</u>	<u>703,117,613</u>	
<b>Balance as at 1 January 2019</b>	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)	
<b>Balance as at 31 December 2019</b>	<u>283,888,942</u>	<u>28,388,894</u>	<u>341,902,941</u>	<u>6,695,999</u>	<u>(212,334)</u>	<u>6,483,665</u>	<u>660,664,442</u>	

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 2019**

(Unit: Baht)

	<b>Separate financial statements</b>			Total shareholders' equity
	Issued and paid-up share capital	Retained earnings		
		Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2018</b>	283,888,942	21,516,932	172,368,869	477,774,743
Profit for the year	-	-	190,534,891	190,534,891
Total comprehensive income for the year	-	-	190,534,891	190,534,891
Dividend paid (Note 30)	-	-	(156,138,918)	(156,138,918)
Unappropriated retained earnings transferred to statutory reserve (Note 23)	-	6,871,962	(6,871,962)	-
<b>Balance as at 31 December 2018</b>	<u>283,888,942</u>	<u>28,388,894</u>	<u>199,892,880</u>	<u>512,170,716</u>
				-
<b>Balance as at 1 January 2019</b>	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)
<b>Balance as at 31 December 2019</b>	<u>283,888,942</u>	<u>28,388,894</u>	<u>182,738,370</u>	<u>495,016,206</u>
				-

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 2019**

**1. General 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 1 Premier Corporate Park, Soi Premier 2, Srinakarin Road, Nongbon, Prawet, Bangkok.

**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 dated 11 October 2016, 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”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 Percent	2018 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 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. 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:



## **TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Group's financial statements.

### **(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new and revised 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 except the following new standards which involve 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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

Recognition of derivatives - The Group is to initially recognise 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. However, the Group is currently considering application of hedge accounting for certain derivatives.

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

### **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 using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of 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 management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 73 million (the Company only: Nil) and the Group's liabilities by approximately Baht 73 million (the Company only: Nil).

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

As described in Note 3 to the financial statements, during the current year, the Group has adopted TFRS 15 using the modified retrospective method of adoption. The cumulative effect of initially applying TFRS 15 is recognised as an adjustment to retained earnings as at 1 January 2019. Therefore, the comparative information has not been restated. However, the cumulative effect of the change in standard does not have any significant impact on the Group's financial statements as at 1 January 2019. Therefore, the Group has not adjusted retained earnings as at 1 January 2019.

Line items in the consolidated statements of financial position as at 31 December 2019 and the consolidated statements of comprehensive income for the year ended 31 December 2019 which were effected from the changes in accounting policies are summarised below.

(Unit: Million Baht)

	As at 31 December 2019		
	Previous accounting policy	Increase (decrease)	TFRS 15
<b>Consolidated statement of financial position</b>			
<b>Assets</b>			
Trade and other receivables	547	(40)	507
Work in progress	176	33	209
Other current assets	33	1	34
<b>Liabilities</b>			
Trade and other payables	440	(1)	439
<b>Shareholders' equity</b>			
Retained earnings - unappropriated	347	(5)	342

(Unit: Million Baht)

For the year ended 31 December 2019

	Previous accounting policy	Increase (decrease)	IFRS 15
<b>Consolidated statement of comprehensive income</b>			
<b>Profit or loss:</b>			
Sales	1,723	(40)	1,683
Cost of sales and services	2,105	(33)	2,072
Selling expenses	96	(1)	95
Income tax expenses	41	(1)	40
Profit for the year	165	(5)	160
<b>Earnings per share (Baht)</b>			
Basic earnings per share	0.59	(0.02)	0.57

These adjustments are due to the recognition of revenues from IT integrated solutions. The Group has considered whether the relevant conditions, facts and circumstances of some customer contract do not meet the criteria for revenue recognition over a period of time.

## 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, using the straight-line method over the service contract period to measure progress from output method, measuring based on information provided by the subsidiary's engineers or project managers.

### *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

b) Rental income

Rental income is monthly recognised as revenue at the amount as fixed under the related rental agreement.

c) Dividends

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

## **5.2 Contract balances**

### Contract assets

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables 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.

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### **5.3 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.

### **5.4 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.

### **5.5 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.
- c) Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for impairment loss (if any).

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.

## 5.6 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 5 - 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.

## 5.7 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.

## 5.8 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.

## **5.9 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 Long-term leases**

Leases of 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 are depreciated over the useful life of the assets.

Leases of 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.

## **5.11 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.



## 5.12 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, investment properties and 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.

An impairment loss is recognised in profit or loss.

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

#### Defined benefit plans

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

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

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

Past service costs are recognized in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Company recognizes restructuring-related costs

#### **5.14 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.

#### **5.15 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.

#### **5.16 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 doubtful accounts**

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

#### **Impairment of equity investments**

The Group sets aside provision for impairment of available-for-sale investments and investment in subsidiary when there has been a significant or prolonged decline in fair value to below cost or where other objective evidence of impairment exists. It reverses the impairment loss on such investments when their fair value significantly increases or the indication of impairment no longer exists. The determination of whether the impairment in investment is "significant" or "prolonged" or that no indication exists requires management to exercise judgement.

#### **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, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Group and those companies. Below is a summary of those transactions.

(Unit: Million Baht)

	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Dividend income	-	-	160	195	As announcement
Rental and service income	-	-	25	29	Contract price, which is price in the ordinary course of business
Interest income	-	-	1	2	4.5 and 5.0 percent per annum
<u>Transactions with related companies</u>					
Sales and service income	50	59	-	-	Note 7.1
Rental and service income	12	11	12	11	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	26	27	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.

The balances of the accounts as at 31 December 2019 and 2018 between the Group and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b><u>Trade receivables - related parties (Note 10)</u></b>				
Related companies (related by common directors)	1,775	168	-	-
<b><u>Accrued income - related parties (Note 10)</u></b>				
Related companies (related by common directors)	235	861	235	2,589
<b><u>Amounts due to related parties (Note 19)</u></b>				
Related companies (related by common directors)	56	3,466	-	224

### **Short-term loan to related party**

As at 31 December 2019 and 2018, the balance of loan to between the Company and the related party and the movement are as follows:

	(Unit: Thousand Baht)				
	Related by	Separate financial statements			
		Balance as at	During the year		Balance as at
		31 December	Increase	Decrease	31 December
	<u>2018</u>	<u>2019</u>	<u>2019</u>	<u>2019</u>	
<b><u>Short-term loan to related party</u></b>					
Datapro Computer Systems Company Limited    Subsidiary	21,000	-	(21,000)	-	

### **Directors and management's benefits**

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses of their directors and management as below.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	31	27	2	2
Post-employment benefits	9	2	-	-
Total	40	29	2	2

## 8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash	115	115	5	5
Bank deposits	33,889	33,039	737	1,533
<b>Total</b>	<b>34,004</b>	<b>33,154</b>	<b>742</b>	<b>1,538</b>

As at 31 December 2019, bank deposits carried interests between 0.10 and 0.38 percent per annum (2018: between 0.13 and 0.40 percent per annum).

## 9. Current investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Fixed deposit	13	13	13	13
Investments in unit trust in debt securities				
open-ended fund (fair value)	71,066	76,770	5,100	12,510
<b>Total</b>	<b>71,079</b>	<b>76,783</b>	<b>5,113</b>	<b>12,523</b>

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.

## 10. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2019</u>	<u>2018</u>
<u>Trade receivables - related parties</u> (Note 7)		
Aged on the basis of due dates		
Not yet due	1,775	127
Past due		
Up to 3 months	-	41
<b>Total trade receivables - related parties</b>	<b>1,775</b>	<b>168</b>

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2019</u>	<u>2018</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	318,028	324,886
Past due		
Up to 3 months	121,594	141,586
3 - 6 months	1,842	395
6 - 12 months	1,913	1,761
Over 12 months	2,731	9,037
Total	446,108	477,665
Less: Allowance for doubtful debts	(4,044)	(9,917)
Total trade receivables - unrelated parties, net	442,064	467,748
Total trade receivables - net (Note 24)	443,839	467,916
<u>Other receivables</u>		
Unbilled receivables	5,541	130,755
Accrued income - related parties (Note 7)	235	861
Accrued income - unrelated parties	57,416	39,770
Total other receivables (Note 24)	63,192	171,386
Total trade and other receivables - net	507,031	639,302

	(Unit: Thousand Baht)	
	Separate financial statements	
	<u>2019</u>	<u>2018</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	247	-
Past due		
Up to 3 months	495	-
Total trade receivables (Note 24)	742	-
<u>Other receivables</u>		
Accrued income - related parties (Note 7)	235	2,589
Accrued income - unrelated parties	90	605
Total other receivables (Note 24)	325	3,194
Total trade and other receivables	1,067	3,194



## 11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	70,914	214,574	(12,634)	(14,903)	58,280	199,671
Goods in transit	13,598	5,327	-	-	13,598	5,327
Total	<u>84,512</u>	<u>219,901</u>	<u>(12,634)</u>	<u>(14,903)</u>	<u>71,878</u>	<u>204,998</u>

During the current year, the subsidiary reduced cost of inventories by Baht 11 million (2018: Baht 10 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 13 million (2018: Baht 9 million) and reduced the amount of inventories recognised as expenses during the year.

## 12. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Withholding tax deducted at source	14,315	7,914	949	1,914
Prepaid expenses	15,909	16,245	107	295
Others	3,968	3,313	1,714	51
Total other current assets	<u>34,192</u>	<u>27,472</u>	<u>2,770</u>	<u>2,260</u>

## 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. Investment in subsidiaries

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

Company	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Dividend received during the years	
	2019	2018	2019	2018	2019	2018	2019	2018
			(percent)	(percent)				
<u>Subsidiary directly held by the Company</u>								
Datapro Computer Systems Company Limited								
	100,000	100,000	100	100	325,887	325,887	159,998	194,998
<u>Subsidiary held through Datapro Computer Systems Company Limited</u>								
Datapro Company Systems (Myanmar) Company Limited								
	50*	50*	100	100	-	-	-	-
Total					<u>325,887</u>	<u>325,887</u>	<u>159,998</u>	<u>194,998</u>

\*Thousand USD

In April 2018, the annual general meeting of shareholders of the subsidiary passed a resolution approving the payment of a dividend for the year 2017 of Baht 195 per share, a total of Baht 195 million, to the subsidiary's shareholders. The subsidiary paid such dividend in May 2018.

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.

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.

#### 15. Investment in available-for-sale securities

	(Unit: Thousand Baht) Consolidated financial statements	
	2019	2018
Investment in unit trust in equity securities open-ended fund - cost	45,332	45,332
Add: Surplus on changes in value of investments	8,370	6,093
Fair value	<u>53,702</u>	<u>51,425</u>

Investment in unit trust in equity 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.

## 16. Investment properties

The net book value of investment properties as at 31 December 2019 and 2018 are presented below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	<u>Land and office building</u>	<u>Land and office building</u>
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>

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
	<u>Land and office building</u>	<u>Land and office building</u>
As at 31 December 2018:		
Cost	192,569	318,860
<u>Less</u> Accumulated depreciation	(35,349)	(58,671)
Net book value	<u>157,220</u>	<u>260,189</u>

A reconciliation of the net book value of investment properties for the year 2019 and 2018 are presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	157,220	152,852	260,189	253,853
Renovation of office building	6,738	9,980	11,169	16,517
Transfers	(252)	540	-	-
Depreciation charged	(7,059)	(6,152)	(11,701)	(10,181)
Net book value at end of year	<u>156,647</u>	<u>157,220</u>	<u>259,657</u>	<u>260,189</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 360 million, were determined under the income approach, based on valuations performed by an accredited independent valuer in 2017. 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	
<b>Cost:</b>							
1 January 2018	55,894	64,299	150,568	362,250	1,066	-	634,077
Transferred to investment properties	(299)	(344)	-	-	-	-	(643)
Additions	-	-	4,559	90,522	-	10,560	105,641
Disposals	-	-	(5,059)	(23,345)	-	-	(28,404)
Transfers in (out)	-	759	-	-	-	(759)	-
31 December 2018	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
<b>Accumulated depreciation:</b>							
1 January 2018	-	19,191	128,254	314,725	1,066	-	463,236
Depreciation - transferred to investment properties	-	(103)	-	-	-	-	(103)
Depreciation for the year	-	4,029	7,987	30,550	-	-	42,566
Depreciation on disposals	-	-	(4,487)	(23,323)	-	-	(27,810)
31 December 2018	-	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
<b>Net book value:</b>							
31 December 2018	55,595	41,597	18,314	107,475	-	9,801	232,782
31 December 2019	55,731	46,968	39,934	106,142	-	418	249,193
<b>Depreciation for the year:</b>							
2018 (Baht 22 million included in service cost, and the balance in administrative expenses)							42,566
2019 (Baht 38 million included in service cost, and the balance in administrative expenses)							58,514

## 17. Property, plant and equipment (continued)

	(Unit: Thousand Baht)
	Separate financial statements
	Furniture and office equipment
<b>Cost:</b>	
1 January 2018	397
31 December 2018	397
Additions	40
31 December 2019	437
<b>Accumulated depreciation:</b>	
1 January 2018	389
Depreciation for the year	1
31 December 2018	390
Depreciation for the year	2
31 December 2019	392
<b>Net book value:</b>	
31 December 2018	7
31 December 2019	45
<b>Depreciation for the year (include in administrative expenses):</b>	
2018	1
2019	2

As at 31 December 2019 and 2018, 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 2019, the subsidiary had equipment under finance lease agreements with net book values amounting to Baht 38 million (2018: Baht 48 million).

As at 31 December 2019, 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 393 million (2018: Baht 359 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. 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 2019:	
Cost	13,188
<u>Less</u> Accumulated amortisation	(10,992)
Net book value	<u>2,196</u>
As at 31 December 2018:	
Cost	13,188
<u>Less</u> Accumulated amortisation	(9,673)
Net book value	<u>3,515</u>

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	3,515	4,834
Amortisation	(1,319)	(1,319)
Net book value at end of year	<u>2,196</u>	<u>3,515</u>

## 19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Trade payables - unrelated parties	338,996	570,406	2,374	8,059
Amounts due to related parties (Note 7)	56	3,466	-	224
Accrued expenses	100,363	166,333	546	465
Total trade and other payables	<u>439,415</u>	<u>740,205</u>	<u>2,920</u>	<u>8,748</u>

## 20. Long-term Loans

			(Unit: Thousand Baht)			
			Consolidated		Separate	
			financial statements		financial statements	
Loan	Interest rate (%)	Repayment schedule	2019	2018	2019	2018
1	MLR-1.50 and MLR-2.00	Monthly installments as from April 2015	64,340	92,900	64,340	92,900
2	MLR-2.00	Monthly installments as from April 2019	22,950	-	22,950	-
3	4.50	Monthly installments as from October 2019	27,000	-	-	-
Total			114,290	92,900	87,290	92,900
Less: Current portion			(45,480)	(28,560)	(33,960)	(28,560)
Long-term loans, net of current portion			68,810	64,340	53,330	64,340

Movement of the long - term loan account during the year ended 31 December 2019 are summarised below:

			(Unit: Thousand Baht)	
			Consolidated	Separate
			financial statements	financial statements
Balance as at 1 January 2019			92,900	92,920
Add: Addition loans			56,880	27,000
Less: Repayment			(35,490)	(32,610)
Balance as at 31 December 2019			114,290	87,290

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.

## 21. Liabilities under finance lease agreements

Liabilities under finance lease agreements of the subsidiary are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	<u>2019</u>	<u>2018</u>
Liabilities under finance lease agreements	37,037	47,132
Less: Current portion	(10,095)	(10,095)
Liabilities under finance lease agreements - net of current portion	<u>26,942</u>	<u>37,037</u>

The subsidiary has entered into the finance lease agreements with leasing companies for rental of equipment for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are 5. years (2018: 5 years). The assets acquired by the subsidiary under the finance lease agreements have been recorded at their cash price.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Million Baht)		
	As at 31 December 2019		
	Less than		
	<u>1 year</u>	<u>1-5 years</u>	<u>Total</u>
Future minimum lease payments	10	27	37
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	<u>10</u>	<u>27</u>	<u>37</u>

	(Unit: Million Baht)		
	As at 31 December 2018		
	Less than		
	<u>1 year</u>	<u>1-5 years</u>	<u>Total</u>
Future minimum lease payments	10	37	47
Deferred interest expenses	-	-	-
Present value of future minimum lease payments	<u>10</u>	<u>37</u>	<u>47</u>



## 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>2019</u>	<u>2018</u>
<b>Provision for long-term employee benefits at beginning of year</b>	70,853	61,599
Included in profit or loss:		
Current service cost	8,636	8,003
Interest cost	2,231	1,922
Past service costs	29,847	-
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(1,197)	-
Financial assumptions changes	10,697	-
Experience adjustments	26,211	-
Decrease in provision for long-term employee benefits from transfer intercompany's employees	(5,375)	-
Benefits paid during the year	(2,926)	(671)
<b>Provision for long-term employee benefits at end of year</b>	<u>138,977</u>	<u>70,853</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. 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 of the current period.

The subsidiary expects to pay Baht 2.4 million of long-term employee benefits during the next year (2018: the subsidiary expected not to pay long-term employee benefits during 2019).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit of subsidiary is 16 years (2018: 15 years).

Key actuarial assumptions used for the valuation are as follows:

	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
	(Percent)	(Percent)
Discount rate	1.7	3.1
Future salary increase rate	5.0	5.6
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 2019 and 2018, are summarised below:

	(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

	(Unit: Million Baht)	
	As at 31 December 2018	
	Consolidated financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(8)	9
Salary increase rate	9	(8)
Turnover rate	(5)	6

### 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Type of goods or service:</b>				
IT integrated solutions	1,682,747	1,639,119	-	-
Services relating to information technology systems	1,083,862	1,003,092	-	-
Rental and service income	31,022	21,521	55,793	50,025
Total revenue from contracts with customers	<u>2,797,631</u>	<u>2,663,732</u>	<u>55,793</u>	<u>50,025</u>
<b>Timing of revenue recognition:</b>				
Revenue recognised at a point in time	1,680,560	1,048,562	-	-
Revenue recognised over time	1,117,071	1,615,170	55,793	50,025
Total revenue from contracts with customers	<u>2,797,631</u>	<u>2,663,732</u>	<u>55,793</u>	<u>50,025</u>

### 24.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2019, revenue aggregating to Baht 339 million (The Company only: Baht 77 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 6 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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Contract assets (Note 10)	63,192	171,386	325	3,194
Trade receivables (Note 10)	443,839	467,916	742	-
Contract liabilities	196,766	203,441	-	-

### 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. During the years ended 31 December 2019 and 2018, such transfer amounted to Baht 2,927 million and Baht 2,600 million, respectively.

### 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.

## **25. Expenses by nature**

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Salaries and other employee benefits	511,160	533,440	1,828	2,132
Past service costs from change in long-term employee benefit	29,847	-	-	-
Depreciation	65,574	48,719	11,702	10,183
Rental expenses from operating lease agreements	22,629	29,283	-	-
Purchase of goods and services	1,771,732	1,845,969	-	-
Changes in finished goods	143,660	(164,369)	-	-
Changes in work in progress	10,983	75,296	-	-

## 26. Income tax expenses

Income tax expenses for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Current corporate income tax charge	46,896	41,246	2,268	1,163
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(6,650)	(2,535)	3	-
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>40,246</u>	<u>38,711</u>	<u>2,271</u>	<u>1,163</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax relating to gain (loss) on change in value of available-for-sale securities	456	(845)	-	-
Deferred tax relating to actuarial losses	(7,142)	-	-	-
	<u>(6,686)</u>	<u>(845)</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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Accounting profit before tax	200,657	196,547	161,127	191,698
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	40,131	39,309	32,225	38,340
Tax loss for the year which unrecognised as deferred tax assets	10	2	-	-
Promotional tax privileges from the Board of Investment	-	(1,933)	-	-
Effects of:				
Tax-exempt income	-	-	(31,999)	(39,000)
Non-deductible expenses	2,046	3,549	2,121	1,889
Additional expense deductions allowed	(1,941)	(2,216)	(76)	(66)
Total	105	1,333	(29,954)	(37,177)
Income tax expenses reported in the statement of comprehensive income	40,246	38,711	2,271	1,163

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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Deferred tax assets</b>				
Allowance for diminution in value of inventories	2,527	2,981	-	-
Provision for long-term employee benefits	27,795	14,171	-	-
Total	30,322	17,152	-	-
<b>Deferred tax liabilities</b>				
Difference depreciation between tax and accounting base of assets under finance lease agreements	762	1,386	-	-
Revaluation of investment in available for sale securities	740	285	-	-
Unrealised gain on change in value of current investments	7	5	3	-
Total	1,509	1,676	3	-
<b>The presentation in financial statements</b>				
Deferred tax assets	28,816	15,476	-	-
Deferred tax liabilities	3	-	3	-

## 27. Promotional privileges

The subsidiary has received promotional privileges from the Board of Investment for Enterprise Software and Digital Content, pursuant to the promotion certificate No. 1924(7)2553 issued on 30 July 2010. Subject to certain imposed conditions, the privileges include an exemption from corporate income tax for a period of 8 years from the date the promoted operations commenced generating revenues (20 June 2012).

The Group's operating revenues for the years ended 31 December 2019 and 2018, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	2019			2018		
	Promoted operations	Non-promoted operations	Total	Promoted operations	Non-promoted operations	Total
Rental and service income	16,430	1,098,454	1,114,884	24,686	999,926	1,024,612

## 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 2019 and 2018.

(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	
	2019	2018	2019	2018	2019	2018	2019	2018
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>								
Revenues from external customers								
Sales	1,683	1,639	-	-	-	-	1,683	1,639
Rental and service income	1,084	1,003	31	22	-	-	1,115	1,025
Total revenues from external customers	2,767	2,642	31	22	-	-	2,798	2,664
Inter-segment revenues	-	-	25	29	(25)	(29)	-	-
Total revenues	<u>2,767</u>	<u>2,642</u>	<u>56</u>	<u>51</u>	<u>(25)</u>	<u>(29)</u>	<u>2,798</u>	<u>2,664</u>
<b>Segment profit</b>	<b>294</b>	<b>270</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>297</b>	<b>273</b>
<b>Unallocated income and expenses:</b>								
Other income							72	55
Selling expenses							(6)	(25)
Administrative expenses							(157)	(100)
Finance cost							(6)	(6)
<b>Profit before income tax expenses</b>							<b>200</b>	<b>197</b>
Income tax expenses							(40)	(39)
<b>Profit for the year</b>							<b>160</b>	<b>158</b>

### 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 2019, the Group has revenue from three major customers in amount of Baht 832 million (2018: Baht 627 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 2019 amounting to approximately Baht 19 million (2018: Baht 15 million) were recognised as expenses.

## 30. Dividends

	Approved by	Total dividends	Dividend per share
		(Unit: Million Baht)	(Unit: Baht)
Final dividend for 2017	Annual General Meeting of the shareholders on 25 April 2018	114	0.40
Interim dividend for 2018	Board of Directors' meeting on 8 August 2018	42	0.15
<b>Total dividend paid in 2018</b>		156	
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
<b>Total dividend paid in 2019</b>		176	

## 31. Commitments and contingent liabilities

### 31.1 Capital commitments

As at 31 December 2019, the Group had capital commitments of approximately Baht 0.3 million (2018: Baht 26.6 million) (The Company only: Baht 0.3 million) (2018: Baht 11.6 million), relating to the construction and renovation of rental building.

### 31.2 Operating lease commitments

The subsidiary had entered into several lease agreements with other companies and related company in respect of the lease of office building space, equipment, vehicle and related services. The terms of the agreements are generally between 3 to 5 years.

As at 31 December 2019 and 2018, future minimum lease payments required under these operating leases contracts were as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Payable:		
In up to 1 year	21	6
In over 1 year and up to 5 years	24	6

### 31.3 Service commitments

The Group has entered into management service agreements with a related company, whereby management fees totaling Baht 1.8 million per month (2018: Baht 1.8 million per month) are payable in the future, with Baht 0.6 million per month (2018: Baht 0.6 million per month) payable by the Company. The agreements end in December 2019 but they automatically renew for periods of one year each time until terminated.

### 31.4 Bank guarantees

As at 31 December 2019, the Group has outstanding bank guarantees of approximately Baht 133 million (2018: Baht 146 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 132 million (2018: Baht 145 million) to guarantee contractual performance of the subsidiary and amounting to Baht 1 million (2018: Baht 1 million) to guarantee electricity use of the Company.

## 32. Financial instruments

### 32.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, restricted bank deposits, trade and other receivables, investment in available-for-sale securities, advances received for goods and services, trade and other payables, short-term and long-term loans and liabilities under finance lease agreements. 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 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. In addition, the Group does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables as stated in the statement of financial position.

### **Interest rate risk**

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

Significant financial assets and liabilities classified by type of interest rates 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)

<b>Consolidated financial statements</b>	As at 31 December 2019					Interest rate (% p.a.)
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	
	Within 1 year	1-5 years				
<b>Financial assets</b>						
Cash and cash equivalents	-	-	34	-	34	Note 8
Current investments	-	-	-	71	71	-
Trade and other receivables	-	-	-	507	507	-
Restricted bank deposits	-	-	7	-	7	0.10
Investment in available-for-sale securities	-	-	-	54	54	-
	-	-	41	632	673	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	439	439	-
Advances received for goods and services	-	-	-	197	197	-
Long-term loan	-	27	87	-	114	MLR - 1.50, MLR - 2.00 and 4.50
Liabilities under finance lease agreements	-	-	-	37	37	-
	-	27	87	673	787	

(Unit: Million Baht)

As at 31 December 2018

Consolidated financial statements	Fixed interest rates				Total	Interest rate (% p.a.)
	Within	1-3	Floating	Non-interest		
	1 year	years	interest rate	bearing		
<b>Financial assets</b>						
Cash and cash equivalents	-	-	33	-	33	Note 8
Current investments	-	-	-	77	77	-
Trade and other receivables	-	-	-	639	639	-
Restricted bank deposits	-	-	38	-	38	0.80 - 1.10
Investment in available-for-sale securities	-	-	-	51	51	-
	-	-	71	767	838	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	740	740	-
Advances received for goods and services	-	-	-	203	203	-
Long-term loan	-	-	93	-	93	MLR - 1.50
Liabilities under finance lease agreements	-	-	-	47	47	-
	-	-	93	990	1,083	

(Unit: Million Baht)

As at 31 December 2019

Separate financial statements	Fixed interest rates				Total	Interest rate (% p.a.)
	Within	1-3	Floating	Non-interest		
	1 year	years	interest rate	bearing		
<b>Financial assets</b>						
Cash and cash equivalents	-	-	1	-	1	-
Current investments	-	-	-	5	5	-
Short-term loan to related party	-	-	-	1	1	-
Restricted bank deposits	-	-	1	-	1	0.10
	-	-	2	6	8	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	3	3	-
Long-term loan	-	-	87	-	87	MLR - 1.50 and MLR - 200
	-	-	87	3	90	

(Unit: Million Baht)

As at 31 December 2018						
Separate financial statements	Fixed interest rates				Total	Interest rate (% pa.)
	Within 1 year	1-3 years	Floating interest rate	Non-interest bearing		
<b>Financial assets</b>						
Cash and cash equivalents	-	-	2	-	2	Note 8
Current investments	-	-	-	13	13	-
Trade and other receivables	-	-	-	3	3	-
Short-term loan to related party	21	-	-	-	21	5.00
Restricted bank deposits	-	-	1	-	1	1.10
	<u>21</u>	<u>-</u>	<u>3</u>	<u>16</u>	<u>40</u>	
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	9	9	-
Long-term loan	-	-	93	-	93	MLR - 1.50
	<u>-</u>	<u>-</u>	<u>93</u>	<u>9</u>	<u>102</u>	

### Foreign currency risk

The subsidiary's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. As at 31 December 2019, the subsidiary had the net liabilities denominated in foreign currency amounting to USD 2 million (2018: USD 6 million).

As at 31 December 2019 and 2018, 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
US Dollar	2	5	29.98 - 30.47	32.27 - 32.99	8 April - 3 July 2020	22 February - 3 July 2019

### 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 2019, the Group's debt-to-equity ratio was 1.5:1 (2018: 1.7:1) and the Company's was 0.2:1 (2018: 0.2:1).

### **34. Events after the reporting period**

On 12 February 2020, 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 2019 to the shareholders of Baht 0.52 per share, a total of Baht 148 million. The Company has already paid an interim dividend of Baht 0.12 per share, a total of Baht 34 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 12 February 2020.