

Premier Technology Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Premier Technology Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Premier Technology Public Company Limited and its subsidiaries as at 31 March 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Premier Technology Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 Interim Financial Reporting.

Other Matter

Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Company for the accounting period of 2020 yet. However, the Board of Director of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Company for the accounting period of 2020. I therefore have conducted my review on the interim financial information for first quarter of 2020 which is in compliance with the notification of the Capital Market Supervisory Board (CMSB) No. TorChor. 28/2563 dated 27 March 2020.

Chatchai Kasemsrithanawat
Certified Public Accountant (Thailand) No. 5813

EY Office Limited
Bangkok: 13 May 2020

Premier Technology Public Company Limited and its subsidiaries

Statements of financial position

As at 31 March 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		108,899	34,004	1,892	742
Current investments	2	-	71,079	-	5,113
Derivative assets		1,155	-	-	-
Trade and other receivables	3,4	456,447	507,031	2,123	1,067
Prepaid service cost		207,113	185,271	-	-
Inventories	5	96,303	71,878	-	-
Work in progress		259,080	208,750	-	-
Other current assets		46,953	34,192	2,152	2,770
Total current assets		1,175,950	1,112,205	6,167	9,692
Non-current assets					
Restricted bank deposits	6	5,465	7,160	1,203	1,203
Investments in subsidiaries	7	-	-	325,887	325,887
Investment in available-for-sale securities	2	-	53,702	-	-
Non-current financial assets	8	40,563	-	-	-
Investment properties	9	155,058	156,647	256,479	259,657
Property, plant and equipment	2,10	204,863	249,193	61	45
Right-of-use assets	11	93,592	-	-	-
Intangible assets	12	1,866	2,196	-	-
Deferred tax assets		30,807	28,816	1	-
Other non-current assets		10,020	10,219	-	-
Total non-current assets		542,234	507,933	583,631	586,792
Total assets		1,718,184	1,620,138	589,798	596,484

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

Premier Technology Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2020

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	31 March 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	3,13	335,582	439,415	1,727	2,920
Advances received for goods and services		331,692	196,766	3,805	-
Current portion of long-term loans	14	45,480	45,480	33,960	33,960
Current portion of long-term liabilities					
under finance lease agreements	2	-	10,095	-	-
Current portion of long-term lease liabilities	15	21,589	-	-	-
Other current liabilities		16,459	24,903	104	117
Total current liabilities		750,802	716,659	39,596	36,997
Non-current liabilities					
Long-term loans, net of current portion	14	57,440	68,810	44,840	53,330
Liabilities under finance lease agreements -					
net of current portion	2	-	26,943	-	-
Long-term lease liabilities, net of current portion	15	71,580	-	-	-
Provision for long-term employee benefits	16	143,734	138,977	-	-
Deferred tax liabilities		-	3	-	3
Other non-current liabilities		5,357	8,081	8,415	11,138
Total non-current liabilities		278,111	242,814	53,255	64,471
Total liabilities		1,028,913	959,473	92,851	101,468

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

Premier Technology Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 March 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>31 March 2020</u> (Unaudited but reviewed)	<u>31 December 2019</u> (Audited)	<u>31 March 2020</u> (Unaudited but reviewed)	<u>31 December 2019</u> (Audited)
Shareholders' equity					
Share capital					
Registered					
283,888,942 ordinary shares of Baht 1 each		<u>283,889</u>	<u>283,889</u>	<u>283,889</u>	<u>283,889</u>
Issued and fully paid up					
283,888,942 ordinary shares of Baht 1 each		283,889	283,889	283,889	283,889
Retained earnings					
Appropriated-statutory reserve		28,389	28,389	28,389	28,389
Unappropriated		377,094	341,903	184,669	182,738
Other components of shareholders' equity		<u>(101)</u>	<u>6,484</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>689,271</u>	<u>660,665</u>	<u>496,947</u>	<u>495,016</u>
Total liabilities and shareholders' equity		<u>1,718,184</u>	<u>1,620,138</u>	<u>589,798</u>	<u>596,484</u>

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

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Directors
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Statement of comprehensive income

For the three-month period ended 31 March 2020

(Unit: Thousand Baht, except earnings per share expressed in Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit or loss:					
Revenues					
Sales	17	320,882	511,426	-	-
Rental and service income	17	288,427	272,158	12,586	14,715
Other income		15,684	8,981	32	307
Total revenues		<u>624,993</u>	<u>792,565</u>	<u>12,618</u>	<u>15,022</u>
Expenses					
Cost of sales and services		458,978	599,414	6,973	7,564
Selling expenses		18,710	18,704	-	-
Administrative expenses		95,547	111,858	2,304	2,473
Total expenses		<u>573,235</u>	<u>729,976</u>	<u>9,277</u>	<u>10,037</u>
Profit from operating activities		51,758	62,589	3,341	4,985
Finance cost		(1,925)	(1,293)	(946)	(1,293)
Loss arising from reclassification of financial assets out of fair value through other comprehensive income		<u>(13,140)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit before income tax expenses		36,693	61,296	2,395	3,692
Income tax expenses	18	<u>(8,198)</u>	<u>(11,970)</u>	<u>(464)</u>	<u>(815)</u>
Profit for the period		<u>28,495</u>	<u>49,326</u>	<u>1,931</u>	<u>2,877</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Gain on change in value of available-for-sale securities		-	3,665	-	-
Less: Income tax effect	18	-	(733)	-	-
Exchange differences on translation of financial statements in foreign currency		<u>111</u>	<u>(34)</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>111</u>	<u>2,898</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period		<u>111</u>	<u>2,898</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>28,606</u>	<u>52,224</u>	<u>1,931</u>	<u>2,877</u>
Basic earnings per share (Baht)					
Profit for the period		<u>0.100</u>	<u>0.174</u>	<u>0.007</u>	<u>0.010</u>

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

(Unaudited but reviewed)

Premier Technology Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Consolidated financial statements						
				Other components of shareholders' equity			
				Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
	Issued and paid-up share capital	Retained earnings		Surplus on changes in value of available-for-sale securities	Exchange differences on translation of financial statements in foreign currency		
		Appropriated - Statutory reserve	Unappropriated				
Balance as at 1 January 2019	283,889	28,389	386,071	4,874	(106)	4,768	703,117
Profit for the period	-	-	49,326	-	-	-	49,326
Other comprehensive income for the period	-	-	-	2,932	(34)	2,898	2,898
Total comprehensive income for the period	-	-	49,326	2,932	(34)	2,898	52,224
Balance as at 31 March 2019	<u>283,889</u>	<u>28,389</u>	<u>435,397</u>	<u>7,806</u>	<u>(140)</u>	<u>7,666</u>	<u>755,341</u>
Balance as at 1 January 2020	283,889	28,389	341,903	6,696	(212)	6,484	660,665
Cumulative effect of change in accounting policies (Note 2)	-	-	6,696	(6,696)	-	(6,696)	-
Balance as at 1 January 2020 - as restated	283,889	28,389	348,599	-	(212)	(212)	660,665
Profit for the period	-	-	28,495	-	-	-	28,495
Other comprehensive income for the period	-	-	-	-	111	111	111
Total comprehensive income for the period	-	-	28,495	-	111	111	28,606
Balance as at 31 March 2020	<u>283,889</u>	<u>28,389</u>	<u>377,094</u>	<u>-</u>	<u>(101)</u>	<u>(101)</u>	<u>689,271</u>

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

(Unaudited but reviewed)

Premier Technology Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Separate financial statements			Total
	Issued and paid-up share capital	Retained earnings	Unappropriated	
		Appropriated Statutory reserve		shareholders' equity
Balance as at 1 January 2019	283,889	28,389	199,893	512,171
Total comprehensive income for the period	-	-	2,877	2,877
Balance as at 31 March 2019	<u>283,889</u>	<u>28,389</u>	<u>202,770</u>	<u>515,048</u>
Balance as at 1 January 2020	283,889	28,389	182,738	495,016
Total comprehensive income for the period	-	-	1,931	1,931
Balance as at 31 March 2020	<u>283,889</u>	<u>28,389</u>	<u>184,669</u>	<u>496,947</u>

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

(Unaudited but reviewed)

Premier Technology Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2020**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit before tax	36,693	61,296	2,395	3,692
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Unrealised gain on exchange rate	(1,155)	-	-	-
Unrealised (gain) loss on changes in value of investments in unit trust-open-ended fund	13,184	(59)	24	3
Allowance for expected credit losses/ Allowance for doubtful accounts	126	260	-	-
Reversal on reduce cost of inventory to net realisable value	(3,825)	(344)	-	-
Depreciation	20,153	14,951	3,181	2,581
Gain on sales of equipment	(144)	(132)	-	-
Amortisation of intangible assets	330	330	-	-
Amortisation of prepaid rental expenses	250	248	-	-
Long-term employee benefits expenses	4,757	2,640	-	-
Interest expenses	1,925	1,293	946	1,293
Profit from operating activities before changes in operating assets and liabilities	72,294	80,483	6,546	7,569
(Increase) decrease in operating assets				
Trade and other receivables	50,458	67,358	(1,057)	(1,762)
Prepaid service cost	(21,842)	(62,088)	-	-
Inventories	(20,600)	117,961	-	-
Work in progress	(50,330)	(42,233)	-	-
Other current assets	(6,069)	3,051	739	4,328
Other non-current assets	(51)	(679)	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	(103,822)	(111,706)	(1,181)	(4,058)
Advance received for goods and services	134,925	90,741	3,805	-
Other current liabilities	(8,443)	2,251	(12)	(2,223)
Other non-current liabilities	(2,723)	603	(2,723)	617
Cash flows from operating activities	43,797	145,742	6,117	4,471
Cash paid for interest expenses	(1,256)	(1,308)	(958)	(1,308)
Cash paid for income tax	(16,884)	(19,852)	(589)	(610)
Net cash flows from operating activities	25,657	124,582	4,570	2,553

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

(Unaudited but reviewed)

Premier Technology Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
(Increase) decrease in current investments	71,035	(82,786)	5,089	7,394
Decrease in short-term loan to related party	-	-	-	4,000
Decrease in restricted bank deposits	1,694	27,430	-	-
Renovation of investment properties	-	(4,487)	-	(7,856)
Acquisition of equipment	(6,445)	(37,591)	(19)	-
Proceeds from sales of equipment	240	466	-	-
Net cash flows from (used in) investing activities	<u>66,524</u>	<u>(96,968)</u>	<u>5,070</u>	<u>3,538</u>
Cash flows from financing activities				
Repayment of long-term loans	(11,370)	(7,140)	(8,490)	(7,140)
Repayment of lease liabilities	(6,027)	-	-	-
Repayment of liabilities under finance lease agreements	-	(2,523)	-	-
Net cash flows used in financing activities	<u>(17,397)</u>	<u>(9,663)</u>	<u>(8,490)</u>	<u>(7,140)</u>
Exchange differences on translation of financial statements in foreign currency	<u>111</u>	<u>(34)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	74,895	17,917	1,150	(1,049)
Cash and cash equivalents at beginning of period	<u>34,004</u>	<u>33,154</u>	<u>742</u>	<u>1,538</u>
Cash and cash equivalents at end of period	<u>108,899</u>	<u>51,071</u>	<u>1,892</u>	<u>489</u>

Supplementary disclosures of cash flows information:

Non-cash item

Reclassified assets	(333)	-	-	-
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The accompanying notes are an integral part of the financial statements.

Premier Technology Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2020

1. General information

1.1 Corporate information

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

1.2 Coronavirus disease 2019 Pandemic

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

1.3 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.4 Basis of consolidation

These consolidated interim financial statements include the financial statements of Premier Technology Public Company Limited and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019. There have been no change in the composition of the Group during the current period.

1.5 New financial reporting standards that became effective in the current period

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

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

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

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

The cumulative effect of the change is described in Note 2 to the financial statements.

TFRS 16 Leases

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

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

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

The cumulative effect of the change is described in Note 2 to the financial statements.

1.6 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019 except the changes in accounting policies related to financial instruments and leases.

1.6.1 Financial instruments

Classification and measurement

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortised cost. Classification is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss.

Financial liabilities are classified and measured at amortised cost.

Derivatives are classified and measured at fair value through profit or loss

Impairment of financial assets

The Group recognises an allowance for expected credit losses on its financial assets measured at amortised cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables or contract assets that do not contain a significant financing component, the Group applies a simplified approach to determine the lifetime expected credit losses.

1.6.2 Leases

Right-of-use assets

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

Unless the Group is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

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

As described in Note 1.5 to the financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2019	The impacts of Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Current investments	71,079	(71,079)	-	-
Other current financial assets	-	71,079	-	71,079
Non-current assets				
Non-current financial assets	-	53,702	-	53,702
Investment in available-for-sale securities	53,702	(53,702)	-	-
Property, plant and equipment	249,193	-	(37,704)	211,489
Right-of-use assets	-	-	99,181	99,181
Liabilities and shareholders' equity				
Current liabilities				
Current portion of lease liabilities	-	-	21,517	21,517
Current portion of long-term liabilities under finance lease agreements	10,095	-	(10,095)	-
Non-current liabilities				
Lease liabilities, net of current portion	-	-	76,997	76,997
Liabilities under finance lease agreements - net of current portion	26,943	-	(26,943)	-
Shareholders' equity				
Retained earnings - unappropriated	341,903	6,696	-	348,599
Other components of shareholders' equity	6,484	(6,696)	-	(212)

(Unaudited but reviewed)

(Unit: Thousand Baht)

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

2.1 Financial instruments

Details of the impact on retained earnings as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Classification of available-for-sale investments as financial assets at fair value through profit or loss	6,696

(Unaudited but reviewed)

The classifications, measurement basis and carrying values of financial assets in accordance with TFRS 9 as at 1 January 2020, and with the carrying amounts under the former basis, are as follows:

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

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

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

3. Related party transactions

During the periods, 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		
	For the three-month		For the three-month		
	periods ended		periods ended		
	31 March	31 March	31 March	31 March	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
<u>Transactions with subsidiary</u>					
(eliminated from the consolidated financial statements)					
Rental and service income	-	-	6	7	Contractual price, which is in the ordinary course of business
<u>Transactions with related companies</u>					
Sales and service income	11	15	-	-	Note 3.1
Rental and service income	3	3	3	3	Contractual price, which is in the ordinary course of business
Cost of sales and services	1	1	1	1	Contractual price, which is in the ordinary course of business
Administrative expenses	6	7	2	2	Contractual price, which is in the ordinary course of business

- 3.1 Sale prices are determined based on cost plus a certain margin while prices 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.

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
<u>Trade receivables - related parties (Note 4)</u>				
Related companies (related by common directors)	3,084	1,775	-	-
<u>Accrued income - related parties (Note 4)</u>				
Related companies (related by common directors)	8,530	88	511	88
<u>Amounts due to related parties (Note 13)</u>				
Related companies (related by common directors)	36	56	-	-
<u>Lease liabilities, net - related parties (Note 4)</u>				
Related companies (related by common directors)	321	-	-	-

Directors and management's benefits

During the three-month periods ended 31 March 2020 and 2019, the Group had employee benefit expenses of their directors and management as below.

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Short-term employee benefits	10.3	6.4	0.1	0.1
Post-employment benefits	0.7	0.4	-	-
Total	11.0	6.8	0.1	0.1

4. Trade and other receivables

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	31 March 2020	31 December 2019
		(Audited)
<u>Trade receivables - related parties</u> (Note 3)		
Aged on the basis of due dates		
Not yet due	2,228	1,775
Past due		
Up to 3 months	856	-
Total trade receivables - related parties	3,084	1,775
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	170,964	318,028
Past due		
Up to 3 months	189,116	121,594
3 - 6 months	2,292	1,842
6 - 12 months	845	1,913
Over 12 months	4,019	2,731
Total	367,236	446,108
Less: Allowance for expected credit losses/		
Allowance for doubtful debts	(4,170)	(4,044)
Total trade receivables - unrelated parties, net	363,066	442,064
Total trade receivables - net	366,150	443,839
<u>Other receivables</u>		
Unbilled receivables	5,541	5,541
Accrued income - related parties (Note 3)	8,530	88
Accrued income - unrelated parties	76,226	57,563
Total other receivables	90,297	63,192
Total trade and other receivables - net	456,447	507,031

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements	
	31 March 2020	31 December 2019
		(Audited)
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	245	247
Past due		
Up to 3 months	491	495
3 - 6 months	742	-
Total trade receivables	1,478	742
<u>Other receivables</u>		
Accrued income - related parties (Note 3)	511	88
Accrued income - unrelated parties	134	237
Total other receivables	645	325
Total trade and other receivables	2,123	1,067

5. The reduction of cost of inventories to net realisable value

Movements in the allowance for reduction of cost of inventories to net realisable value account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Balance as at 1 January 2020	12,634
Add: Reduction of cost of inventories to net realisable value	(3,825)
Balance as at 31 March 2020	8,809

6. 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.

7. Investment in subsidiaries

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

Company	Paid-up capital		Shareholding percentage		Cost	
	31 March	31 December	31 March	31 December	31 March	31 December
	2020	2019	2020	2019	2020	2019
			(%)	(%)		(Audited)
<u>Subsidiary directly held by the Company</u>						
Datapro Computer Systems						
Company Limited	100,000	100,000	100	100	325,887	325,887
<u>Subsidiary held through Datapro Computer</u>						
<u>Systems Company Limited</u>						
Datapro Company Systems (Myanmar)						
Company Limited	50*	50*	100	100	-	-
Total					325,887	325,887

*Thousand USD

In April 2020, the Annual General Meeting of shareholders of Datapro Computer Systems Company Limited which is the subsidiary of the Company passed a resolution approving the payment of a dividend for the year 2019 of Baht 159 per share, a total of Baht 159 million, to the subsidiary's shareholders. The subsidiary paid such dividend in April 2020.

8. Non-current financial assets

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.

9. Investment properties

Movements of the investment properties account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	156,647	259,657
Transfers during the period	333	-
Depreciation for the period	(1,922)	(3,178)
Net book value as at 31 March 2020	<u>155,058</u>	<u>256,479</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.

10. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2020	211,489	45
Acquisitions during period - at cost	6,445	19
Transfers during the period	(333)	-
Disposals during period - net book value at disposal date	(96)	-
Depreciation for the period	(12,642)	(3)
Net book value as at 31 March 2020	<u>204,863</u>	<u>61</u>

Land and building as presented in the consolidated financial statements are the portion of the Company's investment properties that they have leased to its subsidiary.

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

11. Right-of-use assets

Movements in the right-of-use assets account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2020	99,181
Depreciation for the period	(5,589)
Net book value as at 31 March 2020	<u>93,592</u>

12. Intangible assets

Movements of the intangible assets account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2020	2,196
Amortisation for the period	(330)
Net book value as at 31 March 2020	<u>1,866</u>

13. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Trade payables - unrelated parties	260,506	338,996	1,167	2,374
Amounts due to related parties (Note 3)	36	56	-	-
Accrued expenses	75,040	100,363	560	546
Total trade and other payables	<u>335,582</u>	<u>439,415</u>	<u>1,727</u>	<u>2,920</u>

(Unaudited but reviewed)

14. Long-term loans

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Long-term loans	102,920	114,290	78,800	87,290
Less: Current portion	(45,480)	(45,480)	(33,960)	(33,960)
Long-term loans - net of current portion	<u>57,440</u>	<u>68,810</u>	<u>44,840</u>	<u>53,330</u>

Movements in the long-term loans account during the three-month period ended 31 March 2020 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial	Separate
	statements	financial statements
Balance as at 1 January 2020	114,290	87,290
Less: Repayment	(11,370)	(8,490)
Balance as at 31 March 2020	<u>102,920</u>	<u>78,800</u>

The loan of the Company 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.

15. Lease liabilities

Movements in the lease liabilities account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
	31 March 2020
Long-term lease liabilities	99,859
Less: Deferred interest expenses	(6,690)
Total	93,169
Less: Portion due within one year	(21,589)
Long-term lease liabilities, net of current portion	71,580

As at 31 March 2020, future minimum lease payments required under the lease liabilities of the subsidiary were as follows:

	(Unit: Million Baht)		
	Less than		
	1 year	1 - 5 years	Total
Lease liabilities	23,992	75,867	99,859
Deferred interest expenses	(2,403)	(4,287)	(6,690)
Lease liabilities, net	21,589	71,580	93,169

16. Provision for long-term employee benefits

Movement of the provision for long-term employee benefits account during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Balance as at 1 January 2020	138,977
Current service cost	4,178
Interest cost	579
Balance as at 31 March 2020	143,734

17. Revenue from contracts with customers

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
Type of goods or service:				
IT integrated solutions	320,882	511,426	-	-
Services relating to information technology systems	282,042	263,947	-	-
Rental and service income	6,385	8,211	12,586	14,715
Total revenue from contracts with customers	<u>609,309</u>	<u>783,584</u>	<u>12,586</u>	<u>14,715</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	383,377	417,840	-	-
Revenue recognised over time	225,932	365,744	12,586	14,715
Total revenue from contracts with customers	<u>609,309</u>	<u>783,584</u>	<u>12,586</u>	<u>14,715</u>

18. Income tax

Interim corporate income tax was calculated on profit before income tax for the periods, after adding back expenses and deducting income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2020 and 2019 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Interim corporate income tax charge	10,193	12,614	468	816
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,995)	(644)	(4)	(1)
Income tax expenses reported in profit or loss	<u>8,198</u>	<u>11,970</u>	<u>464</u>	<u>815</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2020 and 2019 are as follows:

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	For the three-month periods ended	
	<u>31 March</u>	
	<u>2020</u>	<u>2019</u>
Deferred tax relating to gain on change in value of available-for-sale securities	-	733

19. Commitments and contingent liabilities

19.1 Service commitments

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

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

	(Unit: Million Baht)			
	Consolidated		Separate	
	<u>financial statements</u>		<u>financial statements</u>	
	31 March	31 December	31 March	31 December
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Payable				
In up to 1 year	11	11	2	4
In over 1 year and up to 5 years	7	9	-	-

19.2 Long-term management service commitments

The Group has entered into management service agreements with a related company, whereby management fees totaling Baht 1.8 million per month (31 December 2019: Baht 1.8 million per month) the separate financial statement: Baht 0.6 million per month (31 December 2019: Baht 0.6 million per month) is payable in the future. The agreements end in December 2020 but they automatically renew for periods of one year each time until terminate.

19.3 Bank guarantees

As at 31 March 2020, The Group has outstanding bank guarantees of approximately Baht 132 million (31 December 2019: Baht 133 million) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business of the Group. These included letters of guarantee amounting to Baht 131 million (31 December 2019: Baht 132 million) to guarantee contractual performance of the subsidiary and amounting to Baht 1 million (31 December 2019: Baht 1 million) to guarantee electricity use of the Company.

20. 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 March 2020, the subsidiary had the net liabilities denominated in foreign currency amounting to USD 1 million (31 December 2019: USD 2 million).

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

Consolidated financial statements			
As at 31 March 2020			
Foreign currency	Bought amount	Contractual exchange rate of bought amount	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	1	31.37 - 31.81	31 August - 8 September 2020

Consolidated financial statements			
As at 31 December 2019			
Foreign currency	Bought amount	Contractual exchange rate of bought amount	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US Dollar	2	29.98 - 30.47	8 April - 3 July 2020

21. Financial information by segment

The Group is organised into business units based on their products and services. During the current period, the Group has not changed the organisation of their reportable segments.

The following table presents revenue and profit information regarding the Group operating segments for the three-month periods ended 31 March 2020 and 2019.

For the three-month periods ended 31 March								
	Distribution of computer and provision of services relating to computer systems segment		Rent out space and services segment		Elimination of inter-segment		Consolidation	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues								
Revenues from external customers								
Sales	321	511	-	-	-	-	321	511
Rental and service income	282	264	6	8	-	-	288	272
Total revenues from external customers	603	775	6	8	-	-	609	783
Inter-segment revenues	-	-	6	7	(6)	(7)	-	-
Total revenues	603	775	12	15	(6)	(7)	609	783
Segment profit	67	85	2	2	-	-	69	87
Unallocated income and expenses:								
Other income							16	9
Selling expenses							(2)	(3)
Administrative expenses							(32)	(31)
Finance cost							(2)	(1)
Loss arising from reclassification of financial assets out of fair value through other comprehensive income							(13)	-
Profit before income tax expenses							36	61
Income tax expenses							(8)	(12)
Profit for the period							28	49

22. Events after the reporting period

On 1 April 2020, the Company's Board of directors meeting passed a resolution approving the payment of an additional interim dividend from the operating results of the year 2019 to shareholders at the rate of Baht 0.4 per share, a total of Baht 114 million, which will be paid in April 2020. When this additional dividend is combined with the interim dividend paid to the shareholders on 5 September 2019 at the rate of Bath 0.12 per share, a total of Baht 34 million, the total interim dividend paid from the operating results of the Company for the year 2019 will be at the rate of Baht 0.52 per share, or a total of Baht 148 million.

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 13 May 2020.