



TOUCH Printing Republic



IT CITY

Data One



Asys



SVOA



Lease IT



Digitech One

**STEP
OF EVOLUTION**



STEP
OF EVOLUTION

The background is a deep blue gradient. On the left side, there is a complex network of thin, light blue lines that branch out and connect various points, resembling a digital or neural network. Scattered throughout the background are numerous squares of varying sizes and shades of blue, some appearing as if they are floating or falling, creating a sense of depth and movement.

While the world has been encountering technological disruption, businesses are required to adjust themselves to steadily drive their organizations towards sustainable growth. SVOA Group, as the national IT leader having branches all over the countries, as well as its worldwide business partners, have to work up to the global standards to meet and build satisfactions of customers, suppliers and partners.

In 2019, the Company started AI (Artificial Intelligence) and robotic business in all business units which was well responded by customers and partners in its ecosystem.

In 2020, the Company strives for moving forward by focusing on development of platform-based business, adaptation of technology, enhancement of learning ability, and employment of knowledge to improve career advancement and new dimensions of learning to create innovations which is the combination between digital technology and artificial intelligence towards the future name "Step of Evolution".

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Summary of Financial Information

For the year ended December 31, 2019 and 2018

(Unit: Million Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2019	2018	2019	2018
Total Revenue	7,396.5	7,772.9	5,613.3	6,119.4
Gross Profit	659.3	650.0	397.8	403.0
Total comprehensive Income	124.7	112.8	78.0	56.5
Total Assets	4,858.6	5,679.3	3,073.1	3,726.1
Total Liabilities	2,581.7	3,498.8	1,656.0	2,358.5
Shareholders' Equity	2,276.8	2,180.6	1,417.1	1,367.6
Financial Ratio				
Gross Profit to Revenue (%)	9.3%	8.6%	7.4%	6.9%
Net Profit to Revenue (%)	1.8%	1.5%	1.5%	1.0%
Return on Equity (%)	5.6%	5.3%	5.6%	4.1%
Return on Asset (%)	2.4%	1.9%	2.3%	1.4%
Current Ratio (times)	1.3	1.2	1.3	1.1
Debt to Equity Ratio (times)	1.1	1.6	1.2	1.7
Information per Share (Baht)				
Earnings per Share	0.132	0.119	0.082	0.060
Share Capital Issued and Paid up (Million Shares)	947.0	947.0	947.0	947.0
Par Value	1.00	1.00	1.00	1.00

Investors can have more information from the company's annual statement (Form 56-1) shown at www.sec.or.th or www.svoa.co.th

The Audit Committee Report in 2019

Dear shareholders,

The Audit Committee, appointed by the Board of Directors, consists of the qualified persons specializing and having extensive experience in accounting, finance, law, and management. The Committee comprises three independent directors:

- | | |
|--------------------------|---------------------------------|
| 1. Mr. Anant Tangtatswas | Chairman of the Audit Committee |
| 2. Mr. Manu Leoparote | Member of the Audit Committee |
| 3. Mr. Prapon Phasukyud | Member of the Audit Committee |

The Audit Committee performed its duties as assigned by the Board of Directors with independence and in compliance with the regulations prescribed by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand. In 2019, the Committee held four meetings and arranged one meeting between the Audit Committee and the external auditors (Certified Public Accountants) without the presence of the management of which results were reported to the Board of Directors. The essences of the meetings are as follows:

1. Financial Report Review: The Audit Committee reviewed and approved the quarter and annual financial statements for the year 2019 of the Company and the subsidiaries which have been audited by the auditor prior to being presented to the Board of Director for approval to ensure that the financial reports of the Company and its subsidiaries were duly prepared in accordance with the generally accepted accounting principles, appropriately disclosed and reliable, which would be beneficial for shareholders and users of the financial statements.

2. Internal Control System Review: The Audit Committee reviewed the adequacy of the internal control system by examining the audit report from the internal audit division which was conducted and prepared according to the approved audit plan based on the procedures prescribed by the SEC. It was found that the internal control system was appropriate for the Company's current business operation and there were no issues or incidents which could materially impact the company's operation. The internal audit report agreed with the opinions of the company's auditor. The management rectified and adjusted according to the recommendations of the Audit Committee, external auditor and internal auditor. These compliances demonstrate the important value of the company's internal control which ensures that the Company's business has been conducted efficiently and effectively. Additionally, "the form for annual assessment of internal control system" was created as stipulated by the SEC.

3. Review of Internal Audit: The Audit Committee oversaw the company's internal audit, reviewed the annual audit plan, acknowledged the report on a quarterly review, monitored and provided suggestions on significant matters to ensure that the conduct of the internal audit staff was independent and efficient. The Committee also monitored to ensure that the internal audit complied with international standards and the operations were conducted as planned.

4. Compliance Review: The Audit Committee determined the review and monitoring of the Company's operations whether it was in compliance with the law on securities and exchange, the regulations of the SEC, and other laws related to the Company's business to ensure transparent disclosure. There were no issues of non-compliance and/or violation of the applicable laws and regulations.

5. Selection and Appointment of External Auditor: The Audit Committee proposed the appointment of external auditor and the auditor's fees for year 2020 by evaluating past performance, independence, and ethics of the auditor. The Committee proposed to the Board of Director to appoint Ms. Patcharawan Koonarangsri, CPA License No. 6650 and/or Ms. Kamontip Lertwitworatep, CPA License No. 4377 and/or Mr. Wichart Lokatekrawee, CPA License No. 4451 from EY Company Limited to be Company's external auditors for the year 2020.



Mr. Anant Tangtatswas
Chairman of the Audit Committee
26 February 2020

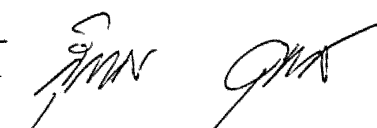
Report on Responsibilities of the Board of Directors towards Financial Statements

The Board of Directors emphasizes the duties and responsibilities to take care of the Company's business to ensure compliance with Good Corporate Governance, Financial Statement Governance and Financial Information indicated in the annual report. The financial statements shall contain correct, complete and sufficiently disclose information. The financial statements shall be made in accordance with accounting standards which are generally acceptable in Thailand and appropriate accounting policy shall be relied on and complied regularly and carefully. Effective internal control system shall be established and maintained to ensure reliability of the financial statements. Effective preventive measures to maintain assets and prevent fraudulent transactions or abnormal actions shall be enforced. Related transactions which may lead to conflict of interest are real transactions and part of normal course of business conducted reasonably and profitably. All applicable laws and regulations are well observed and complied with. The Audit Committee has reported the operating results to the Board of Directors and the opinions on this matter have been reported to the Audit Committee as shown in the annual report.

The Board of Directors has the opinion that the overall Company's internal control system is satisfactory level and reflects reliability of the Company's financial statements dated 31 December 2019. The Company auditor has performed the audit in accordance with generally acceptable accounting standards and expressed the opinion that the financial statements are correct in subject matter under the generally acceptable accounting standards.



Mr. Manu Leopaiprote
Chairman of the Board



Mr. Thitakorn Ussayaporn
Chief Executive Officer

Message to Shareholders



Mr. Manu Leopaibote
Chairman of the Board

In the year 2019 was the year of technological changes in terms of Big Data, AI, Machine Learning, Blockchain, IoT. The government and public sector realized the importance of investment in AI technology with the aim of driving sustainable technological development.

SVOA Public Company Limited has adjusted itself to accommodate the steadily changing situation. Robotic and AI products and services have been imported for marketing and distribution together with gaming business development to meet diverse lifestyles of customers. The Company have improved efficiency of inventory management, logistics management and complete after-sale service.

In 2019, the net profit from consolidated financial statements at 123.0 million Baht. The Company was able to make profits and maintained satisfactory operating results. Definitely, the past business performance was a result of strong collaboration of our business partners, executives and all employees, as well as our customers who always entrust their needs to us.



Mr. Thitakorn Ussayaporn
Chief Executive Officer

We promise to maintain the highest quality, develop creativity and present technological innovations which can be implemented in management to improve corporate efficiency and stability, as well as seeking new business opportunities, products and services on the basis of business ethics and corporate governance.

The Board of Directors would like to thank our shareholders, co-partners, customers, executives, and employees for their unwavering support. The Board of Directors, executives and all employees are committed to put their full effort in ensuring sustainable business growth on the basis of Good Corporate Governance and social responsibility for the utmost benefits of the shareholders and stakeholders.

Mr. Manu Leopaibote
Chairman of the Board

Mr. Thitakorn Ussayaporn
Chief Executive Officer

Board of Directors



Mr. Manu Leopaibrote
Chairman of the Board,
Independent Director and
Member of Audit Committee



Mr. Pang Thieng Hwi
Director



Mr. Henry Goh
Director



Mr. Thitakorn Ussayaporn
Director



Dr. Wilson Teo Yong Peng
Director



Mr. Krit Kulsuppaisarn
Director



Ms. Kulapa Intanate
Director



Mr. Anant Tangtatswas
Independent Director and
Chairman of Audit Committee



Dr. Prapon Phasukyud
Independent Director and
Member of Audit Committee

Board Committees of Directors



Mr. Manu Leopaiprote
Chairman of Nomination and
Remuneration Committee



Mr. Anant Tangtatswas
Member of Nomination and
Remuneration Committee



Dr. Prapon Phasukyud
Member of Nomination and
Remuneration Committee

Management Team



SVOA Public Co., Ltd.
Mr. Thitakorn Ussayaporn
Chief Executive Officer
IT Distribution Strategic
Business Unit



SVOA Public Co., Ltd.
Dr. Wilson Teo Yong Peng
Chief Financial Officer
FA Strategic Support Unit



SVOA Public Co., Ltd.
Mr. Krit Kulsupaisarn
Chief Operating Officer
IT Project Strategic Business Unit



SVOA Public Co., Ltd.
Ms. Kulapa Intanate
Deputy Chief Executive Officer
IT Distribution Strategic
Business Unit



DataOne Asia (Thailand) Co., Ltd.
Mr. Adisorn Kaewbucha
Chief Executive Officer



IT City Public Company Limited
Mr. Ekachai Sirijirapatana
Chief Executive Officer



Lease IT Public Company Limited
Mr. Sompon Aketerajit
Chief Executive Officer



Touch Printing Republic Co., Ltd.
Mr. Kittipoom Anutarapinyowong
Chief Executive Officer



SVOA

- IT Distribution
- IT Project



Asys

- After-Sales Service



Data One

- Computer Systems Integration and Total IT Solution Provider
- IT Service



TOUCH Printing Republic

- Printing Solution Provider & Printing Service



IT CITY

- IT Superstores



Lease IT

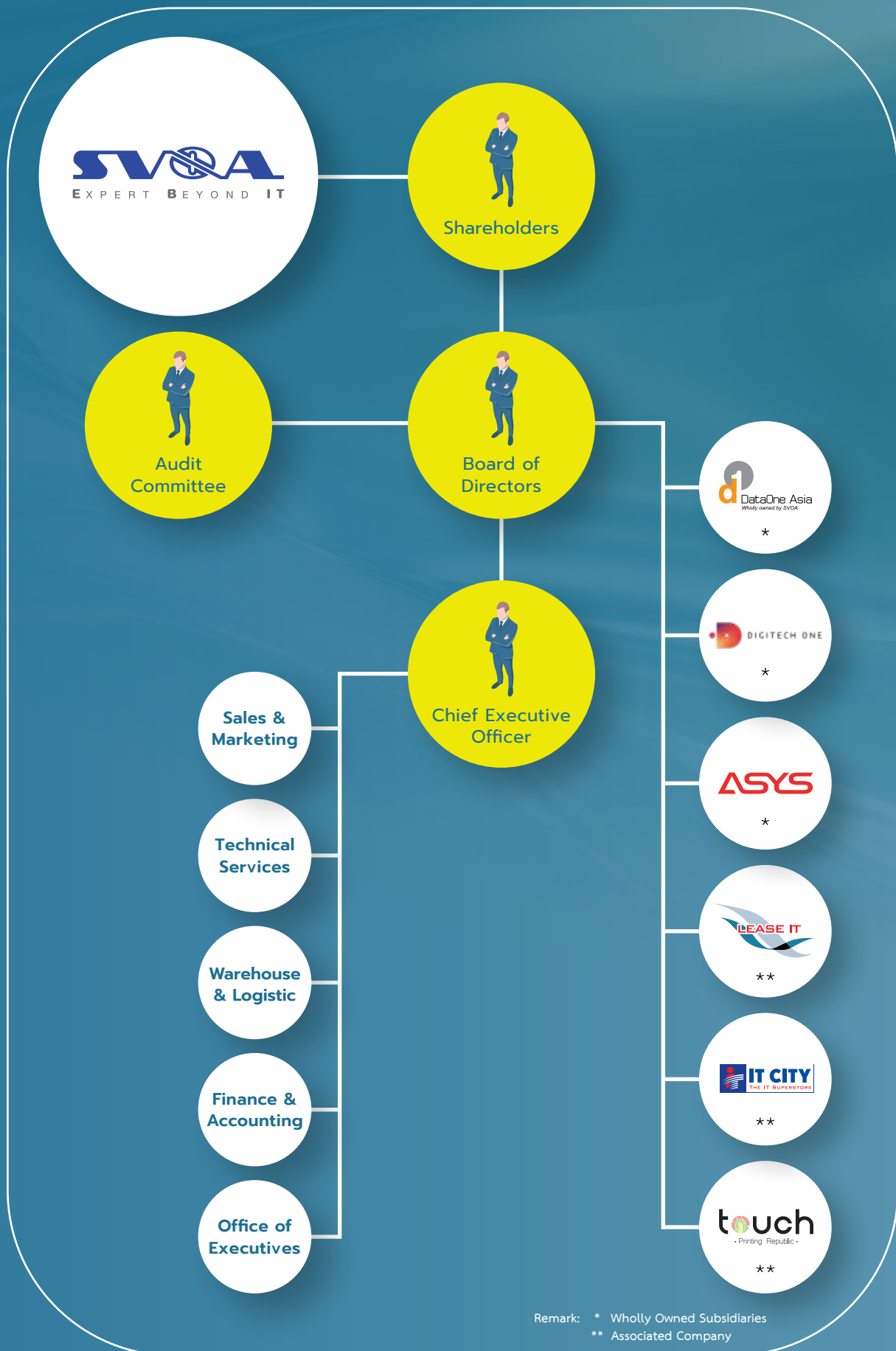
- Financial Product Group



Digitech One

- New Digital Application for Financial Institutions and Government

Corporate Structure



Shareholder Structure

31.94%

Keppel Telecommunications and Transportation Ltd.

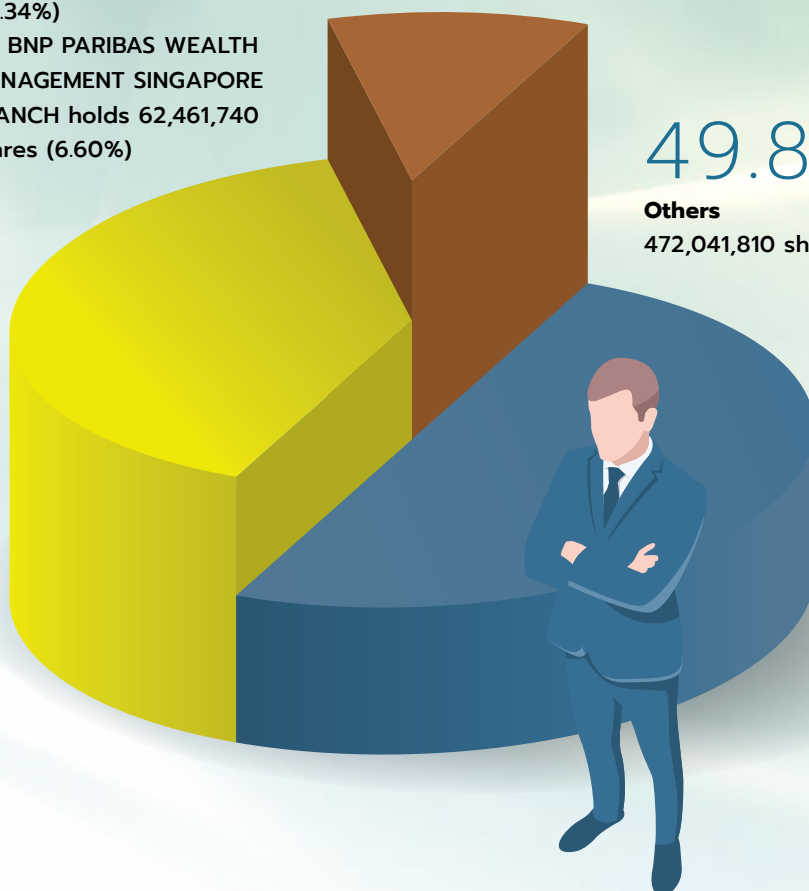
- Via Apsilon Ventures Pte Ltd holds 240,000,000 shares (25.34%)
- Via BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH holds 62,461,740 shares (6.60%)

18.21%

Mr. Min Intanate
172,496,450 shares

49.85%

Others
472,041,810 shares



Policy and Overall Business Operations

Mission

SVOA is determined to develop and deliver innovative products and services including the latest technology of international standard in order to meet every demand and build highest satisfaction for our clients and business alliance. “We always seek to find better solutions and to continuously innovate ourselves”

Vision

SVOA wants to be the number one company in developing Thailand’s IT industry. The company offers a wide range of IT products and services that cater to all demands of different segments: from distributing personal computers to large-format printer; providing organizational and information management system; providing consultant services and offering customized IT solutions in a professional manner.

With our commitment in delivering high-quality IT products and services to all sectors, SVOA believes that the company can attain sustainable growth which is beneficial to the society. This is because the development in IT industry can help improve not only the work of private and public sector, but also enhances Thailand’s capability to compete in today’s hyperlinked global economy. For this reason, SVOA would like to assist and boost Thailand’s IT development in both public, private sector and to enhance their capabilities to connect and compete in a globalized economy.

History

From Strong Foundation to Stable Growth

SVOA was founded in 1982 to provide computer and IT services. This aligned with the national policy aiming to increase the accessibility of ICT to the general public.

With over 38 years of dedication in service improvement and finding innovative solutions, “SVOA” has now become the leading firm in providing the most comprehensive IT services with service networks and distribution centers nationwide. Combining End-to-End solutions with best quality service, SVOA has continued to pursue highest customer satisfaction according to our principle of becoming “a role model Thai company that cater to the Thai society”.

Business Structure Strategy

SVOA core businesses are divided into the following 8 units to ensure management efficiency and highest customer satisfaction which consist of:

1. IT Distribution Strategic Business Unit: ITDSBU
2. IT Project Strategic Business Unit: ITPSBU
3. After-Sales Service: ASYS
4. Computer System Integration and Total IT Solution
Provider: DataOne
5. New Digital Application For Financial Institutions and
Government: Digitech One
6. Financial Product Group: Lease IT
7. IT Superstores: IT CITY
8. Printing Solution Provider & Printing Service:
TOUCH Printing

Nature of Business

1. IT Distribution Strategic Business Unit: ITDSBU

Business Overview

IT Distribution (ITD) Strategic Business Unit focuses on the distribution of computer hardware, peripherals and software. SVOA is not only trusted by many of the world's leading IT brands to be an authorized distributor, but also own a house brand "SVOA Computer" which SVOA distribute through its nationwide network.

SVOA computer brand has gained a considerable amount of recognition and reputation in the market. Moreover, it is also accredited by both local and international organizations namely ISO 9001:2015; ISO 14001:2015; The Federal Communications Commission (FCC), USA; Underwriters Laboratories Inc. (UL), USA. Thai Industrial Standard Institute Ministry of industry.

As an authorized distributor, our product line includes laptops from international brands, printing equipment for basic and specialized usages, projectors, scanners, sticker cutter, metal cutter, supply for these equipments such as ink, bulb, blade, and software for design application and computer operation system For example ALIENWAREM, MSI, AMD, LEADTEK,

ZOTAC, ASROCK, DELL, CHUPHOTIC, LITEON, DELTA, Lenovo, ViewSonic, EPSON, CASIO, Roland, SVOA PC, GIGABYTE, Silhouette, SketchUp and Robot Ubtech

Business Capability

SVOA Computer has received wide acceptance from its users. Furthermore, ITD has distributed hardware and software that cater to both generic and specialized usages. Such product mix became an advantage to SVOA as it can leverage on the existing channels and offer variety to valued customers according to their new and emerging needs.

SVOA PCL. believes that delivering high quality products is not enough. Hence, ITDSBU was created to enhance product distribution and related services to ensure all products are easily accessed regardless of customers' geographical location. Currently, we have four types of distribution channels as follows:

1. Retailers: Company or Operators whom resell products including computer, peripherals and software to organizations and individual users. These retailers can either be specialized store or general electronic store throughout the country.



2. Value Added Reseller (VAR): For certain product such as software, the product needs to be combined with other services before reselling to better meet diverse customer needs. In this case, business agreement is made between each reseller and SVOA PCL. on a case by case basis.
3. Modern Trade Distributors: Another important distribution channel that contributes to our sales revenue. Leveraging its nationwide network, the distribution of products can reach wider customer base through wider geographical coverage.
4. International Market: SVOA PCL. continues to expand our market internationally by exporting our products and services to other countries such as Vietnam, Myanmar, Laos and Cambodia.
5. Governmental-organization Project: SVOA PCL. places high importance on catering maintenance and repair services to public organizations nationwide. The 12 branches service network serves as both distribution and repair and maintenance centers to ensure prompt and convenient services.

In addition to SVOA owned branches, the company also appointed authorized dealers to provide computer and peripheral repair and maintenance services to ensure convenience and accessibility to all customers.

Our target

customers include companies or computer retail stores who seek to provide high quality products and outstanding after-sales service for individual users, including small to medium-sized government agencies, state enterprises, specific businesses who are in need of high quality products, and international vendors.

Quality Management

SVOA upholds its commitment in delivering only products and services of excellent quality according to world class standard, in order to ensure customer satisfaction and confidence by obtaining ISO standards (International Organization for Standardization) for various organizations and businesses as a guarantee for the quality of the Company's products and services. Currently, SVOA has been certified in two categories of ISO standard as follows:

1. ISO 9001: 2015 This certificate verifies that the quality of products and services reached international standard with regards to PC computer production, sales operation, service, sales system and service centers nationwide.
 - Certificate No. TH02/2596 Date: 9 October 2020 audited and approved by SGS Certificate (UKAS).
 - Certificate No. TH02/2597 Date: 9 October 2020 audited and approved by SGS Certificate (NAC).
2. ISO14001:2015 This certificate verifies that computer manufacture and assembly facilities reached the standard of Environmental Management System.
 - Certificate No. TH08/1644 Date: 7 July 2020 audited and approved by SGS Certificate (UKAS).
 - Certificate No. TH05/1643 Date: 2 August 2020 audited and approved by SGS Certificate (NAC).

2. IT Project Strategic Business Unit: ITPSBU

Business Overview

IT Project Strategic Business Unit (ITPSBU) has the objective to provide good quality computer system products and IT equipments at reasonable price based on customer requirement for both public and private organizations, by offering comprehensive IT System Project from installation service to after-sales service throughout application period as stated in contract. This is to ensure the most efficient computer system performance, which will further result in continuous success of operation commenced between the Company and that particular organization.

Business Capability

With a highly competent team of personnel with extensive experience and technical expertise, ITPSBU managed to promptly respond to each customer requirement through close follow-ups as well as

introduce products and services that best match each customer's needs. We ensure our long-term business success by maintaining and building good relationship and confidence among our customers.

Our Target

Our target customers include government agencies, state enterprises, academic institutions, and private organizations.

3. After-Sales Service: ASYS

Business Overview

Started in November 2013, SVOA After-Sales Service has been operating under the name of Asys Computer Co., Ltd. The main objective is to provide after-sales service for every IT products including computers, peripherals and portable devices such as smart phone and tablet. SVOA After-Sales Service includes:

1. Maintenance & Repair Service as an Authorized Service Provider (ASP) for products under warranty of both local and global brands. Currently, SVOA is the Authorized Service Provider of more than 25 leading brands.
2. Maintenance & Repair Service for products of every brand that are not under warranty using genuine parts made by brand owner or most suitable parts in case such parts are not available in the market.
3. Onsite Service that covers the repairing service of products under Project Warranty (PW) and Maintenance Agreement (MA), including Preventive Maintenance (PM) and Corrective Maintenance (CM) services.
4. Install Move Add Change (IMAC) which includes delivery service and installation service from small to large projects nationwide.
5. Operate and manage Authorized Service Center on behalf of supplier brand, which provides after sale service to customers and dealers nation-wide.

Business Capability

Since most IT products repairment requires technical specialists and diverse customer service points for customer convenience, SVOA After-Sales Service Business Unit was established to especially serve this segment in all aspects. Meanwhile, the expansion of IT market whether in terms of IT products for business or individuals, smart phones, tablets and other mobile devices has opened a large door of opportunity for after-sales services.

To promote ASYS business, SVOA now offers after-sales service through various channels as follows:

1. 11 Customer Service Centers in Bangkok and upcountry with expected to be opened cover all regions.
2. 108 Authorized SVOA Service Providers nationwide
3. Vehicles for Onsite Service
4. iFIX Service Center at every branch of IT City nationwide. IT City is an IT Superstore with over 10,000 IT product selections. The store opens daily including holidays, making it highly convenient for customers to access our service during weekdays and holidays.

Our target

Customers include general customers, government agencies, state enterprises, academic institutions, banks, and private organizations.

4. Computer System Integration and Total IT Solution Provider: DataOne

DataOne Asia (Thailand) Co., Ltd. is an IT service provider for financial and banking institutions, including telecommunication companies, manufacturing and insurance industries, savings cooperatives, hospitals, government agencies, and general public. The Company operates a chain of three main types of business as follows:

4.1 System Integration (SI)

Business Overview

We provide IT consulting services and End-to-End IT Solutions (which includes hardware and software installation, system implementation and system maintenance service after initiating implementation) to assist our clients with highest convenience using the latest computer technology.

Business Capability

Besides providing System Integration service which comprises of hardware and software installation, software implementation, customization and system maintenance service after initiating implementation, we also offer a complete Outsourcing Service by a team of professionals with over 20 years of experience in Information Technology Management in collaboration with our business alliance of the world's leading brands.

Product Category

4.1.1 Banking Industry Products

- ATM Solutions - We offer total solutions for banking services by focusing on ATM outsourcing management which includes Front End Systems and Back End Systems.
- Banking Applications - We introduce a wide range of products and services relating to internal and inter-banking systems namely Wholesale Banking Solutions and Retail Banking Solutions.
- Payment Solutions - This particular product offers multiple payment channels such as Mobile Banking and Internet Banking for bill payment transactions.

4.1.2 Industry Products and Insurance Products

- Manufacturing Solutions - We provide products and services which serve core operations of private companies and manufacturing industries by mainly emphasizing Enterprise Resource Planning (ERP), Supply Chain Management (SCM), and Business Intelligence (BI).
- Insurance Solutions - We provide products and services which serve core operations of insurance businesses.

4.1.3 General Products

- Server & Storage - We help customers meet their requirements by applying main applications on world's leading products such as HP. We also have a well-experienced team of specialists to deliver a full range of installation and maintenance services.
- Security Solutions
- Infrastructure - We provide products and services relating to IT Resources.
- Business intelligence (BI) - solutions Helps to analyze data in depth. And forecasting various events In the overall environment and organization Which will change the information to be in a form that is useful And delivered to users as needed Which will help you make better decisions

4.1.4 Distribution Channel

- Network & Security - We offer a full range of network and security equipment solutions Including sales, installation, training and service, namely Juniper Networks, ArcSight, Fortify, Netka System, Ruckus Wireless, Pulse Secure, Thales e-security, Vasco, i-Sprint and Blackberry.

Our target

Customers include banking and financial institutions, telecommunication companies, manufacturing and insurance industries, savings cooperatives, hospitals, and government agencies.

4.2 IT Outsourcing Services: ITS

Business Overview

ITS was established in 2005 to provide fully functioning computer system infrastructure including operating such system for government and private sectors in a form of outsourcing.

Business Capability

ITS strives to deliver powerful outsourcing services by combining the capacities of our highly proficient Computer Outsourcing Team with our business alliance owning the product, Data Center, Back Up Data Center, Hi-End Disaster Recovery Center, and Information Technology Management.

Our Data Center Service provides Backup Service for customers who require another Recovery Site or more apart from the existing recovery Site. With this particular service, we are able to offer one or more Server including other equipments to our customers for data backup. Hence, this service is most suitable for those having a large amount of data and in need of advance level of information security.

Product Category

Data Center Services (ISO/IEC 27001:2013 Information Security Management System (ISMS) Certification Number: IS 645022) ATM Outsource Co-location, Dedicated server, Web and Email Hosting, Disaster Recovery Support

Outsourcing Services ATM Application Solutions (ISO/IEC 20000-1:2011) Certification Number: ITMS 645028

Our Target

- Financial and Banking Institutions - We focus specifically on “new banking institutions” which have been approved by the Bank of Thailand to operate a banking business for Application Outsourcing such as Core Banking, ATM System, Credit Card System, and Internet Banking.
- Manufacturing Industry - We provide Application Outsourcing and Web Service.
- Multi-National Company - We provide Web Service.
- Government Sector - We mainly offer Outsourcing and Consulting Services.

4.3 Distribution

Business Overview

We distribute a full range of networking and security equipment, including consultant service, training service, maintenance and repair services. We are an authorized dealer of world’s leading IT brands and run our chains of business through over 100 trading partners nationwide.

Business Capability

We are the number one Valued Added Distributor of networking and computer security system equipments of global leading brands namely Juniper Networks, ArcSight, Fortify, Netka System, Pulse Secure, Ruckus Wireless, Thales e-security, Vasco, i-Sprint and Blackberry. We distribute our products and services to every level of customers nationwide through trading partners. We also have a highly professional team of certified engineers with extensive knowledge, competency and experience. With technical specialist certificates such as CCISP, GIAC, JNCIA, JNCIS and JNCIP as guarantee of expertise, our engineering team are ready to provide our customers consultation service regarding system design and planning, including installation service as well as 24-hr technical support and guidance of how to use each product.

Product Category

- Network - We provide networking products namely Juniper Networks, Ruckus Wireless and Netka System.
- Security - We provide computer security system equipments namely Juniper Networks, Pulse Secure, Thales e-security, Vasco, ArcSight, Fortify, i-Sprint and Blackberry.

Our target

Customers include all End Users which comprises of financial and banking institutions, telecommunication companies, manufacturing and insurance industries, savings cooperatives, hospitals, government agencies, state enterprises, and private organizations.

Quality System

DataOne Asia (Thailand) Co., Ltd. pays attention and determines to manufacture good quality products and render premium services pursuant to the international standard to strengthen customer satisfaction and confidence. Hence, the Company has requested for quality certification or ISO (International Organization for Standardization) for various business functions including business groups to confirm standard on availability of products and quality services, as follows: ISO9001:2015 quality management system of products and services for personal computer production, sales and services, including selling system and service center throughout the country.

- Certificate No. TH06/2598 Date: 9 October 2020, which is SGS Certificate, accredited by UKAS
- Certificate No. TH06/2599 Date: 9 October 2020, which is SGS Certificate, accredited by NAC

5. New Digital Application: Digitech One Business Overview

New Digital Application for Financial Institutions and Government


6. Financial Product Group: Lease IT Business Overview

Established with registered capital of 200 million Baht, Lease IT Public Company Limited is a company

of SVOA Group providing factoring and leasing service. On March 25, 2014, the company registered in MAI Stock Exchange in order to provide financial services for SMEs with restricted loan application from financial institutions.

The company has financial products designed specifically for small and medium-sized entrepreneurs or SMEs, with customers able to choose from a variety of credit services from the beginning of the project to the end of the project as follows:

1. Leasing: We provide leasing service through financial lease or hire of property with at least 3 years of contract term for customers who seek to offer property lease in a form of leasing or entrepreneurs who are engaged in rental contract with government agency, state enterprise or large private organization.
2. Hire Purchase: We provide leasing service in a form of hire purchase with contract term of no more than 3 years for customers who seek to offer property lease in a form of hire purchase or entrepreneurs who are engaged in rental contract with government agency, state enterprise or large private organization.
3. Factoring: We provide factoring service in order to promote liquidity among entrepreneurs who have trade account receivables that are government agency, state enterprise, or private organization capable of generating liabilities. We offer factoring service at the rate of 70-90 percent of the value stated in debt instrument.

- 
4. Bid Bond & E-Bidding: Providing credit for procuring letter of guarantee For customers, entrepreneurs who want to bid in the government sector And state enterprises
 5. Project Backup Financing: We provide financial support for provision and/or Pre-Finance service before the work is handed over to government agency, state enterprise or large private organization.
 6. Trade Finance: We provide supplies for entrepreneurs who lack of financial support for product provision in order hand over the work to government agency, state enterprise or large private organization.
 7. Letter of Credit (L/C): The company offers financial credit in form of Letter of Credit to guarantee the payment of buyer. By using Letter of Credit, the seller will receive payment after delivering goods and the buyer will pay after receiving goods.
 8. Supplier Finance program allows the suppliers of the company who joins Supplier Finance program to receive immediate cash payment without waiting for credit term due of the seller. By doing this, supplier can improve their cash flow while the seller company, who joined the program, can improve their supply chain Here, we offer a full range of leasing services to assist entrepreneurs in their business operation from bidding to product provision and even offering loans to customers so they are able to deliver the work to their contract party. We also provide financial

lease, hire purchase, including factoring services after handover and inspection process has been completed.

Business Capability

Lease IT does not only offer a full range of leasing services internally and for IT-specific businesses but also cater to other industry. Lease IT is also capable of providing loan support for different types of businesses. Most importantly, Lease IT customers do not need to have any securities when applying for loans, making Lease IT services widely accessible for SMEs. Hence, immense business opportunities and growth can be expected.

In addition, being registered in MAI Stock Exchange does not only enhance LIT financial strength but also build greater confidence among our trading partners and customers in regards to quality of products and services as a result of efficient operations and cost control. Furthermore, all of LIT staffs take pride in contributing to the continuous success of our trading partners and customers.

Customer Group

With keen vision of its parent company by realizing the potential of this business together with re-positioning of Lease IT from being SVOA Financial Arm which specifically provides loans for SVOA customers to a Holding Company capable of generating profits for raising overall Net Profit of SVOA Group, Lease IT can now access free competition as well as offering all types of loan for both SVOA customers and other customer groups. Lease IT offerings are not only limited to IT-specific industry but also suitable for

other types businesses. Nevertheless, IT field is the core of the SVOA group expertise and knowledge. Meanwhile, trade account payables that Lease IT provides factoring service to are still mainly government agencies, state enterprises and large private organizations.

7. IT Superstore: IT City

Business Overview

This business unit is operated by IT City Public Company Limited, or “IT CITY”, which is a joint venture between SVOA Public Company Limited and SAHA Group Company including employees and business partners.

The Core business of IT CITY is retail superstore chain that offers products such as computers, mobile phones, tablets, peripherals, and other related IT products under a trade name of “IT CITY”. This retail IT superstore chain which provides over 10,000 product selections operates its business based on a slogan of “The IT Superstore”. In addition, this Retail IT Superstore is also designed as a wholesale entity to support retailers in Bangkok as well as other provincial areas. The company’s current business operations are as follows:

1. One Stop Electronic Retail Shopping Center

which sells computers, peripherals, accessories and other IT products under the concept of “One Stop Shopping IT Products”. Here, we distribute computers and peripherals products of leading brands such as printers, scanners, and digital cameras. Our products can be categorized into four main groups as follows:

• Computers

We are specialized in Personal Computer (PC) product which can be divided into Desktop Computer and LED Notebooks and Tablets. The details of each product are as follows:

(a) Desktop Computer, Notebook, Tablet - We are major supplier of many leading IT brands including Acer, Apple, Asus, Dell, HP, Lenovo, MSI, Samsung, SVOA and Toshiba.

(b) LED Monitor - We provide a number of leading brands LED Monitor such as Acer, BenQ, LG, Samsung, etc.

• Peripherals

We offer a wide selection of printers and scanners. Each core product details can be summarized as follows:

(a) Printers - We provide Ink Jet, Dot Matrix, Laser, Multi function and photocopier of leading IT brands including Brother, Canon, Epson, HP, Lexmark, OKI, Panasonic, Ricoh, Samsung, and Xerox.

(b) Scanners - Here, we distribute scanners of major leading brands such as Canon, Epson, HP, etc.

• Accessories

We provide electronic accessories such as 3G Aircard, mouse, keyboard, software, ink, printing paper, UPS, AC outlets, speaker, ear plug, CD/DVD drive, hard-disk, network router and modem, cables, bag, and Smart Phone accessories.

• Other Related Products

This includes Smart Phone, LED and Plasma Television, Audio System, MP3 Player, video camera, digital camera, and office appliances such as fax machine, telephone, sticker cutting tool, label printers, and projector.

2. Computer Maintenance and Service Center

where we distribute genuine parts from the manufacture of the product. Here, our service is carried out by a team of specialized technicians. We categorized our services as follows:

(a) We offer “iCare” service by extending warranty for products such as computer, monitor, projector, and LCD Television.

(b) Repair Service Center “iFix” is a service center certified by either the original manufacturer or supplier of the product which mainly support hardware installation and repair services, including delivering non-repair products to manufacturer or distributor. With its complete and integrated service, iFix strategically distinguishes itself from other competitors. This business unit does not only establish a remarkable relationship with customers but also raise opportunities in generating sales income for our business. We also collaborate with finance companies namely Easy Buy, First Choice, Paylite and Aeon to provide lending services as an alternative for customers to allow more convenience.

Business Capability

IT CITY is one of the leading retail store chains in IT product industry with currently over 95 branches across country. With a more defined strategy and size adjustment, IT CITY managed to expand its service to wider areas under a new concept of IT CITY MOBILE.

By taking advantage of our Economy of Scale, we managed to reduce our operation costs and allowed us to generate higher sales revenue and remain as the number one distributor in Thailand's IT retail industry with the highest sales revenue. By strategically purchasing high volume of products directly from manufacturers and suppliers, IT CITY managed to reduce its costs through discounts and raising its profit at the same time. We are determined to continuously offer wide selection of products and services under the concept of "One Stop Shopping", including marketing activities.

Our Target

As a Retail IT Superstore Chain, it is part of our policy to strongly focus on Individual Users such as families, students, and SME businesses. IT CITY is positioned as an alternative business for providing products and services to serve mass market while SVOA focuses on government sector and large private companies. However, SMEs segment may overlap in both SVOA and IT CITY markets.

8. Printing Solution Provider & Printing Service: TOUCH Printing

Business Overview

Founded in 2016, Touch Printing Republic Company Limited The Company provides complete digital printing service which destroy limitations of traditional printing. The digital printing changes the

printing tasks in which a huge amount of work with less variety is required to less quantity of work. The printing jobs can be customized to meet the need of individual customer as the jobs can be completed quickly, so it can accommodate the customer need in printing service on cloth, leather, premium products, and so on. We also provide complete printing solution in the name of Touch Printing Republic Company Limited. Currently, we are developing platform to offer online service through www.12Tproject.com where customers can design and create their work easily, including designing shirts, scarfs, pillows, etc. and order their own unique product which will not be found anywhere else. We receive the order of at least one piece and the finished product can be delivered within 7 days.

Business Capability

Apart from our expertise in delivering a single product to an entire production line within the printing industry, we are also well-recognized for our commitment in delivering high product and color quality standards and outstanding precision by applying color management and standardized materials which allows Touch Printing Republic Company Limited to respond to every consumer needs while constantly building consumer confidence, all of which enables long-term business success.

Our Target

Our target groups consist of entrepreneurs from textile industry who are involved in printing products manufacturing and customers with printing product demands such as designers, general customers and SME entrepreneurs.

Key Changes and Development in Business Operations in the Previous Year


The educational policy of the present Minister of Education which emphasizes the importance of instruction about robotics and AI, especially an attempt to have Thai students learn coding and to develop the relevant curricula boosts trend and interest within Thai education sector. This aligns with the preparation of the Company to accommodate the rapid change from the past year. The Company collaborated with UBTECH Robotics Corp Limited, a producer of service, educational robots and developed the curriculum for teachers and students from elementary school, secondary school forward vocational school level. In the previous year, the Company arranged activities to raise students' awareness of the importance of robotic and AI learning. The key activity was Thailand's robotic competition in which qualified representatives were selected to participate in international robotic competition in China.

SVOA also expanded distribution channels of modern trade market in Bangkok and upcountry. Sales representatives could be effectively managed, contributing to satisfactory operating results according to the determined goals.

Data One Asia (Thailand) Company Limited, in addition to providing consulting, computer system planning service and security service to government agencies, banks and insurance companies, plans to expand the product lines to cover other businesses including retail and wholesale business, manufacturing business and hospital and health care business to increase its customer base.

The after-sale service unit in the name of Asys Computer has been providing IT after-sale service for more than 20 leading brands to meet customer needs with effective, fast and accountable services.

In addition to IT business, the Company also provides SMEs loan service to be an alternative non-bank financial sources under Lease IT Public Company Limited, which has been operated for 13 years. Major customers include SMEs entrepreneurs working with the government sector and large private companies. The Company provides the loans that meet the need of SMEs operators who work with the government agencies from the beginning to the end of the project, which includes bid bond, project backup finance and factoring.



In terms of complete retail business, IT City Public Company Limited has modernized the shops in Bangkok and upcountry to enhance flexibility in management under the notion of One Stop Shopping to approach the end users more widely and effectively.

The Company provides complete digital printing service which eliminate limitations of traditional printing. The digital printing changes the printing tasks in which a huge amount of work with less variety is required to less quantity of work. More precisely, customers can specify the quantity and design of their choice. The printing jobs can be customized to meet the need of individual customer as the jobs can be completed quickly, so it can accommodate the customer need in printing service on cloth, leather, premium products, and so on. We also provide complete printing solution in the name of Touch Printing Republic Company Limited. Currently, we are developing platform to offer online service through www.12Tproject.com where customers can design and create their work easily, including designing shirts, scarfs, pillows, etc. and order their own unique product which will not be found anywhere else. We receive the order of at least one piece and the finished product can be delivered within 7 days.

Furthermore, the Company emphasizes environmental management system and social responsibility by taking part in social activities for sustainability development of Thai society.

Key Changes and Development in the Company Controlling Power

In 2019, there was no key change or development in the Company controlling power. Mr. Min Intanate and the business partner Keppel Telecommunications and Transportation Ltd. (Shareholding via Apsilon Ventures Pte Ltd and via BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH) still hold the total preferred shares and ordinary shares of 474,958,190 shares, accounting for 50.15 percent of the paid-up capital (947,000,000 Baht), making Mr. Min Intanate and the business partner Keppel Telecommunications and Transportation Ltd. hold the majority votes and the controlling power of the Company.

Digitech One Company Limited will be registered company Completed on December 11, 2019 with the objective of the Company is new digital application for financial institutions and government agencies. SVOA Public Company Limited will have 100% investment in the Company, and the investment capital will be from the Company's working capital.

Activities & Significant Changes in the 2019



Her Royal Highness Princess Maha Chakri Sirindhorn opened Commart Work 2019 at Bangkok International Trade & Exhibition Centre (BITEC) and visited SVOA booth as a robot distributor. On this occasion, our representatives Master Thatthapong Boonthamtorawut and Master Nawin Wongpanich who won the 1st Thailand UBTECH Robotics Competition 2019 demonstrated the robotic functions under Smart Factory concept.



international robotics competition at “UBTECH Robotics Competition 2019” in Kunming, People’s Republic of China.

SVOA, in collaboration with UBTECH Robotics Corp, arranged the competition of coding robotics, uKit Explore model, under the title the 1st Thailand UBTECH Robotics Competition 2019, to seek Thailand’s representative from leading institution. Honourable instructors were invited to be Competition Management Committee and Judges. The main objective is to develop AI learning and to inspire students to become scientists and engineers in the future at KIS International School, Bangkok. The representatives attended the



Thailand's representatives from Srinakharinwirot University Prasarnmit Demonstration School (elementary) were awarded in UBTECH Robotics Competition 2019 under the title "Smart Factory" for 8-16 years-old level, held in Kunming, People's Republic of China on 22-24 November 2019.



SVOA, the robot distributor of UBTECH Robotics Company Limited, launched the first Iron Man robot with genuine AR technology, copyright licensed by Marvel. Enjoy the real challenging experience in virtual fighting on mobile application with state-of-the-art "Iron Man MK50 Robot" which players can take the heroic role of Iron Man Robot. You can walk, speak, respond, control, code, and fight along with Iron Man, so you can become the real Tony Stark!

SVOA, in collaboration with vendor partners, arranged "SVOA GAMING 2019" for dealers. SVOA provided "SVOA Happy Rewards" activities to allow dealers to collect the quantity of sales in exchange with special rewards. Also, conducting a Kick Off activities for dealers to participate at Playsquare Laser Tag with special prizes. Lucky customers were selected through activities on Facebook Fan Page to watch Hobbs & Shaw movie to express our appreciation to all customers. SVOA GAMING 2019 was organized together with Meet & Greet and computer assembly activities with the presence of famous influencers in gaming field. The campaign was sponsored by AMD, MSI, NVIDIA, ASROCK, ZOTAC, FSP, LEADTEK, and SVOA computers.





SVOA Public Company Limited, IT distributor, continued arranging activities to reach end users who are in needs, skills and dedication to become professional gamers. To meet the need of customers who seek appropriate equipment that suits their requirements such as lightweight notebooks for gamers or desktop computers which are specifically modified for game competition as well as promoting dealer shops in PANTIP E-SPORTS ACADEMY. At the event, IT influencers such as Mr. Nutthapong Maleeratanamongkhon from Extreme IT and Mr. Chanin Khwanpruek from Asayhi presented how to assemble computers for gaming. In addition, customers could enjoy special deals on IT products via SVOA stickers to exchange premiums and gift vouchers with the total value of 100,000 Baht. Customers could find products, computers assembled at SVOA dealers.

SVOA, in collaboration with SketchUp, arranged “SketchUp Day” for people who were interested in design software for construction. SVOA honored by the presence of Mr. Suthipong Songkran, CEO of Ban SketchUp Company Limited and Ban SketchUp Page, as well as many other experts who share their knowledge and update the latest features that enhance efficiency of the software to assist architectural design work in construction industry.



Lease IT led by executives met investors in mai FORUM 2019 “mai FORUM 2019: 20 years of mai – collective, creative and sustainable growth”

Lease IT Public Company Limited (LIT), the leading provider of business loan for SMEs with more 12 years of continuous growth, exhibited in mai FORUM 2019 to provide information and promote LIT stocks to investors and interested persons. At the event, LIT held the executive discussion titled “Major Expansion to Build Business Support Team” led by Mr. Sompon Aketerajit, Chief Executive Officer of Lease IT Public Company

Limited. Experienced marketing team specializing in each group of customers were formed to become strong partners of SMEs entrepreneurs, which was well-responded by customers. The event was held at Centara Grand Central Hotel.



Khun Kittipoom Anutarapinyowong, CEO of Touch Printing Republic Co., Ltd. Leading integrated printing business. Received Thailand Top SME Award 2019 in Printing Innovation Award and excellent product design.

The Electronic Transactions Development Agency or ETDA, Ministry of Digital Economy and Society (MDES) held the “1ST THAILAND DIGITAL ID SYMPOSIUM 2019” under the concept of “Unlocking the Potential of Thailand Digital Economy: International Digital ID Use Cases” at the Infinity Ballroom, Pullman King Power Bangkok on 28 June, 2019.



DataOne Asia (Thailand) Co.,Ltd. held the annual event “13th Technology Update 2019”, theme “happy d1” at Sand Dunes Chaolao Beach Resort on 14 June 2019. DataOne worked together with partners and customers for CSR : D1 Silent Auction for Wat Tha Klang School, Chanthaburi

Revenue Structure

Revenue Structure of the Company over the 3 years is as follow:

(Unit: Million Baht)

Product Lines / Business unit	Operations	2019		2018		2017	
		Income	%	Income	%	Income	%
Distribution	ITDSBU	3,544	48	3,645	47	3,541	39
System Integration	SISBU	1,840	25	1,783	23	2,095	23
IT Project	ITPSBU	1,613	22	1,976	25	2,934	33
Share of profit from investments in associated companies	IT CITY	7	-	17	0	20	0
Service Center	ASYS	110	1	119	2	96	1
Share of profit from investments in associated companies	LEASE IT	37	1	54	1	54	1
Other Income		293	3	250	2	228	3
Total		7,447	100	7,844	100	8,968	100
Growth Rate		(400)	(5)	(1,124)	(13)	2,225	33.0



Business Goals

The Company strives for moving forward by focusing on development of platform-based business, adaptation of technology, enhancement of learning ability, and employment of knowledge to improve career advancement and new dimensions of learning to create innovations which is the combination between digital technology and artificial intelligence towards the future name “Step of Evolution”.

To create new services and technology to meet the satisfactions of customers, suppliers and partners, the Group has the following operating goals:

IT Distribution: The Company increases a wider range of products for to the dealer, including PC Component parts, gaming gears, educational robots, and commercial robots which cover all business groups. We also expand the channels of products and services as well as wholesale business to cover all regions, especially modern trade market. In addition, SVOA also provides complete after-sale service to meet customer needs. We have created various strategies to build relationship with dealer shops to ensure repurchasing, brand loyalty, as well as arranging varieties of promotional campaigns to increase sales.

IT Project: We manage IT project for government and private sector, educational institutes and provide computer system, IT service and complete solutions to build trust among customers.

Systems Integration & IT Service: The Company realizes the change in current operation in response to the digital trend more effectively in terms of management and enhancement of performance, cost reduction, and human error reduction; therefore, the e-Tax Invoice/e-Receipt management system has been developed as determined by the Revenue Department, and other features have been added to solve current problems encountered by customers in terms of making, delivery and storage of data with the aim of expanding customer base to other business sector.

Also, we have signed the Memorandum of Agreement on Collaborative Development of Digital Authentication with Electronic Transactions Development Agency (ETDA), Ministry of Digital Economy and Society to support online transactions to be more convenient, faster and more effective in compliance with the government’s policy on facilitation of business operation and service provision to the society and the public.

Financial Service: The Company provides business loan to SMEs entrepreneurs. We are alternative non-bank funding sources having extensive financial products which have been designed to support SMEs entrepreneurs and allow them to have access to more funds and financial liquidity at each stage of operations from the beginning to the end of the project. With a variety of financial products that meet customer need, Lease IT can help make all SMEs dreams come true under the slogan “True Financial Partner” which is beyond a loan provider.

Complete Printing Business: The Company provides complete digital printing service which destroy limitations of traditional printing. The digital printing changes the printing tasks in which a huge amount of work with less variety is required to less quantity of work. The printing jobs can be customized to meet the need of individual customer as the jobs can be completed quickly, so it can accommodate the customer need in printing service on cloth, leather, premium products, and so on. We also provide complete printing solution in the name of Touch Printing Republic Company Limited. Currently, we are developing platform to offer online service through www.12Tproject.com where customers can design and create their work easily, including designing shirts, scarfs, pillows, etc. and order their own unique product. We receive the order of at least one piece and the finished product can be delivered within 7 days.

Risk Factors

Our business management conditions are influenced by outside risks and/or business characteristics. Management believes that other risks and uncertainties not currently known to us or that we currently deem to be immaterial may adversely affect our business management, financial conditions, and operation performance. This report is qualified in its entirety by these risk factors.

1. Risks of Business Management

We face inventory risks due to our existing inventory of obsolete non-compliant products and if we are unable to sell these products on a timely basis. Computers and IT products are generally in a highly competitive environment because of high-level technology. Development is continuous and rapidly changing, impacting technological trends and leading to obsolescence. It could cause excess inventory risk if our existing products fail to sell on a timely basis. The excess inventories may adversely affect inventory management and could affect financial performance due to price reductions required to eliminate obsolete products in the inventory. To mitigate the uncertainties of inventory risks, we implement operation management systems to be more efficient as described below.

- We have implemented the inventory management policy that handles up to approximately 60 days turnover and requires us to estimate our monthly sales volumes according to forecast sales orders for each month.
- We implemented marketing promotion campaigns to eliminate obsolete inventory by offering attractive reward programs to motivate our distributors to reach sales targets. Furthermore, we launched product bundles with other packages to motivate buyers and increase our sales. As a result of offering product bundles, we are able to drive down the level of product inventory and also introduce new products to our customers.
- The company implemented a monthly provision policy based on the periods of excess inventories which are associated with the carrying value on the balance sheet as inventory write-offs. The inventory value is normally calculated at the end of every month as stated on the financial statement.

We face credit risk with debts from commercial debtors. As part of operation management, approximately 90% of our sales are credit. We may face potential risk if our commercial customer accounts have operation disruptions and cannot pay over a period of time. The past due receivables could adversely affect or disrupt our cash flow or operational performance. However, we have implemented a management system as described below that consists of credit approval and credit control departments to evaluate customer's payment ability before approving credit line.

- Credit control and sales departments are separate and work individually. In this case, the credit control department is able to work independently and more efficiently without disruption or control from the sales department.
- Company pays for trade credit insurance to protect the account receivables from the loss of bad debts which may incur from distributors or dealers. The insurance should cover most of the damages that might happen from bad debts.
- Implementing a policy of provision for bad debts in the account receivables if our distributor's accounts are over 90 days past due without a securities holding or indemnity protection. The provision instantly provides 100 percent coverage against bad debt defaults.

2. Strong Competition Could Adversely Affect Profitability

Competition in the computer wholesale business industry is intense and the prospect of turning a profit is challenging. However, the computer business is a substantial industry and has potential growth rate. Most competitors compete aggressively on price as a major strategy and this may cause an adverse affect to the performance of our business operations. Therefore, we have reduced the level of competition by increasing the variety of distribution channels in order to expand our products to serve prospective consumers in every strategic market.

3. Risks of Fluctuation of the Exchange Rate

Currency fluctuations could also affect profitability performance regarding our computer components imported from overseas countries. To mitigate this risk, we have hedged our foreign currency requirements to guard against foreign currency exposures.

4. Risk Factor from The Major Shareholders Who Hold Over 25 Percent of Stock

As at March 13, 2019, the major shareholders, Keppel Telecommunications and Transportation Ltd. (Shareholding via Apsilon Ventures Pte Ltd and via BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH) holds 31.94 Percent of total stocks and Mr. Min Intanate, holds 18.21 Percent of total stocks. In this case, the major shareholders are able to control the voting in the meeting. Legally, a vote must pass by a three-fourths majority of total votes from the shareholders who have a right to vote in the meeting under the laws or Company's regulations. This circumstance could cause an imbalance and adversely affect the voting result if the major shareholder's votes are over 25 Percent of the total votes and are against the votes of the other shareholders.

General Information

SVOA Public Co., Ltd. Commercial Registration No: 0107537002001 (previously No. 447) is engaged in Wholesaling and Retailing handling Office Automation products including development and installation of information system operates in the addresses as follow:

• Corporate Headquarter

1023, MS Siam Tower, 31st Floor, Rama 3 Road,
Chong Nonsi, Yannawa, Bangkok 10120.
Tel: +66 2686 3000
Fax: +66 2682 6300
www.svoa.co.th

• Finance & Accounting, Logistics and Distribution office

131, Ratburana Road, Ratburana, Bangkok 10140
Thailand
Tel: +66 2462 5822, +66 2462 5933,
+66 2816 7511
Fax: +66 2462 7030

Nationwide Sales & Services Network

North

• Chiangmai

188 Moo7, Chai Sathan, Saraphi,
Chiang Mai 50140
Tel: +66 5324 2151
Fax: +66 5324 2151 Ext. 28

• Phitsanulok

49/48 Chanvejchakij Road, NaiMueang,
Mueang Phitsanulok, Phitsanulok 65000
Tel: +66 5530 3576-8
Fax: +66 5530 3576-8 Ext. 30

• Chiangrai

814/5 Nongbua Road, Wiang, Mueang Chiangrai,
Chiangrai 57000
Tel: +66 5360 0484
Fax: -

Northeast

• Khon Khaen

333/66 Moo 6, NaiMueang, Mueang Khon Khaen,
Khon Khaen 40000
Tel: +66 4324 1503
Fax: +66 4324 1503 Ext. 5

• Nakhon Ratchasima

28 Chumpol Road, NaiMueang, Mueang Nakhon
Ratchasima, Nakhon Ratchasima 30000
Tel: +66 4424 3333
Fax: +66 4424 3333 Ext. 5

• Ubonratchathani

292 Chayangkun Road, NaiMueang, Mueang
Ubonratchathani, Ubonratchathani 34000
Tel: +66 4531 6849
Fax: -

East

• Chonburi

53/125-126 Moo 3, Bansuan, Mueang Chonburi,
Chonburi 20000
Tel: +66 3879 6788
Fax: -

Central

• Ratchaburi

159/41 Petchakasem Road, NahMueang,
Mueang Ratchaburi, Ratchaburi 70000
Tel: +66 3232 2031
Fax: -

South

• Surat Thani

97/20 Moo 6, Chonkasem Road, Makham Tieh,
Mueang Surat Thani, Surat Thani 84000
Tel: +66 7728 1235-6
Fax: +66 7728 8822

• Hat Yai

20 Siamciti Center 2 Road, Hat Yai, Songkla 90110
Tel: +66 7426 2101-3
Fax: +66 7426 2101-3 Ext. 28

Issued and fully paid up share capital SVOA Public Co., Ltd. has the paid up share capital totaling 947,000,000 Baht with 947,000,000 issued shares, divided into

1. The ordinary share: 707,000,000 shares
2. The preferred share: 240,000,000 shares

THE LEGAL ENTITIES IN WHICH SVOA HOLDS OVER 10% OF THE TOTAL OUTSTANDING CAPITAL STOCK

• **DataOne Asia (Thailand) Co., Ltd.:**

SVOA holds a 100 percent share.

Headquarter: 1023, MS Siam Tower, 30th Floor,
Rama 3 Road, Chong Nonsi, Yannawa,
Bangkok 10120.

Tel: +66 2682 6111, +66 2682 6222,
+66 2682 3000

Fax: +66 2682 6300, +66 2682 6468

www.d1asia.co.th

Registered Capital : 300,000,000 Baht

Paid up Capital : 300,000,000 Baht

Divided into : 3,000,000 Ordinary shares, at par value of 100 Baht each

Business Profile: The primary business is as a provider of data processing center and information technology management.

• **Digitech One Co., Ltd.:**

SVOA holds a 100 percent share.

Headquarter: 1023, MS Siam Tower, 30th Floor,
Rama 3 Road, Chong Nonsi, Yannawa,
Bangkok 10120.

Tel: +66 2682 6111, +66 2682 6222,
+66 2686 3000

Fax: +66 2682 6300, +66 2682 6468

Registered Capital : 2,000,000 Baht

Paid up Capital : 2,000,000 Baht

Divided into : 20,000 Ordinary shares, at par value of 100 Baht each

Business Profile: New Digital Application for Financial Institutions and Government

• **ASYS Computer Co., Ltd.:**

SVOA holds a 100 percent share.

Headquarter: 131 Ratburana Road, Ratburana,
Bangkok 10140

Tel: +66 2462 5822, +66 2816 7511,
+66 2849 2777

Fax: +66 2462 7064

www.asys.co.th

Registered Capital : 200,000,000 Baht

Paid up Capital : 200,000,000

Baht Divided into : 20,000,000

Ordinary shares, at par value of 10 Baht each

Business Profile: After Sales Service.

• **Lease IT Public Company Limited:**

SVOA holds a 35.80 percent share.

Headquarter: 1023, MS Siam Tower, 29th Floor,
Rama 3 Road, Chong Nonsi, Yannawa,
Bangkok 10120.

Tel: +66 2163 4260

Fax: +66 2163 4291

www.leaseit.co.th

Registered Capital : 300,000,000 Baht

Paid up Capital : 221,449,456 Baht

Divided into : 300,000,000 Ordinary shares, at par value of 1 Baht each

Business Profile: The primary business is engaged in lending activities which are factoring and leasing services.

• **IT CITY Public Company Limited:**

SVOA holds a 30.48 percent share.

Headquarter: 604/3 5th-6th Floor, Pantip Plaza
Building, Petchburi Road, Tanon Petchburi,
Rajthevee, Bangkok 10400

Tel: +66 2656 5030-45

Fax: +66 2254 8550

www.itcity.co.th

Registered Capital : 366,398,859 Baht

Paid up Capital : 366,398,859 Baht

Divided into : 366,398,859 Ordinary shares, at par value of 1 Baht each

Business Profile: The primary business is a one-stop shopping retail superstore that offers a wide variety of computers, peripherals, and other information technology products & services. The business is operated under the commercial title “IT City” which has been well known through its retail superstore in the IT market.

• **Touch Printing Republic Co., Ltd.:**

SVOA holds a 24 percent share.

Headquarter: 343 Pattanakarn Road, Pravet, Bangkok 10250

Tel: +66 2321 2045, +66 2008 8853
www.touch-printing.com

Registered Capital : 50,000,000 Baht

Paid up Capital : 50,000,000 Baht

Divide into : 5,000,000 Ordinary shares, at par value of 10 Baht each

Business Profile: Printing service & solution provider by offering premium customized products using integrated design printing system and wide ranges of printing offering such as printer ink and papers to entrepreneurs in textile industry

• **ABIKS Development Co., Ltd.:**

SVOA holds a 20 percent share.

131 Ratburana Road, Ratburana, Bangkok 10140

Tel: +66 2462 5822, +66 2816 7511,
+66 2462 5933

Fax: +66 2462 7030

Registered Capital : 150,000,000 Baht

Paid up Capital : 150,000,000 Baht

Divided into : 15,000,000 Ordinary shares, at par value of 10 Baht each

Business Profile: Engage in real estate development business including investment in land, office building for rental and to render property management services.

• **OTHER REFERENCES**

1. Share Registrar

Common Shares

Thailand Securities Depository Co., Ltd.

93 Ratchadaphisek Road, Din Daeng, Bangkok 10400

Tel: +66 2009 9000

Fax: +66 2009 9001

Preferred Shares and Warrants

SVOA Public Company Limited

131 Ratburana Road, Ratburana, Bangkok 10140

Tel: +66 2462 5822, +66 2462 5933,
+66 2816 7511

Fax: +66 2843 2703

2. Company Secretary & Secretary to the Board of Directors

Dr. Wilson Teo Yong Peng

SVOA Public Company Limited

131 Ratburana Road, Ratburana, Bangkok 10140

Tel: +66 2462 5822, +66 2462 5933,
+66 2816 7511

Fax: +66 2849 2703

3. Legal Advisor

Ms. Panaskan Jermipat

SVOA Public Company Limited

131 Ratburana Road, Ratburana, Bangkok 10140

Tel: +66 2462 5822, +66 2462 5933,
+66 2816 7511

Fax: +66 2849 2703

4. Auditors

EY Office Limited

33rd Floor, Lake Ratchada Building, 193/136-137

New Ratchadapisek Road, Klongteoy, Bangkok 10110

Tel: +66 2264 0777

Fax: +66 2264 0789-90

Stockholders' Equity Structure



Stockholders' Equity Structure

1. Registered and Paid-up share capital

• Registered Capital

The ordinary share 707,000,000 shares at par value of 1 Baht per share, amounting to 707,000,000 Baht. The convertible preferred stock 240,000,000 shares at par value of 1 Baht per share, amounting to 240,000,000 Baht.

• Paid-up Capital

The ordinary share 707,000,000 shares at par value of 1 Baht per share, amounting to 707,000,000 Baht. The convertible preferred stock 240,000,000 shares at par value of 1 Baht per share, amounting to 240,000,000 Baht.

• Number, Value, Terms and qualification of preference shareholder

The Company issued convertible preferred shares for 240,000,000 shares at the price of 1 Baht per share with no limitation period for conversion, no secondary market support, but they can be transferable, which totally held by APSILON VENTURES PTE LTD (Apsilon Ventures Pte Ltd. is a subsidiary company and 100% owned by Keppel Telecommunications and Transportation Ltd). Common shareholder and preferred shareholder would possess the equal rights in every aspect, except preferred shareholder has the right to claim capital allocation over common shareholder in the case of company liquidation.

• The Amount of Shares and the Effect of Shareholders votes regarding issued Thai Trust Fund or NVDR Shares

No share activity from Thai Trust Fund or NVDR.

2. Shareholders

The following table sets forth information with respect to our 10 major shareholders who held ordinary shares and preferred stocks totaling 947,000,000 shares as of March 14, 2019, the latest date of the closing book entry.

No	Shareholders List	No. of Shares	%
1	Apsilon Ventures Pte Ltd. (A Subsidiary of Keppel Telecommunications and Transportation Ltd.)	240,000,000	25.34
2	Mr. Min Intanate	172,496,450	18.21
3	BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH (Customer Segregated Account, held for Apsilon Ventures Pte Ltd.)	62,461,740	6.60
4	Mr. Wijit Pokkakul	31,445,600	3.32
5	Thai NVDR Co., Ltd.	14,496,100	1.53
6	Mr. Khet Wanglee	14,200,000	1.50
7	Universe Beauty Co., Ltd.	12,700,000	1.34
8	T.K.S Technologies Public Co., Ltd.	9,000,000	0.95
9	Mr. Chowalit Charatchotpinit	8,000,000	0.84
10	Unichamp Co., Ltd	7,290,000	0.77

Shareholders Meeting

At the Shareholders' Annual General Meeting of the year 2019, there were 9 directors attending the meeting. The Audit Committee including the Chairman of Audit Committee, Top executives and auditor attended this meeting. The chairman of the Board, who are chairman of this meeting, presented equal opportunities for shareholders to inspect the company's operational performance, including express their opinions and suggestions. The Company had recorded the questions and important opinions on the minute of meeting.

3. Issuing Other Securities

• The Significant Characteristic of Convertible Preferred Stock

• Preferred Stocks

The par value of preferred stock is 1 Baht per share and can be converted to ordinary shares at par value 1 Baht per share. Convertible preferred stocks generally have the same characteristics as common stocks except dividends must be paid out before common stocks and in the event of company close-out, there is no limit period for conversion, and there is no secondary market, except that it is transferable. Effective December 31, 2019, there was no record that preferred stocks were vested to Apsilon Ventures Pte Ltd., a shareholder. The characteristics of preferred stock are that they are not guaranteed and have no value for credit purposes.

- **Stock Option Compensations**

On October 6, 2006, at the 4th Board of Directors meeting and November 10, 2006, at the Extraordinary Shareholders Meeting, it was authorized to grant up to 43,000,000 shares of ordinary stock with no cost to directors and employees. These stock options were authorized to not more than 35 persons who had a minimum of 12 month employment period. The employees are eligible to purchase a stock option of 1 unit valued at 1 ordinary share. The exercise price of these stocks is set at 1.76 Baht per share. Changes can be made if purchasing rights are modified. Stock options maintain a vesting period that expires 5 years after the grant date, non-transferable and the directors and/or employees must be currently employed. The right/eligibility to purchase stocks will be on the last business day of May and November through the purchase vesting period, except on the last day of the vesting period, there will be a 5 business day extension. No individual will be granted more than 5% of the total stock options. The Board of Directors will approve the issue date and exercise these stock options after permission from the Securities and Exchange Commission. However, the stock options had been expired since Year 2011.

- **Major Shareholders Agreement regarding Issued Stock or Company management and instruments directly affecting operation performance.**

No agreement established.

- **Shareholders' Rights and Equality**

In 2019, the company had shareholders' meeting 1 time the 2019 Annual General Meeting. The meeting was held at the Company's headquarters and included agendas that were submitted by the respective shareholders 10-14 business days prior to meeting. Shareholders were able to inspect the accuracy of corporate books, disclosure records regarding committee discussions. In addition, the Company's procedure allows shareholders to transfer their votes to one of three independent directors to express their opinions when they cannot attend the meeting.

4. Policy for Dividend Payment

- **Policy for Dividend Payment to Shareholders**

According to the resolution passed by the Board of Directors' Meeting No.1/2011 on February 24, 2011, it was agreed to approve the change of Company's dividend payment policy in compliance with the accounting practices for dividend payment as per the Act of Public Limited Company, B.E. 1992 dated April 25, 2007, noticed by the Department of Business Development, by which the payment should be made from net profit incurred in the period of financial year end date of separate financial statements.

Company pursues policy for making dividend payment of not less than 60 Percent of net profit of separate financial statement after accumulated losses and legal reserves. However, dividend payment rate will be defined upon cash flow and investment obligations of Company and Subsidiaries including other necessities in the future, by which separate financial statements should have net profit with no accumulated loss subject to approval of the Board of Directors. In addition, the dividend payment performance is subject to approval by the Shareholders' Meeting.

In the business operation for the Year 2019, the Company earned net profit of 77,460,782 Baht. At the Board of Directors' Meeting No.1/2020 on February 26, 2019, it was agreed upon to propose to the Shareholders' Meeting to approve the dividend payment of 51.5 Percent of net profit after legal reserve amounting to 73,587,743 Baht. A dividend payment amounting to 37,897,688 Baht or 0.04 Baht per share was approved at the Shareholders' Meeting.

In the business operation for the Year 2018, the Company earned net profit of 56,497,195 Baht. At the Board of Directors' Meeting No.1/2019 on February 26, 2019, it was agreed upon to propose to the Shareholders' Meeting to approve the dividend payment of 53 Percent of net profit after legal reserve amounting to 53,672,335 Baht. A dividend payment amounting to 28,446,338 Baht or 0.03 Baht per share was approved at the Shareholders' Meeting.

• Policy for Dividend Payment of Associated and Subsidiary Companies to the Company

DataOne Asia (Thailand) Co., Ltd. (a Subsidiary) pursues its policy to pay dividend payment at the rate of not less than 50% of net profit. The decision depends on approval of the Board of Directors, and capability of Company to pay dividend which must finally be approved by the Shareholders' Meeting.

Digitech One Co., Ltd. (a Subsidiary) pursues its policy to pay dividend payment at the rate of not less than 50% of net profit. The decision depends on approval of the Board of Directors, and capability of Company to pay dividend which must finally be approved by the Shareholders' Meeting.

Asys Computer Co., Ltd. (a Subsidiary) pursues its policy to pay dividend payment at the rate of not less than 50% of net profit. The decision depends on approval of the Board of Directors, and capability of Company to pay dividend which must finally be approved by the Shareholders' Meeting.

Lease IT Public Company Limited (an Associated Company) pursues its policy to make dividend payment at the rate of not less than 50% of net profit after corporate income tax and legal reserves. However, company may consider altering its dividend payment different from the dividend policy or no dividends. The decision depends on the company's performance, liquidity, economic conditions and necessity in working capital for management and business expansion.

IT CITY Public Company Limited (an Associated Company) pursues its policy to make dividend payment at the rate of not less than 50% of net profit after corporate income tax. However, Company may determine rate of dividend payment less than aforementioned rate in case of necessity to use the fund for ongoing business expansion. Such decision depends on approval of the Board of Directors, and capability of Company to pay dividend which must finally be approved by the Shareholders' Meeting.

ABIKS Development Co., Ltd. (an Associated Company) pursues its policy for dividend payment at the rate of not less than 50% of net profit, upon agreement of the Board of Directors and company's competency to pay dividend which must finally be approved by the Shareholders' Meeting.

Touch Printing Republic Co., Ltd. (an Associated Company) pursues its policy for dividend payment at the rate of not less than 50% of net profit, upon agreement of the Board of Directors and company's competency to pay dividend which must finally be approved by the Shareholders' Meeting.

Management Structure

SVOA Management Structure

1. Board of Directors who is in charge of directing the Company's business.
2. The Audit Committee whose responsibilities are to support overall operation of the Board of Directors.
3. Nomination and Remuneration Committee. The Purpose for appointment of Nomination and Remuneration Committee is to promote the principle of good corporate governance. The said Committee shall take responsibility for determining the criteria and policy of nomination and remuneration for directors and sub-committee members; recruiting, selecting and nominating the qualified person to hold the director position; considering remuneration of the directors, as well as other entrusted operations; and proposing to the Board of Directors and/or the Shareholders' Meeting as the case may be.

Board of Directors

Leadership and Vision

Board of Directors took part in stipulating and/or approval on corporate vision, mission, strategy, objectives, business plan, and budget. It supervised the management team to operate and perform the business functions efficiently according to business plan and budget for optimal economic value of the business and stable returns for shareholders.

Segregation of duties

To separate roles in determining policy, supervising and managing daily business functions of the Company, Chairman of the Board of Directors is not the Chief Executive Officer.

Balance of power of Directors who are not Management

9 Directors include the following:

- **4 Directors who are Management**

1. Mr. Thitakorn Ussayaporn Chief Executive Officer,
IT Distribution Strategic Business Unit
2. Dr. Wilson Teo Yong Peng Chief Financial Officer
3. Ms. Kulapa Intanate Deputy Chief Executive Officer,
IT Distribution Strategic Business Unit
4. Mr. Krit Kulsuppaisarn Chief Operating Officer,
IT Project Strategic Business Unit

- **2 Directors who are not Management**

1. Mr. Pang Thieng Hwi
2. Mr. Henry Goh

- **3 Independent Directors, accounting for 33.3% of total members of Company's Board of Directors**

1. Mr. Manu Leopairote (Has been appointed to hold the Chairman of the Board's position without power to affix the signature to bind the Company.)
2. Dr. Prapon Phasukyud
3. Mr. Anant Tangtatswas

Audit Committee

The members of the Audit Committee shall be appointed by the Board of Directors to support Corporate Governance of the Company.

The Audit Committee which was appointed on April 20, 2011 will perform their duties in the position for 1 year. It consists of 3 Independent Directors, all of whom are not representing major shareholders. They are as follows:

1. Mr. Anant Tangtatswas Chairman of Audit Committee
2. Mr. Manu Leopairote Member of Audit Committee
(Knowledgeable and experienced person in reviewing financial statement)
3. Dr. Prapon Phasukyud Member of Audit Committee

The Audit Committee regularly held 4 meetings in 2019 and reported to the Company's Board of Directors. The authority of the Audit Committee includes the following;

1. Annually review, nominate, and recommend independent members to be the Company's Auditor, and to propose such person's remuneration, as well as to attend a meeting with an Auditor not include the management at least once a year.
2. To review the related party Transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the Laws and the Exchange's Regulations, and are reasonable for the highest benefit of the Company.
3. To prepare, and to disclose in the Company's Annual Report, an Audit Committee's report which must be signed by the Audit Committee Chairman and consist of at least the following information;
 - 3.1 An opinion on the accuracy, completeness and credibility of the Company's Financial Report.
 - 3.2 An opinion on the adequacy of the Company's internal control system.
 - 3.3 An opinion on the compliance with the Laws on Securities and Exchange, the Exchange's regulations, or the laws relating to the Company's business.
 - 3.4 An opinion on the suitability of an Auditor.
 - 3.5 An opinion on the transactions that may lead to conflicts of interest.
 - 3.6 The number of Audit Committee Meetings, and the attendance of such meetings by each committee member.

Meeting of the Board of Directors

The Board of Directors will schedule the regular meetings for every quarter and additional meeting shall be convened as necessary. Minimum half of total number of Directors are required to attend the Board's meetings to constitute a quorum and resolve each meeting agenda according to Article 24 of the Company's Articles of Association, a clear meeting agenda and agenda for considering and monitoring the performance results are required, and non-executive committees will hold a meeting without the attendance of management every quarter for consideration.

Director's Name	Period of Service	Regular Meeting (time)	No. of Absence (time)
1. Mr. Manu Leopairote	Remark (*)	4	0
2. Mr. Pang Thieng Hwi	Remark (*)	4	3
3. Dr. Wilson Teo Yong Peng	Remark (*)	4	0
4. Mr. Henry Goh	Remark (*)	4	0
5. Mr. Thitakorn Ussayaporn	Remark (*)	4	0
6. Mr. Krit Kulsuppaisarn	Remark (*)	4	0
7. Ms. Kulapa Intanate	Remark (*)	4	0
8. Mr. Anant Tangtatswas	Remark (*)	4	0
9. Dr. Prapon Phasukyud	Remark (*)	4	0

Remark (*) The Company's Articles of Association do not specify the Director's total years of service. However, in every Annual General Meeting, one-third of total number of directors will have to vacate office and may be re-elected to take the position.

All documentation of meeting and maintenance of written minutes of its meeting shall be approved by the Board of Directors in advance of distribution to the Audit Committees and Auditors.

The Authorized Directors

"Mr. Wilson Teo Yong Peng jointly signs with Mr. Pang Thieng Hwi or Mr. Henry Goh or Mr. Thitakorn Ussayaporn or Mr. Krit Kulsuppaisarn or Ms. Kulapa Intanate, together with the company's seal affixed, or Ms. Kulapa Intanate Jointly signs Mr. Pang Thieng Hwi or Mr. Henry Goh or Mr. Thitakorn Ussayaporn or Mr. Krit Kulsuppaisarn, together with the company's seal affixed."

Internal Control

The Board of Directors arranges internal control system covering every aspect such as financing, working performance, operation in relation to Law, Rules & Regulations of The Stock Exchange of Thailand. In addition, the sufficiency assessment of internal control, for organization & environment, risk management, management operation control, information technology & data communications systems and monitoring system, are provided to support the internal control system according to the current situation and the requirements of the Securities and Exchange Commission, Thailand.

The Board of Directors has to ensure that the Company has sufficient internal control system to check the transactions with major shareholders, Directors, Chief Executive Officer, executives and other related persons. For other transactions, the Company also has sufficient internal control system, since the Company has the Internal Audit function to audit the operations of the respective business units.

Board of Directors

Mr. Manu Leopaibote

Position Chairman of the Board, Independent Director, Member of Audit Committee,
Chairman of Nomination and Remuneration Committee

Year of Directorship Independent Director and Member of Audit Committee, 2010-2020 (10 years)

Age 77 (1943)

Qualifications

- B.Sc. in Economics (Hons.), Thammasat University
- M.Sc. in Economics, University of Kentucky, (U.S.A.)
- Ph.D. in Business Administration (Honorary), Thammasat University
- Certificate in Industrial Development, Nagoya Training Center, Japan
- Diploma for National Defence College, Class 34

Directors Training Program

- Certificate in Role of Chairman Program (RCP 3/2001)
- Certificate in Directors Certification Program (DCP 30/2003)

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

Past Position

1994-1999	Director General	Department of Industrial Promotion, Ministry of Industry
1999-2004	Permanent Secretary	Ministry of Industry

The Committee of Private Sector

Present	Chairman	Khonkaen Sugar Public Company Limited
Present	Chairman	ARIP Public Co., Ltd.
Present	Chairman	Jubilee Enterprise Public Co., Ltd.
Present	Chairman	T.M.C. Industrial Public Company Limited
Present	Chairman of the Audit Committee	Siam Steel international Public Company Limited
Present	Chairman of the Audit Committee	TPI Polene Power Public Company Limited

Mr. Pang Thieng Hwi

Position	Director
Year of Directorship	Director, 2014-2020 (6 years)
Age	55 (1965)
Qualifications	<ul style="list-style-type: none"> • Bachelor of Arts degree and Master of Arts (Honorary Award), Cambridge University, (U.K.)

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

2010	CEO	Keppel Infrastructure Fund Management Pte Ltd., Trustee-Manager of Keppel Infrastructure Trust (Singapore)
2018	Director	Advanced Research Group Co.,Ltd.
2019	Director	Anew Corporation Co.,Ltd.
Present	Director	SVOA Public Company Limited
Present	CEO & Executive Director	Keppel Telecommunications & Transportation Ltd. (Singapore)
Present	Director	Keppel DC REIT Management Pte Ltd. (Singapore)
Present	Director	M1 Limited (Singapore)
Present	Director	Asia Airfreight Terminal Company Ltd. (Hong Kong)
Present	Chairman/Director	Trisilco Radiance Communications Sdn Bhd (Malaysia)
Present	Director	Nautilus Data Technologies, Inc (United States of America)

Mr. Henry Goh

Position	Director
Year of Directorship	Director, 2009-2020 (11 years)
Age	63 (1957)
Qualifications	<ul style="list-style-type: none"> • FCA, Fellow of Institute of Singapore Chartered Accountants • FCMA, Fellow of The Chartered Institute of Management Accountants (UK)

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

Present	Group Financial Controller	Keppel Telecommunications & Transportation Ltd. (Singapore)
2018	Director	Advanced Research Group Co., Ltd.

Mr. Thitakorn Ussayaporn

Position Director
Year of Directorship Director, 2017-2020 (3 years)
Age 55 (1965)

Qualifications

- Master Business Administration (Marketing), Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Science (Statistics), Faculty of Commerce and Accountancy, Chulalongkorn University

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

2011-2013	Chief Executive Officer	M Pictures Entertainment Public Co., Ltd.
2008-2011	Director of Corporate & SME Division	Total Access Communication Public Co., Ltd.
2002-2008	Director of OEM & Channel	Microsoft (Thailand) Limited
Present	Chairman of the Board	Touch Printing Republic Co., Ltd.
Present	Director	Asys Computer Co., Ltd.
Present	Director	SVOA Public Co., Ltd.

Dr. Wilson Teo Yong Peng

Position Director
Year of Directorship Director, 2006-2020 (14 years)
Age 54 (1966)

Qualifications

- DBA, Doctor of Business Administration, University of Manchester (U.K.)
- ASEP, Advanced Senior Executive Program, Kellogg School of Management (U.S.A.)
- MBA, Master of Business Administration, Oxford Brookes University (U.K.)
- FCCA, Fellow of The Association of Chartered Certified Accountants (U.K.)
- FCA, Fellow of Institute of Singapore Chartered Accountants
- FCPA, Fellow of Certified Practising Accountants (Australia)
- IIA, The Institute of Internal Auditors (U.S.A.)
- DAP, Director Accreditation Program

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

Present	Director	IT City Public Company Limited
Present	Director	Business Online Public Co., Ltd.
2006-Mar 2020	Director	DataOne Asia (Thailand) Co., Ltd.
Present	Director	ABIKS Development Co., Ltd.
Present	Director	ARIP Public Co., Ltd.
Present	Director	Asys Computer Co., Ltd.
Present	Director	Digitech One Co., Ltd.
2000-2019	Director	Advanced Research Group Co., Ltd.
2006-2019	Director	Anew Corporation Co., Ltd.
2000-Feb 2020	Director	Acerts Co., Ltd.
2012-2013	Director	Lease IT Public Company Limited

Mr. Krit Kulsuppaisarn**Position** Director**Year of Directorship** Director, 2016-2020 (4 years)**Age** 67 (1953)**Qualifications**

- Mini MBA Program, Thammasat University
- Director Certification Program DAP, Director Accreditation Program - Thai Institute of Directors

Directors Shareholdings as at 01/1/2019 - 31/12/2019

3,503,330 shares (0.37%)

Working Experience for the last 5 Years

2006-2009	Chief Operating Officer	DataOne Asia (Thailand) Co., Ltd.
Present	Director	DataOne Asia (Thailand) Co., Ltd.
Present	Chief Operating Officer	SVOA Public Co., Ltd.

Ms. Kulapa Intanate**Position** Director**Year of Directorship** Director, 2017-2020 (3 years)**Age** 35 (1985)**Qualifications**

- MBA Sasin Graduate Institute of Business Administration, Chulalongkorn University
- MBA Exchange Program, Kellogg School of Management, Northwestern University
- Chinese Language Program (Shanghai, China) Immediate Level, Shanghai Jiao Tong University
- Bachelor of Business Administration, International Program, Chulalongkorn University
- BBA Exchange Program, Groupe ESC Rouen, France
- Annesley College (High School) Adelaide, Australia

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

Present	Director	Asys Computer Co., Ltd.
2013-Present	Deputy CEO	SVOA Public Co., Ltd.
2009-2011	Marketing Executive	Microsoft (Thailand) Limited
2 Mar- 30 Jun 2009	Marketing Officer	Huaxia D&B China, Shanghai Headquarte (A joint venture founded by Dun & Bradstreet, Inc. and Huaxia International Credit Group)

Mr. Anant Tangtatswas

Position Independent Director and Chairman of Audit Committee
Year of Directorship Independent Director and Chairman of Audit Committee, 2012-2020 (8 years)
Age 70 (1950)

Qualifications

- BA (Economics), Thammasat University
- MBA (Finance), Columbia University, NYC, USA
- National Defence College, The Joint State - Private Sector Course Class 377
- Certificate DAP, Director Accreditation Program

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

1993-1996	President	Bank of Ayudhya Pcl.
1996-1999	Executive Vice Chairman	Bank of Ayudhya Pcl.
2003-2005	President	Islamic Bank of Thailand
2009-2010	Director	Crown Seal Public Company Limited
Present	Director	Green Spot Co., Ltd.
Present	Director	Khanjanathad Co., Ltd.
Present	Independent Director and Audit Committee Chairman	Business Online Public Company Limited

Dr. Prapon Phasukyud

Position Independent Director and Member of Audit Committee
Year of Directorship Independent Director and Member of Audit Committee, 2003-2020 (17 years)
Age 63 (1957)

Qualifications

- Ph.D., Civil Engineering, University of Missouri-Columbia (U.S.A.)
- MS, Engineering Management, University of Missouri-Rolla (U.S.A.)
- MS, Civil Engineering, University of Texas, Arlington (U.S.A.)
- Bachelor of Civil Engineering, Chulalongkorn University

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

1999-2004	Dean	College of Innovation Thammasat University
2004-2008	President	Communication & Learning Networks - The Knowledge Management Institute
2008-2016	President	The Knowledge Management Institute
Present	Director	The Knowledge Management Institute

Management

Mr. Thitakorn Ussayaporn

Position Chief Operating Officer, IT Distribution Strategic Business Unit

Age 55

Qualifications

- Master Business Administration (Marketing), Faculty of Commerce and Accountancy, Thammasat University
- Bachelor of Science (Statistics), Faculty of Commerce and Accountancy, Chulalongkorn University

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

2011-2013	Chief Executive Officer	M Pictures Entertainment Public Co., Ltd.
2008-2011	Director of Corporate & SME Division	Total Access Communication Public Co., Ltd.
2002-2008	Director of OEM & Channel	Microsoft (Thailand) Limited
Present	Chairman of the Board	Touch Printing Republic Co., Ltd.
Present	Director	Asys Computer Co., Ltd.
Present	Director	SVOA Public Co., Ltd.

Dr. Wilson Teo Yong Peng

Position Chief Financial Officer, Secretary to the Board and Company Secretary

Age 54

Qualifications

- DBA, Doctor of Business Administration, University of Manchester (U.K.)
- ASEP, Advanced Senior Executive Program, Kellogg School of Management (U.S.A.)
- MBA, Master of Business Administration, Oxford Brookes University (U.K.)
- FCCA, Fellow of The Association of Chartered Certified Accountants (U.K.)
- FCA, Fellow of Institute of Singapore Chartered Accountants
- FCPA, Fellow of Certified Practising Accountants (Australia)
- IIA, The Institute of Internal Auditors (U.S.A.)
- DAP, Director Accreditation Program

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

Present	Director	SVOA Public Co., Ltd.
Present	Director	IT City Public Company Limited
Present	Director	Business Online Public Co., Ltd.
2006-Mar 2020	Director	DataOne Asia (Thailand) Co., Ltd.
Present	Director	ABIKS Development Co., Ltd.
Present	Director	ARIP Public Co., Ltd.
Present	Director	Asys Computer Co., Ltd.
2000-Feb 2020	Director	Acerts Co., Ltd.
Present	Director	Digitech One Co., Ltd.
2000-2019	Director	Advanced Research Group Co., Ltd.
2006-2019	Director	Anew Corporation Co., Ltd.
2013	Director	Lease IT Public Company Limited

Mr. Krit Kulsuppaisarn

Position Chief Operating Officer, IT Project Strategic Business Unit

Age 67

Qualifications

- Mini MBA Program, Thammasat University
- Director Certification Program DAP, Director Accreditation Program - Thai Institute of Directors

Shareholdings as at 01/1/2019 - 31/12/2019

3,503,330 shares (0.37%)

Working Experience for the last 5 Years

2006-2009	Chief Operating Officer	DataOne Asia (Thailand) Co., Ltd.
Present	Director	SVOA Public Co., Ltd.
Present	Director	DataOne Asia (Thailand) Co., Ltd.

Ms. Kulapa Intanate

Position Deputy Chief Executive Officer

Age 35

Qualifications

- MBA Sasin Graduate Institute of Business Administration, Chulalongkorn University
- MBA Exchange Program, Kellogg School of Management, Northwestern University
- Chinese Language Program (Shanghai, China) Immediate Level, Shanghai Jiao Tong University
- Bachelor of Business Administration, International Program, Chulalongkorn University
- BBA Exchange Program, Groupe ESC Rouen, France
- Annesley College (High School) Adelaide, Australia

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 Years

Present	Director	Asys Computer Co., Ltd.
Present	Director	SVOA Public Co., Ltd.
2013-Present	Deputy CEO	SVOA Public Co., Ltd.
2009-2011	Marketing Executive	Microsoft (Thailand) Limited
2 Mar- 30 Jun 2009	Marketing Officer	Huaxia D&B China, Shanghai Headquarter (A joint venture founded by Dun & Bradstreet, Inc. and Huaxia International Credit Group)

Mr. Adisorn Kaewbucha**Position** Chief Operating Officer, System Integration**Age** 64**Qualifications**

- Bachelor of Electrical Engineering, Chulalongkorn University

Shareholdings as at 01/1/2019 - 31/12/2019

1,717,900 shares (0.18%)

Directors Training Program

- Certificate in Directors Certification Program (DCP 201/2015)

Working Experience for the last 5 Years

2013-2016	Director	SVOA Public Co., Ltd.
Present	Chief Executive Officer	Data One Asia (Thailand) Co., Ltd.
Present	Director	The Federation of Thai ICT for Savings and Credit Cooperatives Limited
Present	Director	Ai-Lab Company Limited
Present	Director	ARES International (Thailand) Co., Ltd.

Mr. Ekachai Sirijirapatana**Position** Chief Executive Officer, IT City Public Company Limited**Age** 65**Qualifications**

- Master of Business Information System, Georgia State University
- DAP, Director Accreditation Program, Thai Institute of Directors

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 years

Present	Director and President	IT City Public Company Limited
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Mr. Sompon Aketerajit

Position Chief Executive Officer, Lease IT Public Company Limited

Age 59

Qualifications

- Master of Science in Accounting, Thammasat University
- BA, Accounting (Costing), Chulalongkorn University
- Graduate Diploma in Auditing, Chulalongkorn University
- DCP, Director Certification Program, Thai Institute of Directors

Shareholdings as at 01/1/2019 - 31/12/2019

3,753,400 shares 0.4%

Working Experience for the last 5 years

1999-2003	Financial Controller	SVOA Public Co., Ltd.
1999-2003	Chief Executive Officer	SVOA Public Co., Ltd.
2006-2013	Director	SVOA Public Co., Ltd.

Mr. Kittipoom Anutarapinyowong

Position Chief Executive Officer, Touch Printing Republic Co., Ltd.

Age 39

Qualifications

- Bachelor of Science in Technical Education (Mechanical Engineering) King Mongkut's University of Technology North Bangkok

Shareholdings as at 01/1/2019 - 31/12/2019

-

Working Experience for the last 5 years

2006-2016	Managing Director	THAI SYSTEM CO.,LTD.
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Selection of Board of Directors and Management

Criteria for the selection of nominees to be on the Board of Directors and for the management positions are as follows:

Board of Directors

According to the selection of the Board of Directors for non-vacant position, the Board of Directors will search for suitable candidates and propose to the shareholders at the Shareholders' Meeting for consideration. For the selection of the Board of Directors for a vacant position, the Board of Directors will look for potential candidates and appoint the most suitable person to take the position. (Company Appointed the Nomination and Remuneration Committee at the Board of Directors' Meeting no. 2/2015 on 13 May 2015)

Management

For the selection of the Executive Committee, the Boards of Directors has assigned the Chief Executive Officer to search for candidates and propose the appointment of suitable person to the Board of Directors for consideration.

Members of the Board of Directors, who were major shareholders, consist of 2 groups:

- 1. Those who were representatives of shareholders Keppel Telecommunications and Transportation Ltd. (Shareholding via Apsilon Ventures Pte Ltd and via BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH)**
 - 1.1 Mr. Pang Thieng Hwi
 - 1.2 Mr. Henry Goh
 - 1.3 Dr. Wilson Teo Yong Peng
- 2. Those who were representatives of shareholders Mr. Min Intanate**
 - 2.1 Mr. Thitakorn Ussayaporn
 - 2.2 Mr. Krit Kulsuppaisarn
 - 2.3 Ms. Kulapa Intanate

Remuneration of the Executives:

- Monetary Remuneration to Directors: has been specified clearly in the policy. It has been set at the same level as the industry group which was high enough to attract and retain qualified Directors. The Directors, who are assigned more duties and responsibilities, will also receive higher monetary remuneration suitable for increasing duties and responsibilities.
- Monetary Remuneration to Management: follows the principle and policy set by the Board of Directors along with the operating results of the Company and performance of each management. The Department of Human Resources with the approval of the Chief Executive Officer will specify and propose the appropriate monetary remuneration to the Company's Board of Directors for their consideration and final approval.
- Monetary Remuneration to the Directors and Management in 2019 is as follows:

Monetary Remuneration Board of Directors

Name	Position	Remuneration (Baht) 2019	Remuneration (Baht) 2018
1. Mr. Manu Leoparote	Independent Director & Audit Committee Chairman	2,620,000	2,615,000
2. Mr. Pang Thieng Hwi	Director	-	-
3. Dr. Wilson Teo Yong Peng	Director	-	-
4. Mr. Henry Goh	Director	-	-
5. Mr. Thitakorn Ussayaporn	Director	-	-
6. Mr. Krit Kulsuppaisarn	Director	-	-
7. Ms. Kulapa Intanate	Director	-	-
8. Mr. Anant Tangtatswas	Independent Director & Audit Committee Chairman	960,000	955,000
9. Dr. Prapon Phasukyud	Independent Director & Audit Committee Chairman	600,000	595,000

Remark No.2-7 would not receive the remuneration mentioned above since they are directors who were representatives of major shareholders.

Directors and Management of SVOA Public Co., Ltd. and Subsidiaries

	2019 (SVOA Consolidated)		2018 (SVOA Consolidated)	
	Total Persons	Total Amount (Baht)	Total Persons	Total Amount (Baht)
Salaries	4	13,800,000	4	15,018,168
Bonus	3	2,240,000	3	2,710,000
Others	4	399,568	4	408,072
Contributions to provident fund	4	582,120	4	624,848
Contributions to social security fund	4	36,000	4	36,000
Total		17,057,688		18,860,028

Business Control Policy

Policies regarding Code of the Best Practices of the Stock Exchange of Thailand

The Board of Directors has stipulated business control policy as it is crucial for the sustainable growth of the business. Also, the Board of Directors is committed to follow such policy by specifying and directing the business operation. It has also established appropriate internal control system and internal audit to ensure effective management comply strictly with the Company's regulations and other related law. Besides, the Board of Directors has regularly provided the financial reports and general information to shareholders and general investors to acknowledge the Company's financial status and operating results of the Company for long-term benefits of the shareholders as required by laws and business ethics.

Conflicts of Interest

Transactions which may cause conflicts of interest: The Board of Directors recognized transactions which cause conflicts of interest and other connected transactions and has always exercised through proper judgment which complies with the SET's regulations. The price and conditions are similar to the Arm's Length Basis transaction and the details of transaction value, related parties; reason/necessity in connected transactions have been disclosed.

Monitoring of Inside Information

1. The Management is required to report any change of shareholding to The Office of the Securities and Exchange Commission, Thailand according to Clause 59 of the Act of Securities and Stock Exchange 1992.
2. The Company forbids Directors, Management and employees to utilize the Company's inside information for their own benefits. Inside information is to be disclosed only to concerned persons such as Auditors, Legal Advisor, etc. The Company will disclose particular information to shareholders at a proper time.

Provisions for Punishment

In case of abuse of internal information, the Management would consider the punishment to the person depending on the gravity of the offence. Normal actions would be consideration of performance at the end of the year, transfer of employee to prevent access to sensitive information and issuance of warning notice.

Human Resources

Total Manpower

As of December 31, 2019, the Group including associated company had 1,372 employees, a decreased of 78 employees from the previous year, amounting to 5.3%. The Company attempted to control recruitment by following a restrictive management policy which was adapted to a more efficient and flexible manpower structure due to the current economic challenges.

Employees (Person)

1. SVOA Public Company Limited	447
2. DataOne Asia (Thailand) Company Limited	203
3. Asys Company Limited	176
4. Lease IT Public Company Limited	68
5. IT CITY Public Company Limited	409
6. TOUCH Printing Republic Company Limited	69
TOTAL	1,372

Justification/Policy:

In case of changes in manpower structure with major implications or disputes over the past 3 years.

-None

Total Remuneration of Staff as follows:

	2019 (Baht) (SVOA Consolidated)	2018 (Baht) (SVOA Consolidated)
Salaries	304,329,668.01	305,318,926.21
Bonus	16,996,808.00	20,003,378.00
Contributions to provident fund	10,311,637.97	10,082,849.95
Contributions to social security fund	7,761,613.00	8,001,224.00
Others	68,974,670.08	56,632,658.05
Total	408,374,397.06	400,039,036.21

Remuneration of SVOA, DataOne Asia and Asys Computer

Staff Development Policy

The Company realizes that its most valuable asset is manpower with high potential performance that put their efforts to help the Company to make business plan, overcome problems, creates new conceptual ideas among their efficient working team and network for competitive advantages. The Company focuses on constant development of the organization becoming “Knowledge Based Organization” which emphasizes on leadership together with unity of the staff including providing training to increase skill and expertise. This would further improve staff morale and spirit; driving staff to move forward. The Company seeks to constantly improve its human resources development policy to help both staff and Company to grow into the future; thereby, aims to provide the best to our Stakeholders.

Anti-Fraud and Anti-Corruption Policy

The Company is highly committed in preventing fraud and corruption by practicing zero fraud and corruption tolerance. The Company itself including parties relevant to the Company’s business operation must comply with this Anti-Fraud and Anti-Corruption Policy by upholding transparency and honesty when making transactions with authorities or with any other agencies to avoid any actions which may found to be inappropriate and conflicting with proper management principle. The policy also extends to prevention of bribery whether giving or receiving for the purpose of business convenience or interests of the Company, including disciplinary actions which shall be enforced upon the offender.

1. Political policy

Company implements the following political guideline:

- 1.1 Exercise one’s right as a good citizen in compliance with the constitutional law and relevant laws.
- 1.2 Avoid taking part in any activities or making comments which may cause the Company to be misunderstood as having involvement or supporting certain political party or group which may bring conflict to the Company and the country.

- 1.3 Avoid using any properties owned by the Company to support any political parties or groups in exchange for unlawful privilege or benefits.

2. Policy for Giving and Receiving Gifts

- 2.1 Directors, executives and employees must avoid receiving any gifts whether in the form of cash and non-cash from business partners or relevant persons with the exception of festive season or traditional occasion.
- 2.2 Directors, executives and employees must not personally receive any money or rewards from customers, business partners or any other persons from working on behalf of the Company.
- 2.3 Directors, executives and employees must not loan, borrow or collect money or items from customers or business partners of the Company unless it is a loan borrowed from a bank or financial institution as a customer of that bank or financial institution.
- 2.4 Any giving or receiving of donation or funding must be done in transparent and legal manner with confidence that such donation or funding will not be used as an excuse for giving or receiving bribery.
- 2.5 The Company has no policy to offer money, gift or any forms of privilege to customers, business partners, external public and private organizations or any other persons in order to gain business with the exception of traditional business reception, commercial discount and promotional campaign prepared by the Company.

3. Whistleblowing Policy

The Company is determined to encourage directors, executives and employees to operate business based on correctness, transparency, justice and accountability in accordance with good corporate governance and business ethics.

The Company established Whistleblowing Policy to ensure that supervisors and relevant departments oversee as well as providing counseling and monitoring the behavior of directors, executives and employees to ensure proper conduct. Stakeholders can either directly or indirectly raise complaints regarding actions which suspected to be fraudulent or corrupted actions within the Company. Mechanism to protect whistleblowers as well as maintaining confidentiality of all information received has been provided. Complaints can be submitted in the following methods:

1) A written letter can be posted to:

Mr. Anant Tangtatswas (Independent Director and Chairman of Audit Committee)
SVOA Public Company Limited
1023, MS Siam Tower, 31st Floor, Rama 3 Road,
Chong Nonsi, Yannawa, Bangkok 10120.

2) Email

auditreport@svoa.co.th

The whistleblower must specify details of the subject matter or complaint including with his/her name, address and contact number.

Once received either by post or e-mail, the complaint will be directly sent to Audit Committee Chairman.

Corporate Governance

SVOA Public Company Limited realizes the importance of good corporate governance and conducting business according to the principles of good governance. Thus, the Board of Directors of the Company and its Management are committed to managing and operating the business with transparency and accountability according to accepted international standards of practices, together with respecting their rights in regard to our treatment towards all Shareholders in an equal manner and our responsibilities towards all Stakeholder groups, and in taking into consideration our responsibilities towards society and the environment. This will then enhance and enable effective achievement of the Company's goals, which is a key driving factor for increasing the Company's economic value added and maximizing financial returns for Shareholders in the long term

The Board of Directors have determined its policy on corporate governance through adhering to and complying with the regulations specified by the Stock Exchange of Thailand (SET) that cover these 5 key components:

Section 1: The Rights of Shareholders

The Board of Directors places great importance on the rights of Shareholders together with taking care of and encouraging all Shareholders to exercise their rights, that includes such fundamental rights as provided by the law on an equal basis, namely: having the right to buy, sell and transfer the Company's shares owned by them; being allocated a share of Company's profits; and actively participating in the Annual General Shareholders Meeting (AGM) or exercising the right to appoint their authorized proxy to attend and vote at the AGM on their behalf - such as: to appoint new Board Directors', to approve the appointment of the Company's External Auditor and to determine the associated audit fee; to make any enquiries or express any opinions on various matters being reported to the AGM by the Board of Directors. As such, Shareholders are entitled to the number of votes according to the total number of shares owned.

Further, the Board of Directors has also determined best practices in promoting and giving all Shareholders further rights in addition to the abovementioned fundamental Shareholder rights, and in not violating or depriving any rights of the Shareholders.

- Offering opportunities for shareholders to propose agenda items for consideration at the Annual General Shareholders Meeting and to nominate candidates qualified to be proposed for election as the Company's Directors, at least 30 days in advance prior to the scheduled date of the AGM and based on the criteria and procedures that have been clearly defined by the Company. As such, associated details of these rights and associated procedures to be followed are disclosed to inform shareholders via the SET news system and are also posted the Company's Investor Relations (IR) website.
- Arrange to hold the Annual General Shareholders Meeting, through appointing Thailand Security Depository Company Limited, as the Company's shares registrar, to send out to every shareholder a Letter of Invitation, in English and Thai, to attend the AGM together with details of the proposed agenda items and relevant supporting documents, as well as other information regarding the rights of shareholders and voting procedures in attending the AGM, and the date, time and venue for the AGM. The Letter of Invitation is sent out at least 7 days prior to the scheduled date of the AGM, as

required by law, and the same details are also publicized on the Company's IR website. Further, so as to inform all shareholders, the Company also publishes the Letter of Invitation to attend the AGM in the newspapers for 3 consecutive days prior to the scheduled date of the AGM.

- Grants shareholders the right to appoint an authorized proxy to attend the AGM and to vote on their behalf, through using a proxy form, as specified by the Ministry of Commerce, to appoint either the designated Independent Directors or other individuals. The Company distributes these proxy forms and required duty stamp together with the Letter of Invitation to attend the AGM. Or the proxy form can be downloaded, for free, from the Company's website.
- The Company takes into consideration the suitability of the venue to convene AGM and provide a registration system the process to speed up.
- The Chairman of the Board of Directors, the Board of Directors, the Chief Executive Officer, the Management and the Company's Auditor will attend the Shareholders Meetings, in order to respond to any questions from Shareholders and also to allow Shareholders the opportunity to express their opinions, make any suggestions, and make any enquiries or request for any clarification prior to voting on the Agenda Item being discussed.
- Shareholders can vote to approve to elect new Board Directors on an individual basis; and since shareholders submit their votes by using the ballot with system, the Company is able to promptly announce the voting results immediately after the consideration of each respective agenda item ends. Shareholders can also request to see voting details after AGM is adjourned.
- Disclosing of the resolutions of the Shareholders Meetings together with the associated votes for each Agenda Item considered within the next working day via the SET's news and information communications network and also on the Company's own website; as well as publishing the official Minutes of the Shareholders Meetings, that accurately and comprehensively records all key discussions in an accurate and comprehensive manner for submitting to the SET and disclosing on the Company's website within 14 days from the date that the Shareholders Meeting was held, together with showing the VDO recording of the Shareholders Meetings for the sake of transparency and to enable a full review thereafter.

Section 2: Equitable Treatment of Shareholders

The Board of Directors takes into consideration the treatment towards all Shareholders on an equal basis - both Majority Shareholders and Minority Shareholders, or foreign Shareholders, in order to achieve genuine equitable treatment for everyone through determining measures aimed at preventing the use of inside information so that Board Directors, the Management, Staff and other involved parties cannot make use of confidential internal information for their own benefit or that of others in an illegal manner, that also includes the trading of Company shares. As such, these measures to prevent the misuse of inside information are issued as a policy together with associated operating procedures. The Company discloses the latest current information on the Company via its investor relations (IR) website, in order to ensure all Shareholders receive news on any significant changes in the Company. All IR activities and Company news, in Thai and English, are also uploaded for public information on the SET's website as well as on the Company's IR website.

Section 3: Roles of Stakeholders

The Board of Directors gives great importance to the rights of all Stakeholder groups on an equal basis, in accordance with the law and any agreements made with the Company as well as in compliance with various international standards of practices. This is for achieving mutual benefits in a sustainable manner with regards to human rights, managing the environment etc.; whereby policies have been determined regarding the treatment of the various Stakeholder groups as follows:

- Shareholders: The Company is committed to conducting its business in accordance with the principles of good governance as well as in a transparent and equitable manner, in order to achieve positive growth and financial returns for the Shareholders on a sustainable basis. This is realized through taking into consideration both current and future risks so that maximum economic value added is created for the Shareholders in the long term, together with regularly disclosing accurate information and also treating all Shareholders on an equal basis via various channels of communication and via the Company's website.
- Customers: The Company is committed to the ongoing development of the quality of our products and services, so that customers are fully satisfied; as well as to focusing on developing and retaining customer relationships in a sustainable manner together with constantly monitoring the level of customer satisfaction so as to further develop and improve both our products and services. Additionally, we have established procedures to oversee and ensure that our business operations are undertaken in strict accordance with the agreed commitments made to our customers and that we treat our customers in a straight forward and honest manner.
- Vendors, suppliers and business partners: The Company is committed to treating our business partners and business alliances in an equitable manner and on an equal basis; whereby our actions are based on the framework of free and fair competition with honesty, equitability and professional ethics as well as within the established rules and regulations and without violating any intellectual property rights. Additionally, we will strictly adhere to any commitments given to our business partners and business alliances. We will also select only those business partners who act in a transparent and equitable manner, as well as will explain and ensure that the business partners also have respect for human rights, treat their workers in an equitable manner and act with responsibility towards both society and the environment.
- Creditors: The Company is committed to always strictly adhering to the terms and conditions of the loans agreements, as well as to act in an equitable and equal manner towards all groups of creditors alike with regards to repaying loans on time or to acting in accordance with the various conditions of guarantees or obligations together with giving importance to the rights of all creditors – such as: information disclosures to the Stakeholders and in giving attention to full accuracy, comprehensiveness, timeliness and transparency of the both the financial and non-financial information being disclosed.
- Staff and Employees: The Company is committed to treating our staff and employees in an equitable manner and to respecting their basic human rights so that all our staff receive fair and equitable remuneration and appropriate staff welfare benefits - such as: Employee Joint Investment Program (EJIP), training programs to disseminate additional knowledge, regular programs to develop their competency and potential, improved quality of life, good health and safety in the work place, health promotions activities and arranged annual health check-up; together with providing knowledge about saving money and undertaking joint activities to improve the working environment so as to enhance workplace harmony.

- The Public Sector: The Company is committed to giving the same importance to the Public Sector as to other Stakeholders of the Company, through determining operating guidelines and procedures relating to the Public Sector and conducting business operations as appropriate in accordance with the applicable laws together with on the basis of acting in a fully transparent manner and cooperating with Public Sector agencies with regards to various technical and support.
- The Communities, Society and Environment: The Company is committed to conducting its business so as to benefit the overall economy and society in general, and to being environmentally friendly; together with further developing the Company's growth in a sustainable manner through determining a policy framework and establishing internal units with specific and clear associated responsibilities. Additionally, the Company encourages people within the organization to be aware of and to take care in developing conscious responsibilities towards the community, society and the environment; whereby this can be achieved by listening to others, by supporting and sharing with others, and by giving opportunities and happiness to local communities and society through various social activities undertaken by the Company; as well as in protecting and preserving the existing environment. Additionally, every Department within the organization should be encouraged to participate in such activities, which will then result in the Company being able to conduct and operate its business on a firm base for sustainable growth.

Section 4: Disclosure and Transparency

The Board of Director has determined a Policy on Information Disclosures for both important financial and non-financial information as well as for any other related information in accordance with the regulations specified by the SEC and the SET; whereby such information are to be disclosed with adequate and accurate important details, and in a comprehensive, timely, transparent equitable and credible manner both in Thai and English - such as: the shareholdings structure, business operations, achieved performance results, corporate governance practices, Anti-Corruption Policy, and the Handbook and Code of Business Conduct and Ethics as well as including any information or complaints received by the Board of Directors relating to any legal wrongdoings or misconducts or the accuracy of the financial reports that can be easily submitted through the various channels of communications for disclosing.

- Disclosing information in the Company Annual Report and 56-1 Form regarding the Company's Quarterly and Full Year operating performance results, and operating activities; as well as Disclosing, on the Company's IR website, the Corporate Registration Certificate of Juristic Person, and the Objectives and Articles of Association of the Company.
- Disclosures of information about the Company's Directors and Management on the Company's website, which consists of each individual's name, position, educational background, information on their shareholding of Company's shares, and working experience together with a profile photo.
- Various channels of communications to hear any suggestions and opinions or enquiries from both internal and external stakeholders of the Company on an equitable and equal basis - such as: registered letter or emails sent to Internal Audit Department or the Chief Executive Officer.
- The Investor Relations Department, which has been established to disclose information as well as answer any enquiries from shareholders, investors, and securities analysts via Company's IR websites: www.svoa.co.th and telephone phone lines, +66 2849 2701 to contact Investor Relations Department.

Section 5: Board Responsibilities

The Board of Directors plays an important role in the overseeing and ensuring that the business achieves positive operating performance results in the long term for the maximum benefit of the Company, that is credible to the Shareholders and other Stakeholders of the Company. The Board of Directors must also be separate and independent from the Management group; as well as must discharge its duties with responsibility and all due care, honesty, and positive ethics, and in accordance with all applicable laws, together with according to the stated corporate objectives, regulations and resolutions of both the Board and the Shareholders Meetings, through developing a comprehensive and adequate system of internal controls relating to all finance and business operations in compliance with good corporate governance principles and practices and corresponding to all applicable laws and regulations as specified by the Office of the Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) and other involved Government authorities. The Company has also established an adequate risk management system together with internal audit mechanisms so as to ensure transparency and good management in the Company's business operations, as well as adequate risk management procedures together with effective risk management monitoring that are appropriate for the businesses of the Company.

The Company's Board of Directors is comprised of 9 Members, who possess extensive capabilities and experiences, of which 3 Members are Independent Directors. Further, the Board of Directors has appointed the Company's Audit Committee and an associated Board Committee/Sub Committee, each with clearly assigned duties and responsibilities to cover various risk management aspects of the Company. These Board Committees are assigned to oversee, monitor and analyze risk management at the operational level of each operating Department, as well as to convene the respective Committee Meetings on a monthly basis, and to then report on risk management outcomes to the Company's Board of Directors through the Audit Committee every quarter.

The Board of Director, the Audit Committee and the associated Committee/Sub Committee undertakes a self-evaluation of their respective performance as a group and for individual Members at least once a year, so as to review the adequacy of their good governance oversight activities and to provide supporting information to the Management for use in developing increased efficient management practices within the Company. At the same time, a performance evaluation of Chief Executive Officer is undertaken annually, based on the agreed objectives and criteria for this assessment exercise that are linked to the successful implementation of the agreed corporate strategies, so as to be able to consider and determine appropriate compensation and incentives to motivate the ongoing drive to achieve continuing business growth of the Company.

Supervision on Inside Information Usage

The Company's policy to prohibit its executives from using the inside corporate information for their own benefits or including insider trading, as follows:

- The company prevents use of inside corporate information by prohibiting persons from different agencies who is aware of significant information to disclosing such information to unrelated agencies or persons. In case of Executives or Employees disclosure to public or use for their own benefits or transaction that may conflict of interest will considered a serious offense
- The Company's policy to prohibit its directors, executives and employees who learn internal information from disclosing the same specifies that they refrain from trading shares of the Company 1 month prior to the Company disclosing its financial statement to the public.
- The Company informed the directors and executives of the duties of reporting shareholding under section 59 according to the Notification of the Office of the Securities and Exchange Commission ref:

Preparation and Disclosure of Report on Shareholder and punishment under section 275 of the Securities and Exchange Act B.E. 2535 in compliance with the Securities and Exchange Commission requirement including the changing of shareholding of their spouses and any minor children.

- Board of Directors and the members of the Management are required to report the initial ownership of Company shares together with any changes in the number of shares owned; whereby this report must be submitted on the same day that the report is also submitted to the Thailand Securities and Exchange Commission (SEC), which is to be submitted within 3 days of any shares ownership changes occurring. This report must be submitted to the Company Secretary, so that a full record can be made of the changes in the total number of Company shares owned by any Board Directors and members of the Management on an individual basis for reporting to the Board of Directors at the subsequent Board Meeting and disclosing in the Company's Annual Report and the annual 56-1 Form for reporting Company information.

Sustainable Development Policy

SVOA Public Company Limited "SVOA" focuses on the distribution of computer hardware, peripherals and software, particularly in respect to procurement of technology and innovative solutions including comprehensive service. SVOA is committed to corporate sustainability so that all stakeholders, benefits. SVOA has established a policy for sustainable development ("this Policy") with a management framework for common business practices. This Policy is described below.

1. Aim to drive business growth by investing in infrastructure vital to the country's present and future development, creating shared value between the business and society, and supporting the companies it has invested into ensure that their sustainable development practices are aligned with SVOA's.
2. Promote transparency and fair treatment for every stakeholder, operate in compliance with the principles of Good Corporate Governance, abide by all related laws and regulations, and take action against any kind of corruption whilst encouraging free competition and remaining politically neutral.
3. Emphasize respect for and protection of human rights and equality, treat employees fairly with a merit-based approach to remuneration and other benefits, promote safety in the workplace, support training and career development to enhance knowledge and skills, build good relationships between employees and SVOA, and encourage employees to contribute to both internal and external social activities.
4. Aim to create benefits for local communities and society in general by reducing the negative impacts from current issues and making a positive impact on people's lives. SVOA is dedicated to creating shared value by responding to the needs of society in term of education, the quality of life, and overall well-being.
5. Be aware of possible environmental impacts and emphasize on the environmental management. Encourage the effective utilization of resources, educate and train employees on environment. Moreover, take environmental issues both negative and positive impacts into consideration when making investment decisions.
6. Apply the concept of sustainable development to business operations in every function and practice to comply with related regulations, generally-accepted principles and international standards.

SVOA will identify the value of each factor of sustainable development and establish an index to measure the efficiency of the implementation of this Policy in order to obtain information for further improvements.

SVOA expects all members of the management and staff to follow this Policy in order to ensure a balanced growth between the organization and society.

Business Ethics Handbook

Board of directors intends to encourage to conduct its business and management morally and ethically, comply with relevant laws and be responsible for economy and society in general. It aims to support Good Corporate Governance with integrity, honesty and transparency and build value for shareholders together with all stakeholders. The Company defines the business ethics to be guideline for directors, executives and staff regarding the standard of practice, resulting a positive image of the Company to its shareholders and related parties, including society confidence. The Company could grows sustainably and create wealth to all stakeholders.

Scope of Enforceability

This Business Ethics Handbook is applicable to SVOA Public Company Limited. (“Company”)

1. Observance of applicable laws and regulations

The Company has always been in compliance with the applicable business laws, regulations and regulatory requirements as well as the Company’s regulations and has issued the following guidelines:

1. Directors, Executive and Employees must strictly comply with the laws and Company’s regulations.
2. Directors, Executive and Employees must comply with the regulations set by the Stock Exchange of Thailand and Securities and Exchange Commission.
3. Directors, Executive and Employees must perform their duties with integrity and with the due interest of the Company in mind.
4. Directors, Executive and Employees must provide cooperation to regulatory bodies and report any violations or non-compliance to such regulatory bodies.

2. Handling of Conflict of Interest

The Company place great importance to this policy because the existence of conflict of interest may put the Company’s business at risk and therefore, has set out guidelines for its Directors, Executives and Employees as follows:

1. Directors, Executive and Employees must avoid situations that pose potential conflict of interest in their dealing with partners or third-parties. However, if the situation is unavoidable, the Directors, Executives or Employees must conduct the business with the best interest of the Company in mind.
2. Directors, Executive and Employees must avoid transactions that are connected to the Company. If a transaction is considered a connected transaction according to the Notification of Stock Exchange of Thailand, and/or Securities and Exchange Commission, the Company must ensure strict compliance with the rules and procedures regarding information disclosure by listed Companies for such transaction.

If an Executive, Employee or Family Member is involved or is a partner in any business which may create conflict of interest with the Company, written notification on this situation must be reported to Chief Executive Officer. For situation where a Director or his/her Family Member is involved, the written notification has to be given to the Chairman of the Board.

3. Use of the Company's Information

The Company believes that it is the duty of Directors, Executives and Employees to use the Company's business information in an appropriate manner and to properly maintain its confidentiality and has issued the following guidelines:

1. It is the duty of the Company's directors, executives and employees to maintain the Company's business information strictly confidential, especially internal information not yet disclosed to the public that may affect the Company or its market price. Directors, executives (including the related person; (1) spouse or cohabiting (2) minor children (3) legal entity that they or person in (1) and (2) hold its shares all together exceeding 30% of its voting right) and employees shall not use their directorship or employment to take advantage for personal benefits and conducting business in competition with the Company. They shall not use internal information for the benefits in trading of the Company's stocks, and shall not disclose the business secrets to competitors even after a directors, executives or employees has left the Company. The Company has established the following guidelines to prevent using internal information for personal benefits.

1.1 Ensure directors, executives and employees understand their responsibility on reporting the securities holding including their related person; (1) spouse or cohabiting (2) minor children (3) legal entity that they or person in (1) and (2) hold shares exceeding 30% of its voting right and reporting, in addition, on changes to the securities holding according to Form 59 and penal code section 275 of Securities and Exchange Act B.E.2535 within one year.

1.2 Directors, executives and employees, including their related person; (1) spouse or cohabiting (2) minor children (3) legal entity that they or person in (1) and (2) hold shares exceeding 30% of its voting right, must notify their acquisition and disposition of the Company securities in advance not less than one working day to the Company secretary or the assignee.

4. Responsibility to the Company and its Assets

The Company considers it the responsibility of Directors, Executives and Employees to promote and maintain the Company's reputation to the best of their efforts and to utilize the Company's assets in an economical and efficient way in order to increase the operation capabilities and has set up the following policies:

Responsibility to the Company

1. Directors, Executives and Employees must refrain from offering or giving a favor or anything of value to a third-party to influence the person to do or omit to do activities that are unlawful or improper to his/her duty.
2. Directors, Executives and Employees must at all times perform their duties with utmost care to avoid causing damages to the Company's Stakeholders and reputation.
3. Directors, Executives and Employees must act honorably to earn the respect of the society and behave appropriately to their positions, and responsibilities.
4. Directors, Executives and Employees should avoid giving or accepting gifts or any presents from partners or business-related persons except for gifts of reasonable value given during holiday seasons or conventionally accepted occasions provided it is not related to any business obligation.
5. Directors, Executives and Employees should avoid offering or accepting entertainment or hospitality considered more lavish than normal business practice from individuals with business related to the Company.

6. Directors, Executives and Employees are prohibited from requesting or accepting any favor or anything of value which may influence them to do or omit to do their duties or in a way that may cause the Company to lose its rightful benefits.

Responsibility for the Company's Assets

Directors, Executives and Employees must utilize the Company's assets in an economical and most efficient manner and help to protect the assets from loss or damages as well as report the lost or damaged assets to appropriate personnel for further action.

Directors, Executives and Employees must not misuse the Company's assets or use the assets for personal interests or for activities outside business operations unless approved by their management.

Directors, Executives and Employees must not sell, give, borrow, lend or transfer the Company's assets without approval regardless of the value or condition of the assets.

Business data and documentation are significant assets of the Company. Each unit is required to determine the retention period, confidentiality level of the documents and store them in a complete and traceable manner.

5. Treatment of Stakeholders

The Company recognizes and values all Stakeholders including Shareholders, Employees, Customs, Partners, Creditors, Competitors, Society, the Public at large and the environment.

Policy and Treatment of Shareholders

The Company recognizes and respects the right and equality of Shareholders, and strives to efficient conduct the business to provide reasonable and sustainable return to Shareholders and has set the guidelines as follows:

1. Directors, Executives, Employees and related parties must not use internal information not yet made available to the Public, to gain any benefits which may lead to conflict of interest with the Company.
2. The Company respects the right and the equality of Shareholders to receive the Company's material news and information which may impact their decision including the operating results, Financial reports and other information as stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission.
3. The Company recognizes the right and equality of Shareholders in the Shareholders' meetings and consistently acts in compliance with the notifications, regulations and requirements stipulated by the Stock Exchange of Thailand and the Securities and Exchange Commission.
4. The Company will report the Company's status and future direction to Shareholders in an equal, consistent, accurate and complete manner.
5. The Company will perform and carry out the business with integrity. Decisions will be made based on careful and thorough consideration ensuring equitable treatment of all Shareholders.

Policy and Treatment of Employees

The Company recognizes and values each of its Employees because Employees are an integral contribution to the achievement of the Company's goals. The Company encourages and supports the development of good corporate culture and workplace and has set up the following guidelines:

1. The Company is committed to act strictly in compliance with the laws and regulations regarding Employees.
2. Executives shall behave and set a good example on ethical, moral and decent behavior standards.
3. Executives and Employees shall treat their colleagues with politeness and with respect at all times.
4. Provide appropriate and fair compensation to all Employees in accordance with the Company's operating results and the Employees' performance.
5. Appoint, transfer, reward Employees and take disciplinary actions equally and transparently with good faith and on the basis of Employees' knowledge, competency and suitability.
6. Give attention to the development of Employees' skills and capabilities by giving fair and equal opportunity to all Employees.
7. Open up and listen to feedbacks and recommendations from all levels of Employees
8. Avoid unfair treatment which may potentially impact job security or create psychological pressure on Employees.
9. Arrange and maintain safe and healthy workplace for the safety of Employees' lives and assets.
10. Provide channels for Employees to file complaint in case of being subject to unfair treatment against the Company's regulations.

Policy and Treatment of Customers

The Company is committed to build confidence and provide maximum satisfaction for its customers because customers are a key factor to the achievement of the Company's goals and thus, has set up the following guidelines:

1. The Company recognizes the importance of customers and is committed to build confidence and provide maximum satisfaction by delivering good services and quality output at reasonable price as well as to maintain good and sustainable relationship with customers.
2. The Company will have in place a quality support system to ensure customer satisfaction by treating all customers equally and fairly.
3. Directors, Executives and Employees must set up a complaint management system to allow customers to file a complaint regarding services or business operations and provide quick and responsive handling of the issues.

Policy and Treatment of Partners and/or Creditors

The Company takes into account integrity, equality and fairness, when dealing and sharing benefits with its partners and adheres to the good and fair business practice guidelines in dealing with creditors. With regard to this, the Company has set up the following guidelines:

1. Executives and Employees must develop and maintain sustainable relationship with partners and build mutual trust.
2. Executive and Employees must organize a complaint management system to receive complaints on its services and business operations and ensure quick responses.
3. No demand, receiving or paying any form of bribes to partners and/or creditors.
4. Executives and Employees must not give false publicity or intentionally misleading information to its partners.
5. Strictly comply with the terms agreed with creditors regarding payments, maintenance of security, security deposit and other applicable terms.
6. Executives must manage the Company so creditors are confident in the Company's financial position and ability to repay the debts.

7. In the event the Company is unable to fulfill its obligation to partners and/or creditors, the Company will promptly inform the partners and/or creditors in order to find proper resolutions.
8. The Company must disclose accurate and complete financial information to its creditors.

Policy and Treatment of Competitors

The Company has made it a policy to compete and treat its competitors in a fair and lawful manner with strict adherence to applicable laws and regulations and has set up the following guidelines:

1. Adhere to competition best practices.
2. Avoid damaging competitors' reputation or untruthfully and seek competitors' trade secret for the benefits of the Company's operations.
3. Executives and Employees must not act in violation of other people or competitors' intellectual property rights.
4. The Company must provide accurate and factual information regarding the quality and characteristics of its products and services to the press or public advertisement.
5. Not enter into a contract or agreement which may unreasonably result in the decrease or elimination of business competition.

Responsibility towards Society, General Public and Environment

The Company pays great attention to the society, public at large and the environment and is committed to conducting business that are beneficial to the society, the public and the environment while fostering the value of good citizenship to all Employees so they live their lives for the benefit of the society, the public and the environment. Thus, the Company has issued the following guidelines:

1. Directors, Executives and Employees must act as good citizens by strictly abiding by the laws and/or regulations issued by relevant regulatory bodies and consistently providing cooperation to the public agencies.
2. Directors, Executives and Employees must work together within the communities to support and promote the quality of life, energy conservation, environment preservation for the overall social advancement
3. Directors, Executives and Employees must ensure that business activities conducted by the Company will not be damaging to the quality of life, community, society and environment.
4. Directors, Executives and Employees must consistently and actively instill social responsibility mindset to Employees at all levels.

6. Compliance with the Business Ethics

It is the responsibility of Directors, Executives and Employees to strictly comply with the guidelines outlined in this Business Ethics Handbook. In addition, management of all levels are required to ensure that their subordinates are aware of this handbook and act accordingly.

7. Filing Complaints on Corporate Governance and Business Ethics Issues

The Company has appointed the Company Secretary as the point of contact to receive complaints regarding corporate governance and business ethics issues. Complaints can be sent to the following address: Via postage mail:

Secretary of SVOA Public Company Limited
131 Ratburana Road, Ratburana, Bangkok 10140

Responsibilities of the Board of Directors

1. Structure of the Board

1.1 The Company's Board of Directors comprises of 9 Directors who specialize in various aspects of business. The Board of Directors' structure is as follows:

Four Executive Directors who represent 44% of the Board

Five non-Executive Directors who represent 56% or more than three-fourth of the entire Board. This composition represents a good balance in monitoring management's decisions. There are 3 Independent Directors which represent 33.3% of the Board (or one-third) who meet the qualifications under the Stock Exchange of Thailand and Securities and Exchange Commission's regulations.

Moreover, the Company had a policy to appoint different persons in the positions of the Chairman of the Board and the Executive Chairman.

1.2 The appointment of Directors must be made in accordance with the stipulated schedule, and the nomination of Directors for election shall be made with transparency and clarity. Background information on the candidates must be sufficiently detailed to assist in the selection process.

1.3 The background of all the Directors must be disclosed in detail to the public, and shall be disclosed for any changes in the composition of the Board.

2. Scope of authority, duty, and responsibility of the Board of Directors

Board of Directors retains authority, duty, and responsibility in managing Company's operation to be consistent with law, objectives, and articles of association. In addition, resolution passed by shareholders' meeting should be conducted honestly and carefully to maintain Company's benefits. The authority, duty, and responsibility could be concluded as follows:-

1. To organize annual shareholders' meeting within 4 months after the last day of accounting period of Company.
2. To organize Board of Directors' Meeting at least once in three months.
3. To review the audited Statement of Financial Position and Statement of Comprehensive Income as at the last day of accounting period and propose to shareholders' meeting for approval.
4. To grant the power of attorney to one or more directors or other person to represent Board of Directors in doing business operation under the scope of determined authority as appropriate under the supervision of the Board of Directors, or to grant the power of attorney to such person as agreed by the Board of Directors for certain period which the Board of Directors would be able to cancel or change or amend the authorized person or granted authority as appropriate.

As such, Board of Directors may authorize the Management Team to perform business as per detail and scope of power of attorney. Power of attorney granted to the Management Team should not have conflict of interest to the Company and subsidiaries, except the approved transactions must comply with policy and criteria passed by the Board of Directors.

5. To determine target, direction, policy, business plan, and budget of the Company as per authorization assigned to Management Team, except some issues must be proposed by Board of Directors to the shareholders' meeting for approval, such as increasing of capital, reduction of capital, issuance of debenture, sale/transfer of entire/partial business of Company to other party, or purchase/acquire other Company's business, amendment to the Memorandum of Association, and etc.

Besides, the Board of Directors should supervise the Company to conduct any transactions in compliance with the law of Securities and Exchange, the Stock Exchange's regulations, such as, connected transactions and sale & purchase of significant assets in accordance with the criteria of the Stock Exchange of Thailand or related business law.

6. To consider management structure and appoint Management Team, Chief Executive Officer, and other committee as appropriate.
7. To regularly follow-up business operation to be consistent with business plan and budget.
8. Not to operate the similar business and compete with Company's business or being a partner of general partnership or general partner of limited partnership or director of private company or other companies with similar business and compete with Company whether for individual or other benefit, except shareholders' meeting has been informed before the appointment.
9. To notify Company at once when there is direct/indirect conflict of interest incurred in any Company's agreements or change of shareholding in Company or subsidiaries.

3. Duration of Office

In each Annual General Meeting, one-third of the Directors shall vacate their positions. In the first and second years following the registration of the Company, the Directors shall conduct a random draw to decide which members are to vacate their positions, unless they have determined any other method among themselves. In subsequent years, the Director who have been in their positions longest should vacate their posts. Directors whose term in office has thus ended may be re-selected.

4. Meeting of the Board of Directors

The Annual General Meeting will be organized and take place within 4 months after the end of Company's fiscal or accounting year. There are also Board meetings every 3 months whose yearly schedule is announced in advance and special meeting can be organized as necessary. To schedule a meeting of the Board of Directors, to consider and approve agenda. The Company secretary of the Board will then deliver a letter of meeting invitation, agenda and related documents to the Directors at least 7 days in advance, to allow Directors the time to study the information before the meeting.

The Chairman of the Board of Directors will chair the meeting with appropriate time allocation on each agenda for Directors to discuss and express their opinion freely, especially on critical issues to achieve a fairly balanced benefit for Shareholders and stakeholders. The Chairman will ensure that the management presents relevant information to support the discussions. The Company Secretary will take note and prepare Minute of Meeting within 14 days. He or she will keep the record of the Minute of Meeting on file together with other reference documents as well as supporting the Board of Directors to perform their duties in compliance with laws, regulations and resolutions of Shareholders' Meetings. The Company Secretary will also coordinate with other parties concerned.

5. Remuneration of Directors

Remuneration of Directors: the Board of Director determines the remuneration of Directors in clear and transparent manners that are sufficient to attract, and retain Directors with desirable qualification. Additional remuneration shall be granted to Directors appointed to the Audit Committee as appropriate. Consideration for granting all such remuneration shall be based on relevant experience, skill and expertise of respective Directors.

Remuneration of Executive: Remuneration of Executives will be according to the Company's operating results as well as achievements of each individual executive.

6. Sub-Committee

The Company arranged to set up a sub-committee, which is the Audit Committee to assist the Board in monitoring the work of each Director.

Audit Committee

The Audit Committee is a part of the Board of Directors. Besides, the Audit Committee who has been appointed by Board of Director and Shareholders consists of 3 people, one of whom must possess qualifications in accounting and finance. Their qualifications comply with the regulations of the Stock Exchange of Thailand with regards to Independence. There must be a chief of Internal Audit Department who will also act as a secretary to the Audit Committee. The Audit Committee has the following duties and authorities. Scope of authority, duty and responsibility of Audit Committee.

1. To review the Company's financial reporting process to ensure that it is accurate and adequate and cooperate with auditors and management to prepare the financial reports, including quarterly and yearly. The Audit Committee may suggest that the auditor inspect any transaction which is considered to be important.

2. To review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the head of an internal audit unit or any other unit in charge of an internal audit.

3. To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business.

4. To consider, select and nominate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a meeting with an auditor not include the management at least once a year.

5. To review the Related Party Transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the Company.

6. To prepare, and to disclose in the Company's Annual Report, an Audit Committee Report which must be signed by the Audit Committee Chairman and must contained at least following information:

6.1 An opinion on the accuracy, completeness and creditability of the Company's Financial Report.

6.2 An opinion on the adequacy of the Company's internal control system.

6.3 An opinion of conduct in compliance with the law of Securities and Exchange, the Stock Exchange's regulations, or the related business laws.

6.4 An opinion on the suitability of an Auditor.

6.5 An opinion on the transactions that may lead to conflicts of interests.

- 6.6 The number of the Audit Committee Meeting, and the attendance of each member of the committee to the meeting.
- 6.7 An opinion or viewpoint occurred when Audit Committee conducts the works in accordance with the Charter.
- 6.8 Other transactions, which should be informed to shareholders and general investors, in scope of duties and responsibilities assigned by the Board of Directors.
- 7. To perform any other act as assigned by the Board of Directors, with the approval of the Audit Committee.
- 8. To present the Audit Committee Report to the Board of Directors at least once a quarter.

Qualifications of Audit Committee Members

- 1. The Independent Director must not hold more than 1 per cent of paid-up capital of the Company.
- 2. The Independent Director must not engage in the management of the Company, be an employee, staff member or advise who receives a regular salary from the Company and/or its Subsidiaries.
- 3. The Independent Director shall be independent from management of the Company or should not be under control from major shareholders.
- 4. The Independent Director must not be related both by family or acquaintance to the management or major shareholders of the Company.
- 5. The Independent Director shall have no major business relationship in essence with the Company which may have influence over the expression of independent opinion.
- 6. The Independent Director shall not be employees or staff members who receive a regular salary from the Company during the 2 years period before appointment.
- 7. The Independent Director shall not be in a professional service career field such as an auditing or legal consultant.
- 8. The Independent Director shall have no major business relationship in essence with the Company which may interfere with the duty of exercising independence. Such business relationships include purchasing and selling raw materials, products, services, lending, and leasing that specifically includes transaction sizes (if any)

Duration of Office

Members of the Audit Committee shall remain in office for one year, including additional appointments and withdrawals from the Audit Committee. Members of the Audit Committee whose term in office has expired may be re-appointed. Resignation from the Audit Committee, Member (s) of the Board of Directors shall submit a resignation letter to the Chairman of the Board at least 30 days in advance. The Board of Directors shall approve resignations and send copies of resignation letters to the Stock Exchange of Thailand.

Should a vacancy arise on the Audit Committee for reasons other than the expiry of the duration of office, the Board of Directors shall appoint a person with all the necessary qualifications to replace the resigned person. The appointed person shall remain in office only for the remaining term of office of the person whom they are replacing, and the Stock Exchange of Thailand shall be notified accordingly.

Audit Committee Meetings

1. The Audit Committee Shall hold meetings once every each quarter to deliberate the quarterly budget and other issues in accordance with Audit framework. The Chairman of the Audit Committee may call for meetings in special instances to deliberate issues that are necessary or urgent as deemed appropriate.
2. In calling a meeting of the Audit Committee, the Chairman of the Audit Committee, or the secretary of the Audit Committee through the order of the Chairman of the Audit Committee no less than seven days prior to the date of the meeting. An exception maybe made in urgent circumstances, the meeting may be announced by other means or scheduled for an earlier suitable period.
3. The Chairman of the Audit Committee shall report the minutes of the meeting to the Board of Directors on the following day.
4. The secretary of the Audit Committee shall not have the right to vote

7. Selection of Directors

In selection of the person who is appointed as the director without appointment of the director in replacement of vacant position, the Nomination and Remuneration Committee shall perform duty in selection and nomination of the qualified person to hold the director position by proposing the Board of Directors' Meeting for consideration, and proposing the Shareholders' Meeting for consideration and appointment of the directors accordingly. If it is the event of appointment to replace the vacant position, the Nomination and Remuneration Committee shall select and nominate the qualified person to hold the director position by proposing the Board of Directors' Meeting for consideration and appointment of the director accordingly (the Company has appointed the Nomination and Remuneration Committee on the Board of Directors' Meeting No.2/2015 on 13 May 2015.)

Shareholder Voting Rights for the Selection of Directors

The Board of Directors shall be appointed by Shareholders in Annual General Meeting according to the following procedures:

1. Each Shareholder shall have one vote per one share.
2. Each Shareholder shall cast his/her vote for one or more candidates for Board Membership but shall not divide his/her voting rights amongst more than one candidate.
3. In a case where there is a tie amongst Board candidates, the Chairman of the Meeting shall cast the deciding vote.

8. Management

Management Team retains authority, duty, and responsibility in managing Company's general business operation and management tasks, and determining policy, business plan, budget, management structure and several management authorities and criteria for business operation, to be consistent with current economic situation including following up the operating results, to be proposed to the Board of Directors' Meeting for consideration and approval. The authority, duty, and responsibility could be concluded as follows:-

1. To consider the proposed allotment of annual budget of management before proposing to the Board of Directors for approval. This includes consideration and approval of the change and addition to annual expenses budget when there is no meeting of the Board of Directors, which should be proposed in the next meeting.
2. To approve the line of payment not over 50 Million Baht.
3. To approve the significant investment as stated in annual expenses budget as appointed or approved by the Board of Directors.
4. To act as advisor team for management in financial, marketing, personnel management and others operations policies.
5. To allot reward approved by the Board of Directors to Company's officers or employees or other persons, who work for the Company.

However, authorities of the Management would not include approval of any transactions relating to conflict of interest or connected transactions to Company and subsidiaries as regulated by the Stock Exchange of Thailand in which such approved transactions should be proposed to the Board of Directors' Meeting and/or shareholders' meeting for approval as per articles of association or relevant law.

9. Training and Knowledge Development of the Board of Directors

Every newly appointed Director shall be duly informed of the regulations and information of the Company and its subsidiaries as needed before performing their duties. Each Director would receive proper training to continuously develop their knowledge in order to help them efficiently perform their duties and effectively control the business operation of the Company.

9.1 Sub-committee

The Company has established sub-committee which is the Audit Committee to perform the duty in assisting to study, audit and scrutinize the works of the Board and the Nomination and Remuneration Committee. The sub-committee shall take responsibility for determining the criteria and policy of nomination and remuneration for directors and sub-committee members; recruiting, selecting and nominating the qualified person to hold the director position; considering remuneration of the directors, as well as operating other entrusted tasks and proposing to the Board of Directors and/or the Shareholders' Meeting as the case may be.

9.2 Nomination and Appointment of Directors and Senior Executive

Despite the fact that Nomination Committee has yet been appointed, the Board of Directors shall select new directors based on the criteria and procedure set forth under Section 68 of Public Limited Companies Act 1992, including the experience, knowledge and skill of the nominees. The list of candidates shall be proposed at a shareholder's meeting for appointing new directors and senior executives.

Independent Director

The definition of Independent Director determined by the Company which is equivalent to the minimum standard of The Securities and Exchange Commission and The Stock Exchange of Thailand can be defined as follows:

Independent Director means a director who can freely express comments and possesses the following qualifications:

1. Holding the Company's shares but must not exceed 1% of total preference shares.
2. Not involved in business management or working as a full-time employee or a consultant with monthly salary within the Company or subsidiary.
3. Completely independent from the management team and controlling shareholders.
4. Not a close relative of or entitled to receiving or sharing benefits with the management, major shareholders or controlling shareholders.
5. Having no potential business relation which can influence free comment expression.
6. Must not be an employee earning monthly salary from the Company during the past 2 years prior to the appointment.
7. Must not be a professional service provider (auditor, legal advisor).
8. Having no potential business relation which may obstruct the ability to perform duty independently (such as buying or selling raw materials, products or service or borrowing or giving loans) including specifying the size of item (if applicable).

9.3 Overseeing and Monitoring the Performance of Subsidiaries and Joint Ventures

To ensure proper balance in investigation between both parties, the Company therefore sent a director or executive to join the Board of subsidiary or joint venture to constantly oversee and monitor the performance of that subsidiary or joint venture.

9.4 The Use of Inside Information

The Company places great importance in regulating the use of Inside information to ensure compliance with corporate governance by upholding good governance principle and business ethics. To ensure that investors in Company's securities can equally and promptly access reliable information, the Company therefore established Regulation for the Use of Inside Information and Securities Trade Regulation to be applied among directors, executives and employees in compliance with Securities Law and also to promote transparency in business operation. The contents of such regulations can be summarized as follow:

- Directors, executives and employees at all levels must not use the Company's inside information that is substantial to securities price change that has yet been disclosed to the public or The Stock Exchange of Thailand for the purpose of trading Company's securities to gain personal benefits and benefits of others by avoiding or ceasing trading of the Company's securities about 1 month before disclosure of financial statement to The Stock Exchange of Thailand.
- Directors and executives shall be responsible for presenting securities holding report issued by the Company to the Board of Directors at every Board of Directors' meeting.
- The Company is responsible for immediate and thorough disclosure of information regarding the Company's substantial operations to the public through media and method defined by The Stock Exchange of Thailand as well as other media channels to ensure that the information can promptly and equally be reached by every group of investors.

The Company exercises strict cyber and information security rules and regulations to prevent disclosure of substantial information. The Company has prepared disciplinary actions in case any director or executive uses the Company's information by ill intention. Any violation shall be considered as serious offence and may cause that person to face disciplinary actions according to the Company's regulations and relevant laws. The level of punishment shall be according to the severity of offence committed such as by performance evaluation at the end of the year for profit allocation, relocation to prevent access to substantial information and issuing warning letter. The Company has already prevented access to inside information that has yet been disclosed to the public. Only relevant authorities have access to such information which includes Accounting and Financial Authorities.

9.5 Remuneration of Auditor

Remuneration of Auditor

The Company paid the audit fee of 2,170,000 Baht to EY Office Limited that this audit firm is the auditor of the Company for the Financial Statement of the year 2019.

10. Social Responsibility

Responsibility towards Society, Community and Environment

The Company places great concern toward overall society, community and environment. Hence, the Company aims to operate its business in a way that is beneficial to the overall society, community and environment, including instilling good citizenship among its employees by encouraging them to give back to the society, community and environment based on the following practice:

1. Directors, executives and employees must be a good citizen by strictly following the laws and/or regulations issued by relevant authorities and constantly cooperating with government sector.
2. Directors, executives and employees must jointly support and uplift the society in terms of quality of life, energy saving and environmental protection to ensure development of the overall society.
3. Directors, executives and employees must jointly ensure that business operation of the Company does not impact the quality of life of the surrounding community or overall society and environment.
4. Social responsibility awareness must constantly and seriously be developed among directors, executives and employees at all levels.

Social Responsibility



CSR Activities

As a leading Company in the IT Industry, our aim is not only to develop our organization and the Thai IT Industry, but also to develop our society at the same time. We pay particular attention to support education programs, which are essential foundations for the sustainable development of the country. The Company has supported various projects of the Better Thailand Foundation, a charitable organization, which puts emphasis on enhancement of knowledge for the youth especially the less privileged children projects that SVOA provides support includes:

Center of Learning with Fun - A project to construct a permanent building, comprising computer room, library and multi-purpose space to serve as knowledge research resource center for schools and communities. For the past year, the Foundation has constructed a total of 10 learning centers.

“Card for You” Project - A project arranged for the less privileged and disabled children so that they can have an opportunity to demonstrate their artistic capabilities. This event has been held annually for over 17 years having more than 2,000 less fortunate children participated

Computers & Educational Equipment Donation - A project to donate computers, educational tools and materials to schools in rural area. As of now, we have donated to more than 60 schools with over 20,000 children and members of communities benefited from this project

SVOA is determined to be a part in improving the society We believe that the business and the society must go hand in hand. SVOA, therefore is devoted to contribute and engage in activities for the better Thai society

11. Internal Control and Risk Management

Internal Control and Audit

The Company is aware of the importance of internal control system and has established an internal audit unit directly reporting to the Audit Committee with the Internal Audit Manager serving as Secretary of the Audit Committee.

The Audit Committee has evaluated the Company's internal control and audit system through explanations of the auditor. In the opinion of the Audit Committee, the Company and its subsidiaries have adequate and appropriate internal control system as summarized below:

1. Organizational and its Environment

The Company has an organization structure that enables the management to operate efficiently. The Company has business goals that can be clearly monitored, audited and evaluated and is aware of the importance of fair treatment of customers, shareholders, trade partners, employees and the society.

2. Risk Management

Risk management is an important tool to ensure that the external and internal risks affecting the company's goals will be addressed and mitigated for the effective and efficient operations. The risk management, in addition to being comprehensive and Company-Wide, also focuses on control activities and monitors to ensure that the risk management is appropriate and can be adopted throughout the organization with oversight by the accountable management team. The information and communication of the risks effectively, The risk management policy is developed based on the Good Corporate Governance practice.

The types of risks with direct impact to business operation can be classified into 3 categories as follows:

1. Operational Risk

Is a risk resulting from operations, including IT equipment and operation staffs, which may affect the operation of the firm. To address the risk, the company has set up a clear procedure and operating manual, including supervision of each business units that might consistently cause damage to the company, to ensure that the operations are properly executed.

2. IT Risk

Is a risk that could be present to any organization today. Within IT Risk, the key risks are information Access Risk, Business, Continuity Risk, Infrastructure Risk, and Availability Risk. Information Access Risk is the risk which employees have unauthorized access or access beyond the responsible areas in the system. Business Continuity. Technology infrastructure Risk is the risk which the disruption in technology affects the firm's operations and business continuity. Technology infrastructure Risk is the risk which may occur when the purchase of IT equipment does not fit the nature of the firm's business and IT application. Availability Risk is the risk which occur when employees or management could not access the information under his/her responsibility. To address the risks above, the company has setup the system and structure to manage the IT system to prevent unauthorized access to customers' information, created backup data. Developed business continuity plan around IT, and managed IT resources as appropriate to the business.

3. Financial Risk

Is a risk resulting from financial unpreparedness, default of debts, reimbursement mistakes, Liquidity, Interest rate, foreign exchange, and the risk factors affecting the operations and financial position of the company. To address the risk, the company has considered the funding arrangement to ensure adequate and timely funding and has analyzed the firm's debtors' financial situation to mitigate the risks that could affect the firm's investment. The company also conducted a feasibility study of the applicability of foreign exchange rate risks control system.

The Risk Management above must be conducted continuously and systematically with further developments to integrate the practice into the company's culture through the engagement of everyone in the organization. This must be communicated to everyone in the organization and reviewed regularly to ensure the Risk Management is current and appropriate in today's business context.

3. Control of Management's Performance

There are measures to monitor operations of the Company and its subsidiary companies to ensure compliance with laws. The Company has clearly determined the scope of power and duty of the management as well as maximum amount of money that each level of management can approve in writing. There is a clear delineation of duties and responsibilities in granting approval, recording accounting items and information, and separating assets to ensure balance of power and the effectiveness of the reciprocal audits. The Company also monitors the performance of its subsidiary or associated companies on a regular basis by having its directors or executives serve as directors in such subsidiary or associated companies for close supervision.

4. Information and Communication

The company adopts an integrated communication system that enables the employees at all level to communicate with each other. This allows operational staff to receive information from the management quickly and clearly. Important information is prepared for the meetings of the Board of Directors and shareholders sufficiently and timely. Minutes of meetings and supporting documents are completely and systematically stored and made available for inspection if needed.

5. Monitoring System

The Company Internal control system monitors operating results in comparison with the established goals on a regular basis. There is an Internal Audit team that can operate independently and present factual audit reports to the Audit Committee and management for further actions. In the case where errors are found, corrective actions will be carried out immediately and completed within a reasonable time.

Opinions on Sufficiency and Appropriateness of the Internal Control System

At the 4/2019 Audit Committee Meeting held on November 13, 2019. There was an agenda to perform an annual evaluation of the internal control system. The meeting was attended by members of the Audit Committee and independent directors. They considered and reviewed the clear and complete internal control evaluation forms and agreed that the Company's internal control system was sufficient and appropriate in accordance with the good corporate governance principles.

Related Party Transactions

Opinions of the Audit Committee

The Company's Audit Committee has considered information concerning the related party transactions and opined that such related party transactions were reasonable and were transactions which occurred as per market prices or fair prices and there were no differences from selling and purchasing from other third parties.

- **Disclosure of related party transactions**

Detail of related transactions was shown in Note to the Financial Statement No. 6: Related Party Transactions.

- **Necessities and reasonableness of related party transactions**

Operations concerning the related party transactions were necessary and reasonable for the maximum benefits of the Company and were as per normal business practices and the Company has paid compensation at the fair market price.

- **Procedures on approval of related party transaction**

For procedures on approval of related party transaction in the future, the Company shall comply with the laws on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand. Any transactions which the director or other person may have conflict of interest with the Company has been stipulated in the related party transactions and acquisition and disposal of assets of the Company, except when it is an approval of transaction in the nature course of the business of the Company. In addition, the Company has specified approval authorization rights clearly.

- **Trends of related party transactions in the future**

The Company expected that such related party transactions shall continue to occur in the future because the related party transactions of the Company and the person who may have conflict of interest shall be as per normal business practices of the Company. In addition, the Company has appointed the Audit Committee to audit and consider the disclosure of information of related party transactions which may have conflict of interest so they shall be correctly and completely be in accordance to the law on securities and securities exchange including regulations, announcements, orders or requirements of the Stock Exchange of Thailand as well as compliance with the regulations related to disclosure of information on related party transactions and acquisition or disposal of assets and in accordance with the generally accepted accounting standards specified by the Federation of Accounting Professions.

- **Reasons that may cause any person who may have conflict of interest to hold shares in the subsidiaries, the associated company more than 5 percent**

None

- **Investor's protection measures**

The Company has clear regulations concerning the related party transactions and acquisition and disposal of assets in the Company's Articles of Association which specified that any director or person who may gain benefits or have conflict of interest shall not have the voting right to approve such matters, except when it is an approval of transaction in the ordinary course of business of the Company. In addition, the Audit Committee would provide opinions on necessities and reasonableness of the transactions and consideration on disclosure of transaction in the Annual Report of the Company.

In case the Audit Committee does not have any expertise on consideration of the related party transaction, the Company shall find the independent expert or the auditor of the Company to provide opinions concerning such related party transactions, so that the Board of Directors or the shareholders may consider such matters.

Independent Auditor's Report

To the Shareholders of SVOA Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of SVOA 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 SVOA 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 SVOA Public Company Limited and its subsidiaries and of SVOA 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 matter are described below.

Revenue recognition

Sales and service income is the most significant item in the statement of comprehensive income. The Group has entered into agreements with a large number of customers and there are a variety of conditions in the agreements. As a result, conditions relevant to the recognition of revenue from sales differ. There are therefore risks with respect to the amount and timing of revenue recognition.

In examining the revenue recognition of the Group, I applied significant audit procedures as follows:

- Assessing and testing the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for actual sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

Inventory

Estimating the net realisable value of inventories of the Group which are the technology products, as disclosed in Note 6 and Note 11 to the financial statements, is an area of significant management judgement, particularly with regard to the estimation of provision for diminution in the value of slow-moving and obsolete inventories. This requires detailed analysis of the product life cycle, the competitive environment, economic circumstances and the situation within the industry. There is a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and tested the internal controls of the Group relevant to the determination of provision for diminution in the value of inventory by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I assessed the method and the assumptions applied by management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventory, and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing net proceeds from sales transactions occurring after the date of the financial statements with the cost of inventory.

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.

สัทยา รัตนานุรักษ์

Satida Ratananurak

Certified Public Accountant (Thailand) No. 4753

EY Office Limited

Bangkok: 25 February 2020

SVOA Public Company Limited and its subsidiaries
Statements of financial position

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2019	As at 31 December 2018 (Restated)	As at 1 January 2018	As at 31 December 2019	As at 31 December 2018 (Restated)	As at 1 January 2018
Assets							
Current assets							
Cash and cash equivalents	8	411,811,656	646,777,605	511,579,040	267,789,796	277,667,559	205,483,459
Trade and other receivables	9	1,568,940,388	1,749,829,437	2,689,720,731	913,646,668	1,248,190,918	1,714,343,264
Current portion of finance lease receivables	10	450,282,955	502,698,876	231,420,758	444,594,203	496,910,420	230,856,558
Inventories	11	839,876,271	1,024,756,109	1,219,853,874	514,639,454	616,980,803	840,875,465
Other current assets	12	62,955,069	139,837,683	143,190,263	8,705,070	49,979,945	72,949,459
Total current assets		<u>3,333,866,339</u>	<u>4,063,899,710</u>	<u>4,795,764,666</u>	<u>2,149,375,191</u>	<u>2,689,729,645</u>	<u>3,064,508,205</u>
Non-current assets							
Investments in subsidiary companies	13	-	-	-	70,170,813	68,170,813	68,170,813
Investments in associated companies	14	801,756,175	790,694,731	764,800,720	382,285,516	382,285,516	382,285,516
Investments in joint ventures	15	8,261,502	7,163,389	-	-	-	-
Other long-term investments	16	-	10,784,650	10,429,103	-	10,784,650	10,429,103
Property, plant and equipment	17	188,012,048	136,976,958	142,158,171	153,985,354	133,029,415	136,480,569
Intangible assets	18	95,760,790	84,696,557	73,671,340	69,427,131	57,514,052	50,575,501
Finance lease receivables - net of current portion	10	185,279,728	313,118,497	276,808,886	171,515,475	294,854,831	276,808,886
Deferred tax assets	32	30,836,500	33,576,418	47,648,240	10,639,512	11,366,981	23,468,709
Other non-current assets							
Withholding tax deducted at source	19	146,733,365	169,673,432	163,233,585	54,473,236	74,567,141	52,129,576
Others		68,045,601	68,742,217	18,077,312	11,266,498	3,791,224	9,374,444
Total other non-current assets		<u>214,778,966</u>	<u>238,415,649</u>	<u>181,310,897</u>	<u>65,739,734</u>	<u>78,358,365</u>	<u>61,504,020</u>
Total non-current assets		<u>1,524,685,709</u>	<u>1,615,426,849</u>	<u>1,496,827,357</u>	<u>923,763,535</u>	<u>1,036,364,623</u>	<u>1,009,723,117</u>
Total assets		<u>4,858,552,048</u>	<u>5,679,326,559</u>	<u>6,292,592,023</u>	<u>3,073,138,726</u>	<u>3,726,094,268</u>	<u>4,074,231,322</u>

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

SVOA Public Company Limited and its subsidiaries
Statements of financial position (continued)

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at 31 December 2019	As at 31 December 2018 (Restated)	As at 1 January 2018	As at 31 December 2019	As at 31 December 2018 (Restated)	As at 1 January 2018
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from banks	20	1,131,854,576	1,742,463,578	1,935,743,702	816,514,306	1,323,654,365	1,431,676,820
Trade and other payables	21	693,988,530	793,563,938	994,235,460	543,444,444	671,314,351	832,263,608
Current portion of liabilities under finance lease agreements	22	717,810	4,202,993	7,085,310	478,847	762,640	1,428,528
Provision for short-term employee benefits	24	-	3,458,746	18,345,379	-	1,907,491	5,684,286
Other current liabilities	23	698,155,673	913,558,661	1,181,409,697	267,563,745	343,349,628	428,492,041
Total current liabilities		2,524,716,589	3,457,247,916	4,136,819,548	1,628,001,342	2,340,988,475	2,699,545,283
Non-current liabilities							
Liabilities under finance lease agreements - net of current portion	22	912,240	1,157,556	4,327,186	350,449	356,802	1,119,442
Provision for long-term employee benefits	24	56,110,978	40,359,097	40,150,788	27,646,618	17,188,695	18,896,034
Total non-current liabilities		57,023,218	41,516,653	44,477,974	27,997,067	17,545,497	20,015,476
Total liabilities		2,581,739,807	3,498,764,569	4,181,297,522	1,655,998,409	2,358,533,972	2,719,560,759

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

SVOA Public Company Limited and its subsidiaries
Statements of financial position (continued)

(Unit: Baht)

	Note	Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
		31 December	31 December	1 January	31 December	31 December	1 January
		2019	2018	2018	2019	2018	2018
		(Restated)			(Restated)		
Liabilities and shareholders' equity (continued)							
Shareholders' equity							
Share capital							
Registered							
240,000,000 convertible preferred shares							
of Baht 1 each		240,000,000	240,000,000	240,000,000	240,000,000	240,000,000	
707,000,000 ordinary shares							
of Baht 1 each		707,000,000	707,000,000	707,000,000	707,000,000	707,000,000	
		947,000,000	947,000,000	947,000,000	947,000,000	947,000,000	
Issued and fully paid up							
240,000,000 convertible preferred shares							
of Baht 1 each		240,000,000	240,000,000	240,000,000	240,000,000	240,000,000	
707,000,000 ordinary shares							
of Baht 1 each		707,000,000	707,000,000	707,000,000	707,000,000	707,000,000	
		947,000,000	947,000,000	947,000,000	947,000,000	947,000,000	
Premium on ordinary shares		471,474	471,474	471,474	471,474	471,474	
Retained earnings							
Appropriated - statutory reserve	25	57,097,863	53,224,824	50,399,964	57,097,863	53,224,824	
Unappropriated		1,175,695,862	1,083,318,650	1,016,876,021	412,570,980	356,799,125	
		1,232,793,725	1,136,543,474	1,067,275,985	469,668,843	407,199,089	
Other components of shareholders' equity		96,547,042	96,547,042	96,547,042	-	-	
Total shareholders' equity		2,276,812,241	2,180,561,990	2,111,294,501	1,417,140,317	1,354,670,563	
Total liabilities and shareholders' equity		4,858,552,048	5,679,326,559	6,292,592,023	3,073,138,726	4,074,231,322	

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

SVOA Public Company Limited and its subsidiaries
 Statements of comprehensive income
 For the year ended 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018 (Restated)
Profit or loss:					
Revenues					
Revenue from contacts with customers		7,107,041,237	7,523,170,160	5,351,960,572	5,874,682,945
Other income		289,503,477	249,709,570	261,320,714	244,674,151
Total revenues		<u>7,396,544,714</u>	<u>7,772,879,730</u>	<u>5,613,281,286</u>	<u>6,119,357,096</u>
Expenses					
Cost of sales and services		6,447,767,657	6,873,200,222	4,954,154,575	5,471,712,587
Selling and distribution expenses		550,622,862	544,518,540	364,687,047	367,327,975
Administrative expenses		242,031,201	217,660,269	167,380,854	157,194,932
Total expenses		<u>7,240,421,720</u>	<u>7,635,379,031</u>	<u>5,486,222,476</u>	<u>5,996,235,494</u>
Profit before share of profit (loss) from investments in associates and joint ventures, finance cost and income tax expenses		156,122,994	137,500,699	127,058,810	123,121,602
Share of profit from investments in associated companies	14.2	46,294,698	71,363,790	-	-
Share of profit (loss) from investments in joint ventures	15.2	698,113	(186,611)	-	-
Profit before finance cost and income tax expenses		203,115,805	208,677,878	127,058,810	123,121,602
Finance cost		(53,861,338)	(62,973,587)	(37,253,311)	(46,355,886)
Profit before income tax expenses		149,254,467	145,704,291	89,805,499	76,765,716
Income tax expenses	32	(26,242,115)	(32,874,802)	(12,344,717)	(20,313,983)
Profit for the year		<u>123,012,352</u>	<u>112,829,489</u>	<u>77,460,782</u>	<u>56,451,733</u>
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gain		2,422,785	-	706,971	-
Less: Income tax effect		(484,557)	-	(141,394)	-
		<u>1,938,228</u>	<u>-</u>	<u>565,577</u>	<u>-</u>
Share of other comprehensive income of associates - actuarial loss		(253,991)	-	-	-
Other comprehensive income for the year		<u>1,684,237</u>	<u>-</u>	<u>565,577</u>	<u>-</u>
Total comprehensive income for the year		<u>124,696,589</u>	<u>112,829,489</u>	<u>78,026,359</u>	<u>56,451,733</u>
Earnings per share	27				
Basic earnings per share					
Profit		<u>0.132</u>	<u>0.119</u>	<u>0.082</u>	<u>0.060</u>
Weighted average number of shares (shares)		<u>947,000,000</u>	<u>947,000,000</u>	<u>947,000,000</u>	<u>947,000,000</u>

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

SVOA Public Company Limited and its subsidiaries
Cash flow statements
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018 (Restated)
Cash flows from operating activities				
Profit before tax	149,254,467	145,704,291	89,805,499	76,765,716
Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Share of profit from investments in associated companies	(46,294,698)	(71,363,790)	-	-
Share of profit (loss) from investments in joint ventures	(698,113)	186,611	-	-
Depreciation and amortisation	33,352,082	27,217,873	23,492,161	19,735,892
Allowance for doubtful trade receivables (reversal)	(18,421,556)	4,342,572	(3,004,490)	1,346,936
Allowance for diminution in inventory value (reversal)	(7,816,615)	8,562,968	(8,508,146)	5,600,897
Reversal of allowance for impairment loss on investments in other companies	(1,065,350)	(355,547)	(1,065,350)	(355,547)
Loss on impairment of intangible assets	(1,067,223)	1,067,223	-	-
Loss on impairment of current asset	5,727,735	-	5,252,711	-
Loss on impairment of deposit	889,073	-	-	-
Write-off withholding tax deducted at source	7,671,918	7,984,498	4,264,116	-
Gain on disposal of property, plant and equipment	(1,461,664)	(1,375,944)	(925,048)	(779,776)
Loss on written-off assets	3,737,087	-	2,605,950	-
Amortisation of deferred interest income under the finance lease agreements	(17,158,804)	(17,627,275)	(16,498,389)	(17,253,262)
Unrealised loss (gain) on exchange	678,208	(216,632)	138,063	(393,833)
Reversal of liabilities and provisions	(87,895,690)	(57,678,697)	(38,113,284)	(23,718,421)
Provision for warranty	254,158	480,684	254,158	480,684
Interest expenses	53,726,773	62,428,602	37,223,671	46,282,586
Amortisation of deferred interest expenses under the finance lease agreements	134,565	544,985	29,639	73,300
Amortisation of deferred interest expenses under the finance lease agreements to cost of sales	2,832	-	2,832	-
Dividend received from an associated company	-	-	(34,979,260)	(45,469,780)
Gain on disposal of other long-term investment	(9,480,000)	-	(9,480,000)	-
Provision for long-term employee benefits	16,124,330	5,775,744	9,257,403	2,659,404
Profit from operating activities before change in operating assets and liabilities	80,193,515	115,678,166	59,752,236	64,974,796

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

SVOA Public Company Limited and its subsidiaries
 Cash flow statements (continued)
 For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018 (Restated)
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	199,310,605	935,548,722	337,548,740	464,805,410
Inventories	192,696,453	186,534,797	110,849,495	218,293,765
Finance lease receivables	197,413,494	(289,960,454)	192,153,962	(266,846,545)
Other current assets	71,154,879	3,352,580	36,022,164	22,969,514
Other non-current assets	(1,806,878)	(50,786,738)	(7,432,819)	5,461,385
Operating liabilities decrease				
Trade and other payables	(100,253,616)	(200,454,890)	(128,007,970)	(160,555,424)
Other current liabilities	(127,183,958)	(210,853,957)	(37,433,423)	(62,134,310)
Cash flows from operating activities	511,524,494	489,058,226	563,452,385	286,968,591
Cash paid for interest expense	(54,304,271)	(62,227,669)	(37,717,005)	(46,052,952)
Cash paid for corporate income tax	(71,910,237)	(84,349,774)	(36,780,016)	(30,527,985)
Cash received from withholding tax refund	64,806,055	51,244,282	40,808,707	-
Cash paid for long-term employee benefits	(1,408,410)	(20,454,068)	-	(8,143,538)
Net cash flows from operating activities	448,707,631	373,270,997	529,764,071	202,244,116
Cash flows from investing activities				
Cash received from disposal of other long-term investment	21,330,000	-	21,330,000	-
Dividend received from associated companies	34,979,260	45,469,780	34,979,260	45,469,780
Cash paid for investment in subsidiary company	-	-	(2,000,000)	-
Cash paid for investment in joint venture	(400,000)	(7,350,000)	-	-
Purchase of property, plant and equipment	(75,328,956)	(11,012,836)	(39,175,225)	(10,206,838)
Purchase of intangible assets	(23,522,170)	(21,852,353)	(20,513,199)	(13,252,353)
Cash received from disposal of property, plant and equipment	2,694,092	1,612,033	2,148,914	1,015,678
Net cash flows from (used in) investing activities	(40,247,774)	6,866,624	(3,230,250)	23,026,267

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

SVOA Public Company Limited and its subsidiaries
Cash flow statements (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018 (Restated)
Cash flows from financing activities				
Cash received from short-term loans from banks	3,533,302,149	3,916,773,097	2,411,420,251	3,007,488,440
Repayment of short-term loans from banks	(3,848,748,965)	(4,168,355,276)	(2,719,557,533)	(3,087,241,725)
Increase (decrease) in trust receipt	(295,162,186)	58,302,055	(199,002,777)	(28,269,170)
Repayment of liabilities under				
finance lease agreements	(4,370,466)	(8,096,932)	(825,187)	(1,501,828)
Dividend paid	(28,446,338)	(43,562,000)	(28,446,338)	(43,562,000)
Net cash flows used in financing activities	(643,425,806)	(244,939,056)	(536,411,584)	(153,086,283)
Net increase (decrease) in cash and				
cash equivalents	(234,965,949)	135,198,565	(9,877,763)	72,184,100
Cash and cash equivalents at beginning of the year	646,777,605	511,579,040	277,667,559	205,483,459
Cash and cash equivalents at end of the year	411,811,656	646,777,605	267,789,796	277,667,559
Supplemental disclosures of cash flows information				
Non-cash related item:				
Assets acquired under finance lease agreements	502,570	1,500,000	502,570	-

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

SVOA Public Company Limited and its subsidiaries
 Statements of changes in shareholders' equity
 For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements

	Convertible preferred shares	Ordinary shares issued and fully paid up	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Premium on ordinary shares of an associated company	Total other components of shareholders' equity	
Balance as at 31 December 2017 - as previously reported	240,000,000	707,000,000	471,474	50,399,964	1,015,667,879	96,547,042	96,547,042	2,110,086,359
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	1,208,142	-	-	1,208,142
Balance as at 31 December 2017 - as restated	240,000,000	707,000,000	471,474	50,399,964	1,016,876,021	96,547,042	96,547,042	2,111,294,501
Profit for the year - restated	-	-	-	-	112,829,489	-	-	112,829,489
Other comprehensive income for the year	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	112,829,489	-	-	112,829,489
Dividend paid (Note 28)	-	-	-	-	(43,562,000)	-	-	(43,562,000)
Unappropriated retained earnings transferred to statutory reserve (Note 25)	-	-	-	2,824,860	(2,824,860)	-	-	-
Balance as at 31 December 2018 - as restated	240,000,000	707,000,000	471,474	53,224,824	1,083,318,650	96,547,042	96,547,042	2,180,561,990

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

SVOA Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements

	Convertible preferred shares	Ordinary shares issued and fully paid up	Share premium	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Premium on ordinary shares of an associated company	Total other components of shareholders' equity	
Balance as at 31 December 2018 - as previously reported	240,000,000	707,000,000	471,474	53,224,824	1,083,713,670	96,547,042	96,547,042	2,180,957,010
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	(395,020)	-	-	(395,020)
Balance as at 31 December 2018 - as restated	240,000,000	707,000,000	471,474	53,224,824	1,083,318,650	96,547,042	96,547,042	2,180,561,990
Profit for the year	-	-	-	-	123,012,352	-	-	123,012,352
Other comprehensive income for the year	-	-	-	-	1,684,237	-	-	1,684,237
Total comprehensive income for the year	-	-	-	-	124,696,589	-	-	124,696,589
Dividend paid (Note 28)	-	-	-	-	(28,446,338)	-	-	(28,446,338)
Unappropriated retained earnings transferred to statutory reserve (Note 25)	-	-	-	3,873,039	(3,873,039)	-	-	-
Balance as at 31 December 2019	240,000,000	707,000,000	471,474	57,097,863	1,175,695,862	96,547,042	96,547,042	2,276,812,241

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

SVOA Public Company Limited and its subsidiaries
Statements of changes in shareholders' equity (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements					
	Convertible preferred shares	Ordinary shares issued and fully paid up	Share premium	Retained earnings		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2017 - as previously reported	240,000,000	707,000,000	471,474	50,399,964	355,590,983	1,353,462,421
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	1,208,142	1,208,142
Balance as at 31 December 2017 - as restated	240,000,000	707,000,000	471,474	50,399,964	356,799,125	1,354,670,563
Profit for the year - restated	-	-	-	-	56,451,733	56,451,733
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	56,451,733	56,451,733
Dividend paid (Note 28)	-	-	-	-	(43,562,000)	(43,562,000)
Unappropriated retained earnings transferred to statutory reserve (Note 25)	-	-	-	2,824,860	(2,824,860)	-
Balance as at 31 December 2018 - as restated	240,000,000	707,000,000	471,474	53,224,824	366,863,998	1,367,560,296
Balance as at 31 December 2018 - as previously reported	240,000,000	707,000,000	471,474	53,224,824	365,701,318	1,366,397,616
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	1,162,680	1,162,680
Balance as at 31 December 2018 - as restated	240,000,000	707,000,000	471,474	53,224,824	366,863,998	1,367,560,296
Profit for the year	-	-	-	-	77,460,782	77,460,782
Other comprehensive income for the year	-	-	-	-	565,577	565,577
Total comprehensive income for the year	-	-	-	-	78,026,359	78,026,359
Dividend paid (Note 28)	-	-	-	-	(28,446,338)	(28,446,338)
Unappropriated retained earnings transferred to statutory reserve (Note 25)	-	-	-	3,873,039	(3,873,039)	-
Balance as at 31 December 2019	240,000,000	707,000,000	471,474	57,097,863	412,570,980	1,417,140,317

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

SVOA Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2019

1. General information

SVOA Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholders is Keppel Telecommunications and Transportation Ltd., which is incorporated in Singapore. The Company is principally engaged in sales of IT products, consulting and system integration and maintenance of computer system with a total of 14 branches located in Bangkok and other provinces. Its registered address is located at No. 1023, MS Siam Tower, 31st Floor, Rama 3 Road, Chongnonsi, Yannawa, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession 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 SVOA Public Company (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Percentage of shareholding	
		2019	2018
		Percent	Percent
Asys Computer Co., Ltd.	Sales of computer spare parts and other related equipment and the services of repair and maintenance of computers	100	100
DataOne Asia (Thailand) Co., Ltd.	Internet data center, sales of computer, installment and maintenance of computer system	100	100
DigitechOne Co., Ltd.	New Digital Application for financial institution and government sector	100	-

* All of the subsidiaries are incorporated in Thailand.

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) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries and associates 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 Company's and its subsidiaries' 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.

The Group adopted TFRS 15 using the full retrospective method of adoption. The Group elects to apply the following practical expedients.

- Not disclose the effect of the transition on the current year;
- Not restate contracts that begin and end within the same annual reporting year;

- Not restate completed contracts as at 1 January 2018 for which the entity has transferred all of the goods or services identified in accordance with the previous accounting policy.

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

(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 credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.
- 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.

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

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

As described in Note 3 to the financial statements, during the current year, the Group has adopted TFRS 15 using the full retrospective method of adoption. The cumulative effect of the change in accounting policy is presented as a separate item in the statement of changes in shareholders' equity.

The amounts of the adjustments affecting the statement of financial position and the statement of comprehensive income are summarised below:

(Unit: Thousand Baht)				
	Increase (decrease)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2018	1 January 2018	31 December 2018	1 January 2018
Statement of financial position				
Assets				
Trade and other receivables	3,812	2,024	5,379	2,024
Inventories	3,923	-	-	-
Finance lease receivables	(32,295)	(28,316)	(32,295)	(28,316)
Deferred tax assets	1,635	1,051	1,635	1,051
Total assets	<u>(22,925)</u>	<u>(25,241)</u>	<u>(25,281)</u>	<u>(25,241)</u>
Liabilities				
Unearned revenue	7,821	-	-	-
Other current liabilities	(30,351)	(26,449)	(26,444)	(26,449)
Total liabilities	<u>(22,530)</u>	<u>(26,449)</u>	<u>(26,444)</u>	<u>(26,449)</u>
Shareholders' equity				
Retained earnings - unappropriated	(395)	1,208	1,163	1,208
Total shareholders' equity	<u>(395)</u>	<u>1,208</u>	<u>1,163</u>	<u>1,208</u>
Total liabilities and shareholders' equity	<u>(22,925)</u>	<u>(25,241)</u>	<u>(25,281)</u>	<u>(25,241)</u>

(Unit: Thousand Baht)

	Increase (decrease) in profit for the year ended 31 December 2018	
	Consolidated financial statements	Separate financial statements
Statement of comprehensive income		
Profit or loss:		
Sales and service income	(8,939)	449
Other income	(1,073)	(1,073)
Cost of sales and services	7,824	(6)
Income tax expenses	585	585
Profit for the year	(1,603)	(45)
Earnings per share (Baht):		
Basic earnings per share	(0.002)	(0.000)

The nature of these adjustments are described below:

- Service-type warranties - The Group have determined that service-type warranties should be recognised as revenue over the periods in which the service will be provided. Previously, revenue was recognised in full upon delivery of the goods.
- After-sales service throughout contract period - the Group have determined that after-sales service throughout contract period should be recognised as revenue over the periods in which the service will be provided. Previously, revenue was recognised in full upon delivery of the goods.

5. Significant accounting policies**5.1 Revenue recognition****Revenues from contracts with customers**

The Group accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Group has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). 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 Group principally earns revenue from the provision of IT products and services as follows:

Revenue from IT integrated solutions

IT integrated solutions comprise a comprehensive range of services, from project design and planning of IT systems to provision and installation of hardware and/or software which are treated as a single performance obligation. Revenue is recognised over time when services have been rendered taking into account the stage of completion, using an output method, based on information provided by the Group's engineers or project managers.

Revenue from sales of hardware

Revenue from sales of hardware is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

Revenue from rendering software implementation services

Revenue is recognised over time when services have been rendered taking into account the stage of completion, using an output method, based on information provided by the Group's engineers or project managers.

Revenue from rendering IT maintenance services

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

Revenue from provision of staff outsourcing services

Revenue from provision of staff outsourcing services is recognised over time based on actual time spent and the agreed chargeable rate.

Revenue from Infrastructure-as-a-Service

Revenue from Infrastructure-as-a-Service is recognised on a straight-line basis over the service period because customers receive and consume the benefit from the asset throughout the contractual period.

Income from sales under finance lease agreements

Finance lease receivables have been recorded based on the contractual value. The difference between the contractual value and the value equivalent to the cash price of the products is recognised as unearned interest income. Interest income on finance lease is recognised over the term of the lease using the annuity method.

Other income

Selling support income

Selling support income is recognised as income on an accrual basis

Interest income

Interest income is recognised as interest accrues based on the effective rate method.

Dividends

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

5.2 Cash and cash equivalents

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

5.3 Balances of contracts with customers

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to customer).

Trade receivables

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 recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

5.4 Inventories

Inventories are valued at the lower of cost (weighted average method) and net realisable value. The net realisable value of inventory is estimated from the estimated selling price in the ordinary course of business, less the estimated costs to complete the sale.

Allowance for diminution in value of inventories and inventory obsolescence is set up for damaged, obsolete and slow-moving inventories.

5.5 Investments

- a) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.
- b) Investments in associates and joint venture are accounted for in the consolidated financial statements using the equity method.
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on diminution in value (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The weighted average method is used for computation of the cost of investments.

5.6 Property, plant and equipment/Depreciation

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

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

Buildings	-	20	years
Building improvements	-	20	years
Machinery and tools	-	5	years
Furniture and office equipment	-	3, 5	years
Motor vehicles	-	5	years
Assets for lease and service	-	1, 3 and 5	years

No depreciation is provided on land and assets under installation.

Depreciation is included in determining income.

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 (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the profit or loss when the asset is derecognised.

5.7 Intangible assets

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 for such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	Useful lives
Computer software	5, 10 years

5.8 Related party transactions

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

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

5.9 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, intangible assets and other 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.

5.10 Long-term lease agreements

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 other long-term payables, while the interest element is charged to profit or loss over the lease period. The plant or equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

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 Company's functional currency. Items included in the consolidated financial statements of each entity are measured using that functional currency.

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, with the exception of those covered by forward exchange contracts, which are translated at the contracted rates.

Gains and losses on exchange are included in determining income.

5.12 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group'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, using the projected unit credit method.

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

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

5.13 Provisions

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

Provision for losses on contracts with customers is made in the accounts in full when the possibility of loss is ascertained.

5.14 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

5.15 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

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 is 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 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:

6.1 Revenue from contracts with customers

Identification of performance obligations

In identifying performance obligations relating to the provision of IT products and services, 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 Company's and its subsidiaries' engineers or project managers.

Measurement of work progress

The Group recognises revenue from the provision of IT integrated solutions over time taking into account the stage of completion. The management has exercised judgement to measure progress toward satisfaction of the performance obligation, using an output method, with reference to information provided by project engineers or project managers and relying on their expertise and past experience.

6.2 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

6.3 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.

6.4 Reduction cost of inventory value

The determination of reduction cost of inventory value, requires management to make judgements and estimates. The reduction inventory cost to net realisable value is estimated based on the selling price expected in the ordinary course of business; and reduction inventory cost for slow-moving and obsolete inventories, that is estimated based on the approximate useful life of each type of inventory.

6.5 Impairment of investments

The Company treats other investments as impaired when the management judges that there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement.

6.6 Post-employment benefits under defined benefit plans

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

7. Related party transactions

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

1. Sale transactions between the Group and between the Company and its associates are determined from cost plus margin not over than 15%. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. The management fees and rental are charged at the agreed prices.
3. Other service incomes and expenses are charged at a determined price.
4. Dividend income is recognised when declared.

During the years, significant transactions between the Company and related parties are summarised below.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Transactions with subsidiary companies</u>				
(Eliminated from consolidated financial statements)				
Sales and services	-	-	23	58
Cost of sales and services	-	-	8	16
Purchases of goods and services	-	-	65	101
Other service income	-	-	9	6
Management fee expense	-	-	9	9
Other service charge	-	-	1	5
Rental expense	-	-	3	7

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Transactions with an associated companies</u>				
Sales and services	220	209	214	202
Cost of sales and services	204	189	200	185
Purchases of goods	5	2	5	2
Dividend income	-	-	35	45
Rental expense	2	2	2	2
<u>Transactions with related companies</u>				
Sales and services	36	2	10	2
Cost of sales and services	25	2	8	1
Purchases of goods and services	32	28	13	15
Service expense	1	1	1	1

The balance of the account as at 31 December 2019 and 2018 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<u>Trade and other receivables - related parties (note 9)</u>				
Subsidiaries	-	-	20,555	47,573
Associated companies	33,074	30,837	32,864	29,894
Related companies (related by common shareholder and/or common directors)	17,314	2,221	8,864	683
Total trade and other receivables - related parties	50,388	33,058	62,283	78,150

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade and other payables - related parties (note 21)				
Subsidiaries	-	-	7,547	44,251
Associated companies	2,076	2,944	1,543	802
Related companies (related by common shareholder and/or common directors)	7,189	18,327	4,659	5,337
Total trade and other payables - related parties	9,265	21,271	13,749	50,390

Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	18,998	23,025	12,640	15,668
Post-employment benefits	1,008	794	729	238
Total	20,006	23,819	13,369	15,906

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 33.4 to the financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bank deposits	411,812	646,778	267,790	277,668
Total	411,812	646,778	267,790	277,668

As at 31 December 2019, bank deposits in saving accounts, and fixed deposits carried interests between 0.05 and 1.55 percent per annum (2018: between 0.05 and 1.10 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(Restated)		(Restated)	
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	32,157	15,095	43,105	50,648
Past due				
Up to 3 months	11,049	15,392	11,423	16,692
Total trade accounts receivable - related parties	43,206	30,487	54,528	67,340
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	545,404	557,896	396,267	461,952
Past due				
Up to 3 months	292,190	391,665	199,511	294,825
3 - 6 months	77,544	103,946	64,126	65,203
6 - 12 months	107,744	46,423	61,313	31,302
Over 12 months	85,007	97,788	39,414	40,710
Total	1,107,889	1,197,718	760,631	893,992
Less: Allowance for doubtful debts	(59,613)	(73,343)	(22,012)	(21,330)
Total trade accounts receivable - unrelated parties, net	1,048,276	1,124,375	738,619	872,662
Total trade accounts receivable - net	1,091,482	1,154,862	793,147	940,002
<u>Other receivables</u>				
Other receivables and accrued income -				
related party	7,182	2,571	7,755	10,810
Accrued income	470,276	592,396	112,745	297,379
Total other receivables	477,458	594,967	120,500	308,189
Trade and other receivables - net	1,568,940	1,749,829	913,647	1,248,191

As at 31 December 2019, allowance for doubtful debt had not been set aside in full amount for the outstanding balances of the Group's accounts receivable that were aged more than 12 months past due, and 6-12 months past due totaling Baht 10 million and Baht 75 million, respectively (2018: Baht 47 million and Baht 19 million, respectively) and separate financial statements totaling Baht 23 million and Baht 61 million, respectively (2018: Baht 31 million and Baht 19 million, respectively). This is because the Group has taken out insurance policies to insure collections from debtors. In addition, such accounts receivable are government units, banks, and modern trade entities who have no uncollectable experience and the process of payment approval for such receivables normally take a long time. The management of the Group believes that the allowance for doubtful debts is adequate.

The Company's subsidiary has transferred its collection right of trade accounts receivable to a bank as collateral for its credit facilities. As at 31 December 2019, the balance of the above accounts receivable included the receivables that were placed as collateral for such credit facilities totaling approximately Baht 77 million (31 December 2018: nil).

10. Finance lease receivables

Finance lease receivables as at 31 December 2019 and 2018 consisted of the following:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(Restated)		(Restated)	
Finance lease receivables (contractual value)	1,197,270	1,064,989	1,168,783	1,037,477
Less: Receipts	(545,333)	(224,434)	(537,355)	(222,597)
Finance lease receivables	651,937	840,555	631,428	814,850
Less: Unearned interest income	(16,374)	(24,738)	(15,319)	(23,085)
Finance lease receivables, net of unearned interest income	635,563	815,817	616,109	791,765
Less: Portion due within one year	(450,283)	(502,699)	(444,594)	(496,910)
Finance lease receivables - net of current portion	185,280	313,118	171,515	294,855

Current portion of finance lease receivables consists of the following:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(Restated)		(Restated)	
Current portion of finance lease receivables (contractual value)	460,875	517,449	454,680	511,023
Less: Unearned interest income	(10,592)	(14,750)	(10,086)	(14,113)
Current portion of finance lease receivables	450,283	502,699	444,594	496,910

The outstanding balances of financial lease receivables as at 31 December 2019 and 2018 are aged, based on due date, as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(Restated)		(Restated)	
<u>Aged on the basis of due dates</u>				
Not yet due	599,682	515,094	579,173	515,094
Past due				
Up to 3 months	48,767	320,923	48,767	295,218
3 - 6 months	3,488	4,538	3,488	4,538
Total finance lease receivables	651,937	840,555	631,428	814,850

As at 31 December 2019 and 2018, future minimum lease receivables expected to be received under the finance lease agreements were as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2019		
	Less than 1 year	1-5 years	Total
Future minimum lease receivables	460,875	191,062	651,937
Less: Deferred interest income	(10,592)	(5,782)	(16,374)
Present value of future minimum lease receivables	450,283	185,280	635,563

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	As at 31 December 2018		
	Less than 1 year	1-5 years	Total
Future minimum lease receivables	517,449	323,106	840,555
Less: Deferred interest income	(14,750)	(9,988)	(24,738)
Present value of future minimum lease receivables	502,699	313,118	815,817

	(Unit: Thousand Baht)		
	Separate financial statements		
	As at 31 December 2019		
	Less than 1 year	1-5 years	Total
Future minimum lease receivables	454,680	176,748	631,428
Less: Deferred interest income	(10,086)	(5,233)	(15,319)
Present value of future minimum lease receivables	444,594	171,515	616,109

(Unit: Thousand Baht)

Separate financial statements			
As at 31 December 2018			
	Less than 1 year	1-5 years	Total
Future minimum lease receivables	511,023	303,827	814,850
Less: Deferred interest income	(14,113)	(8,972)	(23,085)
Present value of future minimum lease receivables	<u>496,910</u>	<u>294,855</u>	<u>791,765</u>

11. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2019	2018	2019	2018	2019	2018
	(Restated)		(Restated)		(Restated)	
Finished goods	473,238	591,297	(28,997)	(30,313)	444,241	560,984
Work in process	389,865	449,972	-	(6,500)	389,865	443,472
Goods in transit	5,770	20,300	-	-	5,770	20,300
Total	868,873	1,061,569	(28,997)	(36,813)	839,876	1,024,756

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2019	2018	2019	2018	2019	2018
Finished goods	431,608	539,950	(4,918)	(6,926)	426,690	533,024
Work in process	83,535	85,183	-	(6,500)	83,535	78,683
Goods in transit	4,414	5,274	-	-	4,414	5,274
Total	519,557	630,407	(4,918)	(13,426)	514,639	616,981

During the current year, the Group reduced cost of inventories by Baht 3.1 million (2018: Baht 12.5 million) (The Company only: Baht 1.6 million and 2018: Baht 9.5 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 10.9 million (2018: Baht 3.9 million) (The Company only: Baht 10.1 million and 2018: Baht 3.9 million), and reduced the amount of inventories recognised as expenses during the year.

12. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Prepaid expenses	51,918	75,711	1,892	7,881
Undue input vat	4,649	5,946	2,780	5,111
Advance for purchase of inventories	1,098	27,327	1,098	26,231
Input tax refundable	-	10,163	-	-
Others	5,290	20,691	2,935	10,757
Total other current assets	62,955	139,838	8,705	49,980

13. Investments in subsidiary companies

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

Subsidiary companies	(Unit: Thousand Baht)							
	Paid up capital		Shareholding percentage		Investment value under cost method		Dividend received during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
	Million Baht	Million Baht	%	%				
Asys Computer Co., Ltd.	109	109	100	100	101,980	101,980	-	-
DataOne Asia (Thailand) Co., Ltd.	300	300	100	100	22,539	22,539	-	-
DigitechOne Co., Ltd.	2	-	100	-	2000	-	-	-
Total investments in subsidiary companies					126,519	124,519	-	-
Less: Allowance for impairment of investment - Asys Computer Co., Ltd.					(56,348)	(56,348)		
Investments in subsidiary companies - net					70,171	68,171		

Investment in a new company

On 13 August 2019, the Company's Board of Directors' Meeting No. 3/2019, passed a resolution to invest in a new company named Digitech One Company Limited. The new company is engaged in business relating to new digital application for financial institutions and government agencies. On 2 December 2019, the Company invested 20,000 million ordinary shares with a par value of Baht 100 per share totaling Baht 2 million, representing 100 percent of the new company's registered share capital.

14. Investments in associated companies

14.1 Details of associates

(Unit: Thousand Baht)

Associated companies	Nature of business	Shareholding percentage		Consolidated financial statements		Separate financial statements	
		Investment value		Investment value		Investment value	
		under equity method		under cost method		under cost method	
		2019	2018	2019	2018	2019	2018
		%	%				
IT City Public Co., Ltd.	The distribution of computer and related accessories	30.48	38.99	364,363	365,066	144,394	144,394
Lease IT Public Co., Ltd.	Providing financial services	35.80	35.92	390,675	380,012	195,891	195,891
Touch Printing Republic Co., Ltd.	The distribution of printing equipment and printing services	24.00	24.00	15,503	13,774	12,000	12,000
ABIKS Development Co., Ltd.	Rental of office building	20.00	20.00	31,215	31,843	30,000	30,000
Total investments in associated companies				<u>801,756</u>	<u>790,695</u>	<u>382,285</u>	<u>382,285</u>

During 2017, Lease IT Public Company Limited, the Company's associated company approved the issuance of up to 160,000,000 warrants to the associated company's existing shareholders by way of a rights issue, at a rate of 4 warrants for every 5 ordinary shares and with an offering price of Baht 2.50 per unit. The warrants have a term of 5 years, an exercise ratio of 2 warrants per 1 new ordinary share and an exercise price of Baht 4.00 per share. The warrants were issued on 26 April 2017. During the second quarter of 2017, the Company purchased the warrants of 58,385,892 units amounting to Baht 146 million and sold 8.8 million units of warrant for Baht 4.12 per unit, or a total of Baht 36 million. The Company recorded an investment in warrants of the associated company of Baht 124 million in "Investments in associated companies" in the statements of financial position.

In 2019, the warrants were exercised to make an increase in paid-up capital of the associated company. Shareholding percentage of investment decreased from 35.92 percent to 35.80 percent.

On 28 June 2019, Board of Directors meeting of IT City Public Company Limited, the Company's associated company passed a resolution to decrease the registered share capital by Baht 17.4 million, from Baht 303.8 million (303,798,859 ordinary shares of Baht 1 each) to Baht 286.4 million (286,398,859 ordinary shares of Baht 1 each), by canceling 17.4 million unissued ordinary shares with a par value of Baht 1 per share.

In addition, the meeting of the associated company's Board of Directors passed resolutions to increase the registered share capital by Baht 80.0 million, from Baht 286.4 million (286,398,859 ordinary shares of Baht 1 each) to Baht 366.4 million (366,398,859 ordinary shares of Baht 1 each) by issuing 80.0 million new ordinary shares with a par value of Baht 1 per share, and to allocate the 80 million new ordinary shares through private placements at an offering price of Baht 2.50 per share, or a total of Baht 200 million. The associated company registered its issued and paid-up share capital with the Ministry of Commerce on 2 October 2019. The increase in ordinary share through private placement resulted in the decrease in shareholding percentage of investment in the associated company from 38.99 percent to 30.48 percent.

14.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit from investments in associated companies in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Associated companies	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2019	2018	2019	2018	2019	2018
IT City Public Co., Ltd.	7,234	16,793	(121)	-	7,816	20,100
Lease IT Public Co., Ltd.	36,959	53,545	(133)	-	26,163	25,370
Touch Printing Republic Co., Ltd.	1,729	770	-	-	-	-
ABIKS Development Co., Ltd.	372	256	-	-	1,000	-
Total	46,294	71,364	(254)	-	34,979	45,470

14.3 Fair value investments in listed associates

In respect of investments in associated companies that are listed companies on the Stock Exchange of Thailand, their fair values which were based on the closing price as quoted on the Stock Exchange of Thailand, are as follows:

(Unit: Million Baht)

Associates	Fair values as at 31 December	
	2019	2018
IT City Public Company Limited	322	366
Lease IT Public Company Limited	360	452
Total	628	818

14.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	IT City Public Company Limited		Lease IT Public Company Limited		Touch Printing Republic Co., Ltd.		ABIKS Development Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018
Current assets	1,576	1,107	2,996	2,142	77	61	40	42
Non-current assets	1,033	387	555	521	12	14	117	117
Current liabilities	(1,485)	(642)	(1,288)	(823)	(24)	(18)	-	-
Non-current liabilities	(90)	(22)	(1,130)	(740)	-	-	-	-
Net assets	1,034	830	1,133	1,100	65	57	157	159
Less warrants	-	-	(393)	(396)	-	-	-	-
Shareholding percentage (%)	30.48	38.99	35.80	35.92	24.00	24.00	20.00	20.00
Share of net assets	315	324	265	253	16	14	31	32
Changing in shareholding percentage	8	-	3	4	-	-	-	-
Warrants of an associated company	-	-	123	123	-	-	-	-
Goodwill	41	41	-	-	-	-	-	-
Carrying amounts of associates based on equity method	364	365	391	380	16	14	31	32

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December							
	IT City Public Company Limited		Lease IT Public Company Limited		Touch Printing Republic Co., Ltd.		ABIKS Development Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	5,354	5,059	457	445	199	179	3	2
Profit	24	42	103	149	7	3	2	1
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	24	42	103	149	7	3	2	1

15. Investment in joint venture**15.1 Details of investments in joint ventures:**

Investment in joint venture represent investment in entity which is jointly controlled by the Company and other company. Details of this investment are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2019	2018	2019	2018	2019	2018
		(%)	(%)				
ARES International (Thailand) Company Limited	System implementation and distribution of Argo ERP	49	49	7,350	7,350	7,755	7,163
AI Lab Company Limited	Distribution and providing services related to artificial intelligence technology (AI)	20	-	400	-	507	-
Total				<u>7,750</u>	<u>7,350</u>	<u>8,262</u>	<u>7,163</u>

During 2018, DataOne Asia (Thailand) Company Limited (a subsidiary) entered into a joint venture agreement with ARES International Corporation to invest in ordinary shares of ARES International (Thailand) Company Limited, a new company incorporated with registered capital of Baht 30 million. This company is engaged in system implementation and distribution of Argo ERP in Thailand and Southeast Asia. The subsidiary invested 1.47 million ordinary shares with a par value of Baht 10 per share, and 50% of which was paid up totaling Baht 7.35 million, representing 49% of the registered and paid-up capital.

Subsequently, in 2019, the subsidiary invested in ordinary shares of AI Lab Company Limited, a new company incorporated with registered capital of Baht 2 million. This company is engaged in distribution and providing services related to artificial intelligence technology (AI). The subsidiary invested 40,000 ordinary shares with a par value of Baht 10 per share totaling Baht 0.4 million, representing 20 percentage of the registered capital.

15.2 Share of comprehensive income and dividend received

During the year, the subsidiary recognised its share of comprehensive income from investments in the joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements			
	Share of gain (loss) from investments in joint venture during the year		Dividend received during the year	
	2019	2018	2019	2018
ARES International (Thailand) Company Limited	591	(187)	-	-
AI Lab Company Limited	107	-	-	-
Total	698	(187)	-	-

15.3 Summarised financial information about material joint venture

Summarised information about financial position

(Unit: Thousand Baht)

	As at 31 December			
	ARES International (Thailand) Company Limited		AI Lab Company Limited	
	2019	2018	2019	2018
Cash and cash equivalent	14,553	14,186	1,857	-
Other current assets	4,210	4,197	2,247	-
Other current liabilities	(2,937)	(3,764)	(1,571)	-
Net assets	15,826	14,619	2,533	-
Shareholding percentage (%)	49	49	20	-
Share of net assets	7,755	7,163	507	-

Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the year ended 31 December			
	ARES International (Thailand) Company Limited		AI Lab Company Limited	
	2019	2018	2019	2018
Revenue	13,258	3,232	4,137	-
Costs of sales and services	(8,072)	(2,444)	(2,480)	-
Selling and administrative expenses	(3,980)	(1,169)	(1,123)	-
Profit (loss)	1,206	(381)	534	-
Other comprehensive income	-	-	-	-
Total comprehensive income	1,206	(381)	534	-
Shareholding percentage (%)	49	49	20	-
Comprehensive income as shareholding percentage	591	(187)	107	-
Elimination entries	-	-	-	-
Share of comprehensive income from investments in joint ventures	591	(187)	107	-

16. Other long-term investments

As at 31 December 2019 and 2018, the Company has long-term investments in equity securities of the following companies:

(Unit: Thousand Baht)					
	Paid up	Interest		Investments at cost	
	share capital				
	Million Baht	2019	2018	2019	2018
		%	%		
Siam Telemarketing Co., Ltd.	50	-	2.00	-	1,000
International Trade Information Co., Ltd.	60	-	1.67	-	1,000
Thai Smart Card Co., Ltd.	800	-	0.74	-	11,850
Total other long-term investments				-	13,850
Less: Allowance for impairment on investments				-	(3,065)
Other long-term investments - net				-	10,785

In 2019, the Company disposed investment in Thai Smart Card Company Limited with net book value of Baht 10.79 million at Baht 21.33 million and recognised gain on disposal of investment and reversal of allowance for impairment loss on investment totaling Baht 10.54 million as part of “Other income” in the statement of comprehensive income.

17. Property, plant and equipment

(Unit: Thousand Baht)							
Consolidated financial statements							
	Land	Building and building improvement	Office equipment	Furniture and fixtures	Machinery and tools	Motor vehicles	Assets for lease and service
Cost							
As at 31 December 2017	89,025	145,685	231,054	105,878	23,919	32,263	124,826
Additions	-	1,640	7,154	1,083	1,136	1,500	-
Disposals and written off	-	-	(38,971)	(1,201)	(474)	(2,335)	-
As at 31 December 2018	89,025	147,325	199,237	105,760	24,581	31,428	124,826
Additions	-	60,207	12,637	1,805	480	702	-
Disposals and written off	-	(1,709)	(15,487)	(17,886)	(14,426)	-	(16,629)
As at 31 December 2019	89,025	205,823	196,387	89,679	10,635	32,130	108,197
Accumulated depreciation							
As at 31 December 2017	-	122,031	220,515	103,959	23,236	25,403	115,348
Depreciation for the year	-	3,242	6,257	693	372	2,747	4,148
Disposals and written off	-	-	(38,736)	(1,201)	(474)	(2,335)	-
As at 31 December 2018	-	125,273	188,036	103,451	23,134	25,815	119,496
Depreciation for the year	-	8,514	6,902	911	477	2,472	2,803
Disposals and written off	-	(925)	(14,263)	(17,177)	(14,426)	-	(16,629)
As at 31 December 2019	-	132,862	180,675	87,185	9,185	28,287	105,670
Net book value							
As at 31 December 2018	89,025	22,052	11,201	2,309	1,447	5,613	5,330
As at 31 December 2019	89,025	72,961	15,712	2,494	1,450	3,843	2,527
Depreciation for the year							
2018 (Baht 4.1 million included in cost of sales and services, and the remaining balance included in selling and distribution expenses and administrative expenses)							17,459
2019 (Baht 2.8 million included in cost of sales and services, and the remaining balance included in selling and distribution expenses and administrative expenses)							22,079

(Unit: Thousand Baht)

Separate financial statements								
	Land	Building and building improvement	Office equipment	Furniture and fixtures	Machinery and tools	Motor vehicles	Assets for lease and service	Total
Cost								
As at 31 December 2017	89,025	145,218	134,332	93,829	9,152	24,638	52,054	548,248
Additions	-	1,640	6,847	584	1,136	-	-	10,207
Disposals and written off	-	-	(4,083)	(454)	(295)	(1,295)	-	(6,127)
As at 31 December 2018	89,025	146,858	137,096	93,959	9,993	23,343	52,054	552,328
Additions	-	28,406	8,940	1,150	480	702	-	39,678
Disposals and written off	-	(2,260)	(3,634)	(6,757)	-	-	-	(12,651)
As at 31 December 2019	89,025	173,004	142,402	88,352	10,473	24,045	52,054	579,355
Accumulated depreciation								
As at 31 December 2017	-	121,847	126,585	91,952	8,469	17,778	45,136	411,767
Depreciation for the year	-	3,218	4,167	675	372	2,507	2,483	13,422
Disposals and written off	-	-	(3,846)	(454)	(295)	(1,295)	-	(5,890)
As at 31 December 2018	-	125,065	126,906	92,173	8,546	18,990	47,619	419,299
Depreciation for the year	-	4,711	5,426	842	477	2,174	2,476	16,106
Disposals and written off	-	(867)	(2,411)	(6,757)	-	-	-	(10,035)
As at 31 December 2019	-	128,909	129,921	86,258	9,023	21,164	50,095	425,370
Net book value								
As at 31 December 2018	89,025	21,793	10,190	1,786	1,447	4,353	4,435	133,029
As at 31 December 2019	89,025	44,095	12,481	2,094	1,450	2,881	1,959	153,985
Depreciation for the year								
2018 (Baht 2.5 million included in cost of sales and services, and the remaining balance included in selling and distribution expenses and administrative expenses)								13,422
2019 (Baht 2.5 million included in cost of sales and services, and the remaining balance included in selling and distribution expenses and administrative expenses)								16,106

As at 31 December 2019, certain items of plant and equipment of the Group have been fully depreciated but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 451 million (2018: Baht 488 million) and separate financial statements: Baht 331 million (2018: Baht 334 million).

As at 31 December 2019, the Group has net book value of motor vehicles derived from liabilities under finance lease agreement approximately Baht 3 million (2018: Baht 3 million) and separate financial statements: Baht 2 million (2018: Baht 2 million).

18. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	Computer software	Computer software
As at 31 December 2019		
Cost	240,655	139,782
Less: Accumulated amortisation	(144,894)	(70,355)
Net book value	95,761	69,427
As at 31 December 2018		
Cost	221,792	121,769
Less: Accumulated amortisation	(136,028)	(64,255)
Less: Allowance for impairment	(1,067)	-
Net book value	84,697	57,514

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		Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	84,697	73,671	57,514	50,576
Acquisition of computer software	23,522	21,852	20,513	13,252
Net book value of written off assets	(2,252)	-	(1,212)	-
Amortisation	(11,273)	(9,759)	(7,388)	(6,314)
Reversal (set up) impairment loss	1,067	(1,067)	-	-
Net book value at end of year	95,761	84,697	69,427	57,514

19. Withholding tax deducted at sources

The balance of withholding tax deducted at sources as at 31 December 2019 and 2018, aged on years, are summarised below.

(Unit: Thousand Baht)				
Year	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
2000	20,169	20,169	20,169	20,169
2013	-	21,181	-	21,181
2014	-	25,194	-	-
2016	-	24,001	-	24,001
2017	31,547	33,715	6,948	6,948
2018	65,582	65,582	22,437	22,437
2019	49,604	-	25,088	-
Total	166,902	189,842	74,642	94,736
Less: Allowance for diminution in value	(20,169)	(20,169)	(20,169)	(20,169)
Withholding tax deducted at sources - net	146,733	169,673	54,473	74,567

The Group regards withholding tax deducted at sources as an asset since the Group has the right to claim for refund of it. However, the net realisable value of withholding tax depends on the exercise right to claim it, and the results of any tax audit by the Revenue officials. However, the management has used judgement to assess the outcome of the refund claims and believes that allowance for diminution in value of withholding tax deducted at sources as recorded as at the end of reporting period is adequate.

20. Short-term loans from banks

(Unit: Thousand Baht)					
	Interest rate	Consolidated financial statements		Separate financial statements	
	(Percent per annum)	2019	2018	2019	2018
Short-term loans from banks	2.60 - 5.53	685,953	1,001,399	452,000	760,137
Trust receipt	2.60 - 2.99	445,902	741,065	364,514	563,517
Total		1,131,855	1,742,464	816,514	1,323,654

Credit facilities of subsidiaries obtained from banks are guaranteed by the Company.

21. Trade and other payables

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade payables - related parties	4,072	9,121	5,986	45,991
Trade payables - unrelated parties	673,189	753,878	519,309	607,889
Other payables - related parties	5,193	12,150	7,763	4,399
Other payables - unrelated parties	11,535	18,415	10,386	13,035
Total trade and other payables	693,989	793,564	543,444	671,314

22. Liabilities under finance lease agreements

Liabilities under finance lease agreements as at 31 December 2019 and 2018 consist of:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Liabilities under finance lease agreements (contractual value)	3,565	35,884	2,276	6,416
Less: paid	(1,870)	(30,344)	(1,418)	(5,259)
Liabilities under finance leases	1,695	5,540	858	1,157
Less: Deferred interest expenses	(65)	(179)	(29)	(37)
	1,630	5,361	829	1,120
Less: Portion due within one year	(718)	(4,203)	(479)	(763)
Liabilities under finance lease agreements - net of current portion	912	1,158	350	357

The current portion of liabilities under finance lease agreements consists of the following:

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Current portion of liabilities under finance lease agreements (contract value)	754	4,338	496	793
Less: Deferred interest expenses	(36)	(135)	(17)	(30)
Current portion of liabilities under finance lease agreements	718	4,203	479	763

The Group has entered into the finance lease agreements with leasing companies for rental of motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

As at 31 December 2019, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

Consolidated financial statements			
	Less than 1 year	1-5 years	Total
Future minimum lease payments	754	941	1,695
Deferred interest expenses	(36)	(29)	(65)
Present value of future minimum lease payments	718	912	1,630

(Unit: Thousand Baht)

Separate financial statements			
	Less than 1 year	1-5 years	Total
Future minimum lease payments	496	362	858
Deferred interest expenses	(17)	(12)	(29)
Present value of future minimum lease payments	479	350	829

As at 31 December 2018, future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

Consolidated financial statements			
	Less than 1 year	1-5 years	Total
Future minimum lease payments	4,338	1,202	5,540
Deferred interest expenses	(135)	(44)	(179)
Present value of future minimum lease payments	4,203	1,158	5,361

(Unit: Thousand Baht)

Separate financial statements			
	Less than 1 year	1-5 years	Total
Future minimum lease payments	793	364	1,157
Deferred interest expenses	(30)	(7)	(37)
Present value of future minimum lease payments	763	357	1,120

23. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accrued project costs	507,980	624,803	176,784	225,659
Unearned revenue	38,050	132,321	2,115	54
Accrued expense	115,554	111,320	68,523	91,034
Short-term provision - provision for warranty	6,904	6,650	6,904	6,650
Others	29,668	38,465	13,238	19,953
Total other current liabilities	698,156	913,559	267,564	343,350

24. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire from the company, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits				
at beginning of year	43,818	58,496	19,096	24,580
Included in profit or loss:				
Current service cost	4,676	4,803	2,200	2,095
Interest cost	1,218	1,323	552	564
Past service costs and gains or losses on settlement	10,230	(350)	6,506	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(5,403)	-	(2,529)	-
Financial assumptions changes	6,073	-	2,931	-
Experience adjustments	(3,093)	-	(1,109)	-
Benefits paid during the year	(1,408)	(20,454)	-	(8,143)
Provision for long-term employee benefits				
at end of year	56,111	43,818	27,647	19,096
Provision for long-term employee benefits				
Current	-	3,459	-	1,907
Non-current	56,111	40,359	27,647	17,189
	56,111	43,818	27,647	19,096

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 the Group has additional long-term employee benefit liabilities of Baht 14 million (The Company only: Baht 6 million) as a result. The Group reflected the effect of the change by recognising past service costs as expenses in the profit or loss of the current year.

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 13.3 years (Separate financial statements: 13.3 years) (2018: 13.4 years, separate financial statements: 13.4 years).

Significant actuarial assumptions are summarised below:

	Consolidated and separate financial statements	
	2019	2018
	(% per annum)	(% per annum)
Discount rate	1.7	2.8
Future salary increase rate	5.5	5.5
Staff turnover rate	10.0 - 30.0	8.0 - 30.0

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		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(5.73)	6.60	(2.74)	3.16
Salary increase rate	6.28	(5.59)	3.00	(2.68)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(7.24)	9.13	(3.40)	4.29

(Unit: Million Baht)

	As at 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(4.97)	5.36	(2.04)	2.35
Salary increase rate	5.65	(4.64)	2.49	(2.20)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Staff turnover rate	(5.63)	6.97	(2.41)	2.97

25. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net 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.

26. Revenue from contracts with customers

26.1 Disaggregated revenue information

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Restated)		(Restated)	
Type of goods or service:				
Sale of computer hardware, peripherals and software	3,543,677	3,644,863	3,549,666	3,667,400
Computer system and IT equipment installation service	1,613,008	1,985,066	1,629,519	2,019,864
IT consulting service	1,840,062	1,773,988	172,776	187,419
Warranty and after-sale service	110,294	119,253	-	-
Total revenue from contracts with customers	<u>7,107,041</u>	<u>7,523,170</u>	<u>5,351,961</u>	<u>5,874,683</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	5,276,310	5,293,441	4,977,811	5,101,215
Revenue recognised over time	1,830,731	2,229,729	374,150	773,468
Total revenue from contracts with customers	<u>7,107,041</u>	<u>7,523,170</u>	<u>5,351,961</u>	<u>5,874,683</u>

26.2 Revenue recognised in relation to contract balances

(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Revenue recognised that was included in contract liabilities at the beginning of the year	123,478	26,843	2,089	16

26.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2019, revenue totaling Baht 642 million is expected to be recognised in the future in respect of performance obligations under contracts with customers 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.

27. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares and convertible preferred shares in issue during the year as the convertible preferred shares have the same rights to receipt of profit and dividend as the ordinary shares.

28. Dividends

Approved by		Total dividends (Thousand Baht)	Dividend per share (Baht)	Payment date
Year 2019				
Dividends on 2018 income	Annual General Meeting of the shareholders No. 24 on 9 April 2019			
For preference shareholders		7,200	0.030	24 April 2019
For ordinary shareholders		21,246	0.030	24 April 2019
Total		<u>28,446</u>		
Year 2018				
Dividends on 2017 income	Annual General Meeting of the shareholders No. 23 on 10 April 2018			
For preference shareholders		11,040	0.046	24 April 2018
For ordinary shareholders		32,522	0.046	24 April 2018
Total		<u>43,562</u>		

29. Segment information

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.

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

- IT Distribution, carries out the distribution of IT products, particularly computer equipment, peripherals, and software, and also proceeds the assembling and distributing of house-branded “SVOA Computer” through its nationwide network. Distribution of IT equipments, software for designing applications and computer operation systems. Full maintenance and repair service solutions.
- Systems Integration, provide IT consulting services and End-To-End IT solutions for banking, insurance, telecommunication, and government sectors.
- IT Outsourcing Services, provide fully functioning computer system infrastructure including operating such system for government and private sectors in a form of outsourcing.
- IT Project, provide a “Turnkey Project” program by offering computer products and information technology equipment by focus on government sectors and private companies. Provide full range of installation and after-sales service.

The Group has aggregated the operating segments of IT Outsourcing Services and Systems Integration and presented them as the reportable segment of System Integration. The aggregated operating segments have similar economic characteristics and are similar in the other respects required by the standard.

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.

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

The following tables present revenue, profit and total assets information regarding the Company's and its subsidiaries' operating segments for the years ended 31 December 2019 and 2018, respectively.

(Unit: Million Baht)

Geographic information

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

Major customers

For the year 2019, the Group has revenue from a major customer in amount of Baht 245 million, arising from sales by the IT project strategic business unit segment (2018: There was a major customer in amount of Baht 543 million, arising from sales by the IT project strategic business unit segment).

30. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contributed to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by SCB 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 Baht 10 million were recognised as expenses (2018: Baht 10 million) (separate financial statements: 2019: Baht 5 million and 2018: Baht 4 million).

31. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cost of services	1,593,718	2,010,289	330,857	733,272
Salaries and wages and other employee benefits	419,179	344,380	228,594	227,027
Changes in finished goods and work in progress	178,166	194,000	109,990	216,079
Marketing expenses	126,471	143,236	115,250	130,822
Rental expenses from operating lease				
agreements and services expenses	46,962	35,395	21,297	13,439
Depreciation	34,419	27,218	23,492	19,736

32. Income tax

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

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(Restated)		(Restated)	
Current income tax:				
Current income tax charge	23,987	18,803	11,759	8,212
Deferred tax:				
Relating to origination and reversal of				
temporary differences	2,255	14,072	586	12,102
Income tax expense reported in the profit or loss	<u>26,242</u>	<u>32,875</u>	<u>12,345</u>	<u>20,314</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 financial statements		Separate financial statements	
	2019	2018	2019	2018
Deferred tax relating to net actuarial gain	485	-	141	-
	485	-	141	-

Reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(Restated)		(Restated)	
Accounting profit before tax	149,254	145,704	89,806	76,766
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	29,851	29,141	17,961	15,353
Effects of:				
Share of profit from investments in associated companies	(9,259)	(14,273)	-	-
Share of profit from investments in joint venture	(140)	37	-	-
Non-deductible expenses	5,956	19,026	1,546	14,210
Additional expense deductions allowed	(163)	(1,056)	(163)	(155)
Income not subject to tax	(3)	-	(6,999)	(9,094)
Total	(3,609)	3,734	(5,616)	4,961
Income tax expenses reported in profit or loss	26,242	32,875	12,345	20,314

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	(Restated)		(Restated)	
Deferred tax assets				
Allowance for doubtful accounts	14,632	17,032	6,204	5,792
Allowance for diminution in value of inventories	5,800	7,363	984	2,685
Allowance for impairment in other long-term investment	-	536	-	536
Allowance for asset impairment	-	213	-	-
Accrued warranty	1,381	1,330	1,381	1,330
Accrued project costs	18,629	22,719	15,762	18,233
Provision for long-term employee benefits	11,222	7,107	5,529	3,819
Total	51,664	56,300	29,860	32,395
Deferred tax liabilities				
Investment in an associated company	(870)	(940)	-	-
Finance leases	(19,957)	(21,784)	(19,220)	(21,028)
Total	(20,827)	(22,724)	(19,220)	(21,028)
Deferred tax assets - net	30,837	33,576	10,640	11,367

33. Commitments and contingent liabilities

As at 31 December 2019 and 2018, the Group had commitments other than those disclosed in other notes as follows:

33.1 As at 31 December 2019 and 2018, the Group had office building and motor vehicle lease and related service commitments payable as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payable within:				
Less than 1 year	43	29	21	9
1 to 5 years	42	21	19	2

33.2 As at 31 December 2019 and 2018, IT City Public Company Limited, an associated company, had commitments under a lease and related service agreements for the lease of office building, warehouse and branch areas, under which the following rental and service fees are payable in the future.

(Unit: Million Baht)

	2019	2018
Payable within:		
Less than 1 year	392	168
1 to 5 years	255	144
Over 5 years	1	-

In addition, the associated company has obligations to pay rental and service fee at the percentage of sales under lease and service agreements for lease of certain branch areas.

33.3 Bank guarantees

The Group

As at 31 December 2019, the Group had outstanding bank guarantees amounting to approximately Baht 1,038 million and USD 1 million (2018: Baht 768 million and USD 0.5 million), and the separate financial statements: Baht 775 million and USD 0.3 million (2018: Baht 459 million and USD 0.2 million) issued by banks on behalf of the Group, in respect of certain performance bonds and bid bonds and others as required in the normal course of business of the Group.

The associated companies

As at 31 December 2019, IT City Public Company Limited, an associated company, has the outstanding bank guarantees of approximately Baht 15.5 million and USD 0.1 million (2018: Baht 11.5 million and USD 0.2 million) issued by a bank on behalf of an associated company in respect of purchase of goods and services as required in the normal course of an associated company's business.

As at 31 December 2019, Lease IT Public Company Limited, an associated company, has the outstanding bank guarantees of approximately Baht 96 million (2018: Baht 246 million) issued by banks on behalf of the associated company's customers in respect of certain bid bonds. The associated company has pledged deposits of Baht 45 million (2018: Baht 100 million) to secure these bank guarantees.

33.4 As at 31 December 2019 and 2018, the Company has outstanding loan guarantees provided on behalf of its subsidiaries for loans from banks. The balances of these guarantees are as follows:

Guarantee facilities	2019	2018
Short term loan	Baht 1,892 million	Baht 2,058 million
Credit line of forward contract	USD 11 million	USD 12 million
Credit line of forward contract	Baht 310 million	Baht 344 million

In addition, the Company issued guarantees to one supplier for purchase order of its subsidiary amounting to USD 0.6 million (2018: USD 0.6 million). As at 31 December 2018, there were guarantees to one customer for sale order of its subsidiary amounting to Baht 1 million (2019: nil).

Generally, the guarantees are effective for as long as the underlying obligations have not been discharged by the subsidiaries.

33.5 The Company took out insurance policies to insure collections from debtors of the distribution of IT products to distributors and retail customers business. As a result the Company are obliged to pay premiums at an agreed rate.

33.6 As at 31 December 2019, the Company has outstanding commitment in respect of uncalled portion of investment in a subsidiary of approximately Baht 91 million (2018: Baht 91 million).

33.7 Significant litigation

In 2018, DataOne Asia (Thailand) Company Limited (a subsidiary) filed a case with the Civil Court against a counterparty for breach of agreement and claimed damages amounting to Baht 178 million. The defendant has made a statement and lodged countersuits with the Civil Court and the Court of Appeals, stating that the defendant was not in breach of the agreement. On 20 December 2018, the Court of First Instance ordered the counterparty to pay for additional incurred project costs of Baht 20 million plus interest to the subsidiary company in addition to the amount formerly received of Baht 47 million, which resulted in the total amount to be received of Baht 67 million. Subsequently, on 12 February 2020, the Court of Appeals pronounced a contrary judgment that the defendant was not liable for the incurred project costs to the subsidiary company and ordered the subsidiary company to return all of received project costs and penalty plus interest of approximately Baht 81 million to the counterparty. The Group has set aside provision of Baht 81 million for the liability in respect of this case. The subsidiary company is in the process of filing an appeal with the Supreme Court.

34. Fair value hierarchy

As at 31 December 2019, the Group had the assets that were disclosed fair value using the different levels of inputs as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	Separate financial statements
	Level 1	Level 1
Assets for which fair value is disclosed		
Investments in associated companies	682	682

35. Financial instruments

35.1 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, trade accounts receivable, other receivables and finance lease receivables, investments, and short-term loans. 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 accounts receivable and other receivables. They manage the risk by adopting appropriate credit control policies and procedures and therefore do not expect to incur material financial losses. In addition, they do 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 trade accounts receivable, other receivables and finance lease receivables as stated in the statement of financial position.

Interest rate risk

The Group's exposures to interest rate risk relates primarily to its deposits with financial institutions and short-term borrowings. However, since most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

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)

As at 31 December 2019						
Consolidated financial statements						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	(% p.a.)
Within 1 year	Over 1-5 years					
Financial assets						
Cash and cash equivalents	30	-	117	265	412	0.05 - 1.55
Trade and other receivables	-	-	-	1,569	1,569	-
Finance lease receivables	450	185	-	-	635	0.50 - 9.00
Financial liabilities						
Short-term loans from banks	1,132	-	-	-	1,132	2.60 - 5.53
Trade and other payables	-	-	-	694	694	-
Finance lease payables	1	1	-	-	2	2.30 - 4.73

(% p.a.)

(Unit: Million Baht)

As at 31 December 2018						
Consolidated financial statements						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	(% p.a.)
Within 1 year	Over 1-5 years					
Financial assets						
Cash and cash equivalents	-	-	69	578	647	0.05 - 1.10
Trade and other receivables	-	-	-	1,750	1,750	-
Finance lease receivables	503	313	-	-	816	0.50 - 9.00
Financial liabilities						
Short-term loans from banks	1,742	-	-	-	1,742	2.80 - 6.00
Trade and other payables	-	-	-	794	794	-
Finance lease payables	4	1	-	-	5	1.55 - 7.42

(Unit: Million Baht)

	As at 31 December 2019					
	Separate financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate (% p.a.)
	Within 1 year	Over 1-5 years				
Financial assets						
Cash and cash equivalents	-	-	101	167	268	0.05 - 1.55
Trade and other receivables	-	-	-	914	914	-
Finance lease receivables	445	171	-	-	616	0.50 - 9.00
Financial liabilities						
Short-term loans from banks	816	-	-	-	816	2.60 - 4.15
Trade and other payables	-	-	-	543	543	-
Finance lease payables	1	-	-	-	1	2.30 - 4.73

(Unit: Million Baht)

As at 31 December 2018						
Separate financial statements						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate	(% p.a.)
Within 1 year	Over 1-5 years					
Financial assets						
Cash and cash equivalents	-	-	53	225	278	0.05 - 1.10
Trade and other receivables	-	-	-	1,248	1,248	-
Finance lease receivables	497	295	-	-	792	0.50 - 9.00
Financial liabilities						
Short-term loans from banks	1,324	-	-	-	1,324	2.85 - 4.05
Trade and other payables	-	-	-	671	671	-
Finance lease payables	1	-	-	-	1	1.55 - 4.73

Foreign currency risk

The Group's exposures to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. The subsidiaries seek to reduce this risk by entering into forward exchange contracts when their consider appropriate. Generally, the forward contracts mature within one year.

The balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	0.38	0.17	0.38	0.12	29.9767	32.2848
Financial liabilities						
US dollar	6.32	4.20	2.83	3.02	30.3313	32.6148
Yen	11.35	25.36	11.35	25.36	0.2796	0.2970
Euro	-	0.02	-	0.02	34.0846	37.4884

As at 31 December 2019 and 2018, the Group had outstanding forward exchange contracts, of which details are presented below.

Currency	Amount bought (Million)	Maturity date	Contractual exchange rate (Baht per 1 foreign currency unit)
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2019

Consolidated financial statements

US dollar	5.3	February - July 2020	29.8914 - 30.6600
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Separate financial statements

US dollar	2.0	April - July 2020	29.8914 - 30.3200
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Currency	Amount bought (Million)	Maturity date	Contractual exchange rate (Baht per 1 foreign currency unit)
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2018

Consolidated financial statements

US dollar	3.8	March - July 2019	32.1935 - 32.9300
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SG dollar	0.2	February 2019	23.9819
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Separate financial statements

US dollar	2.6	March - July 2019	32.1935 - 32.9300
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35.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position, except for the fair value of investments in associated companies which had been disclosed in Note 14.

36. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support their businesses and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 1.13:1 (2018: 1.60:1) and the Company's was 1.17:1 (2018: 1.72:1).

37. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 25 February 2020.

Management Discussion and Analysis (MD&A)

Summary of Business Operation of Company and Subsidiaries

In year 2019, the consolidated financial statements shown the net profit of Baht 123.0 million, increased by Baht 10.2 million from the previous year or 9.0%. The separate financial statements shown net profit of Baht 77.5 million, increased by Baht 21.0 million from the previous year or 37.2%.

(Unit: Mil Baht)	Consolidated						Separate					
	2019		2018		Increase (Decrease)		2019		2018		Increase (Decrease)	
Total revenues	7,396.5	100.0%	7,772.9	100.0%	-376.4	-4.8%	5,613.3	100.0%	6,119.4	100.0%	-506.1	-8.3%
Total expenses	-7,240.4	-97.9%	-7,635.4	-98.2%	395.0	-5.2%	-5,486.2	-97.7%	-5,996.2	-98.0%	510.0	-8.5%
Finance cost	-53.9	-0.7%	-63.0	-0.8%	9.1	-14.4%	-37.3	-0.7%	-46.4	-0.8%	9.1	-19.6%
Income Tax	-26.2	-0.4%	-32.9	-0.4%	6.7	-20.4%	-12.3	-0.2%	-20.3	-0.3%	8.0	-39.4%
Share of profit from investments in associated companies and joint venture accounted for under equity	47.0	0.6%	71.2	0.9%	-24.2	-34.0%	-	-	-	-	-	-
Net Profit	123.0	1.7%	112.8	1.5%	10.2	9.0%	77.5	1.4%	56.5	0.9%	21.0	37.2%

• Analysis of Revenue Structure

(Unit: Mil Baht)	Consolidated						Separate					
	2019		2018		Increase (Decrease)		2019		2018		Increase (Decrease)	
Sales and service revenues	7,107.0	96.1%	7,523.2	96.8%	-416.2	-5.5%	5,352.0	95.3%	5,874.7	96.0%	-522.7	-8.9%
Other income	289.5	3.9%	249.7	3.2%	39.8	15.9%	261.3	4.7%	244.7	4.0%	16.6	6.8%
Total Revenues	7,396.5	100.0%	7,772.9	100.0%	-376.4	-4.8%	5,613.3	100.0%	6,119.4	100.0%	-506.1	-8.3%

Total revenues of the Company and its subsidiaries in the consolidated financial statements of Baht 7,396.5 million, decreased by Baht 376.4 million from the previous year or 4.8% and total revenues in separate financial statements of Baht 5,613.3 million decreased by Baht 506.1 million from the previous year or 8.3%.

Product line/Business Unit	Operated by	2019		2018	
		Revenue	%	Revenue	%
IT Distribution	ITDSBU	3,544	48	3,645	47
System Integration	SISBU	1,840	25	1,783	23
IT Project	ITPSBU	1,613	22	1,976	25
Components Distribution	ASYS	110	1	119	2
Other income		290	4	250	3
Total Sale		7,397	100	7,773	100

- Revenues from sales and service in the consolidated financial statements decreased by Baht 416.2 million or 5.5% and the separate financial statements decreased by Baht 522.7 million or 8.9%, due to the delay of IT projects for the state enterprise and private sector and distribution channel that was impacted from economic uncertainty. Nevertheless, the revenues from consulting services and system implementation of application software to banking institutions have been increasing significantly.
- Other income in the consolidated financial statements increased by Baht 39.8 million or 15.9% and the separate financial statements increased by Baht 16.6 million or 6.8%, resulting from the revenue of suppliers' support and the reversal of estimated costs of projects that have been completed.
- Share of profit from investments in associated companies and joint venture accounted for under the equity method decreased by Baht 24.2 million or 34.0% from the previous year, mainly due to IT City Public Co., Ltd. and Lease IT Public Co., Ltd.

• Analysis of Expenditure Structure

(Unit: Mil Baht)	Consolidated						Separate					
	2019		2018		Increase (Decrease)		2019		2018		Increase (Decrease)	
Cost of Sales and Services	6,447.8	89.1%	6,873.2	90.0%	-425.4	-6.2%	4,954.2	90.3%	5,471.7	91.3%	-517.5	-9.5%
Selling expenses	550.6	7.6%	544.5	7.1%	6.1	1.1%	364.7	6.6%	367.3	6.1%	-2.6	-0.7%
Administrative expenses	242.0	3.3%	217.7	2.9%	24.3	11.2%	167.4	3.1%	157.2	2.6%	10.2	6.5%
Total Expenditure	7,240.4	100.0%	7,635.4	100.0%	-395.0	-5.2%	5,486.2	100.0%	5,996.2	100.0%	-510.0	-8.5%

Total expenses in the consolidated financial statements decreased by Baht 395 million or 5.2% from the previous year and the separate financial statements decreased by Baht 510.0 million or 8.5% from the previous year, due to :-

- Cost of sales and services in the consolidated financial statements decreased by Baht 425.4 million or 6.2% and the separate financial statements decreased by Baht 517.5 million or 9.5% in accordance with the sales proportion
- Selling expenses in the consolidated financial statements increased by Baht 6.1 million or 1.1% and the separate financial statements decreased by Baht 2.6 million or 0.7% due to sales promotion campaign.
- Administrative expenses in the consolidated financial statements increased by Baht 24.3 million or 11.2% and the separate financial statements increased by Baht 10.2 million or 6.5% as a result of recognizing provision from long-term employee benefits in accordance with Labour Protection Act (No 7), B.E. 2562 (2019) promulgated on April 5, 2019 and the expenses of relocating the Company's head office in Q2/2019. In additional, the group set aside provision to the contingent liability for a case against a counterparty for breach of agreement.

• Analysis of Profit Structure

In year 2019, profit before finance cost and income tax expenses in the consolidated financial statements of Baht 203.1 million, decreased by Baht 5.6 million from the previous year or 2.7% and the separate financial statements of Baht 127.1 million, increased by Baht 4.0 million from the previous year or 3.2%. Income tax expenses in the consolidated financial statements of Baht 26.2 million and the separate financial statements of Baht 12.3 million calculated at the tax rate of 20% of net profit after adding non-deductible expenses, which the Revenue Department did not allow as expenses. The figures mentioned excluded the share of profit (loss) from investments under the equity method.

Financial Status

• Analysis of Asset Structure

(Unit: Mil Baht)	Consolidated						Seperate					
	31 December 2019		31 December 2018		Increase (Decrease)		31 December 2019		31 December 2018		Increase (Decrease)	
Total Current Assets	3,333.9	68.6%	4,063.9	71.6%	-730.0	-18.0%	2,149.4	69.9%	2,689.7	72.2%	-540.3	-20.1%
Investment in subsidiary companies	-	-	-	-	-	-	70.2	2.3%	68.2	1.8%	2.00	-
Investment in associated companies	801.8	16.5%	790.7	13.9%	11.1	1.4%	382.3	12.4%	382.3	10.3%	-	-
Investment in joint venture	8.3	0.2%	7.2	0.1%	1.1	15.3%	-	-	-	-	-	-
Other long-term investments	-	0.0%	10.8	0.2%	-10.8	-100.0%	-	0.0%	10.8	0.3%	-10.8	-100.0%
Property, plant and equipments	188.0	3.9%	137.0	2.4%	51.0	37.2%	154.0	5.0%	133.0	3.6%	21.0	15.8%
Intangible assets	95.8	2.0%	84.7	1.5%	11.1	13.1%	69.4	2.3%	57.5	1.5%	11.9	20.7%
Financial lease receivables												
- net current portion	185.3	3.8%	313.1	5.5%	-127.8	-40.8%	171.5	5.6%	294.9	7.9%	-123.4	-41.8%
Deferred tax assets	30.8	0.6%	33.6	0.6%	-2.8	-8.3%	10.6	0.4%	11.4	0.3%	-0.8	-7.0%
Other non-current assets	214.8	4.4%	238.4	4.2%	-23.6	-9.9%	65.7	2.1%	78.3	2.1%	-12.6	-16.1%
Total Assets	4,858.6	100.0%	5,679.3	100.0%	-820.7	-14.5%	3,073.1	100.0%	3,726.1	100.0%	-653.0	-17.5%

The Company and subsidiaries had total assets in the consolidated financial statements of Baht 4,858.6 million, decreased by Baht 820.7 million from the end of the previous year or 14.5% and had the total assets in the separate financial statements of Baht 3,073.1 million, decreased by Baht 653.0 million from the end of previous year or 17.5% due to :-

- Current assets in the consolidated financial statements decreased by Baht 730.0 million and the separate financial statements decreased by Baht 540.3 million as a result of:-
 - Cash and cash equivalents in the consolidated financial statements decreased by Baht 235.0 million and the separate financial statements decreased by Baht 9.9 million from the operating results.

- Trade and other receivables in the consolidated financial statements decreased by Baht 180.9 million and the separate financial statements decreased by Baht 334.5 million mainly as a result of faster debt collection and reversal of accrued income when billing to the customers after completion of project work. In year 2019, the average collection period in the consolidated financial statements was 85 days and the separate financial statements was 74 days. The reason for the long debt collection was due to the fact that most of the debtors were government agencies and financial institutions requiring lengthy processes of acceptance and payment.
- Current portion of financial lease receivables in the consolidated financial statements and the separate financial statements decreased by Baht 52.4 million and Baht 52.3 million respectively from the decrease of long-term lease contracts with government agencies and private sector.
- Inventories in the consolidated financial statements decreased by Baht 184.9 million and the separate financial statements decreased by Baht 102.3 million from inventory management and control. For year 2019, the inventories turnover in the consolidated financial statements was 53 days and the separate financial statements was 42 days.
- Non-current assets in the consolidated financial statements decreased by Baht 90.7 million and the separate financial statements decreased by Baht 112.6 million from financial lease receivables as a result of decreasing of long-term lease agreements with government agencies.

• Analysis of Liabilities Structure

(Unit: Mil Baht)	Consolidated						Seperate					
	31 December 2019		31 December 2018		Increase (Decrease)		31 December 2019		31 December 2018		Increase (Decrease)	
Current liabilities	2,524.7	97.8%	3,457.3	98.8%	-932.6	-27.0%	1,628.0	98.3%	2,341.0	99.3%	-713.0	-30.5%
Non-Current liabilities	57.0	2.2%	41.5	1.2%	15.5	37.4%	28.0	1.7%	17.5	0.7%	10.5	60.0%
Total liabilities	2,581.7	100.0%	3,498.8	100.0%	-917.1	-26.2%	1,656.0	100.0%	2,358.5	100.0%	-702.5	-29.8%

Total liabilities of the Company and its subsidiaries in the consolidated financial statements of Baht 2,581.7 million, decreased by Baht 917.1 million from the end of the previous year or 26.2% and total liabilities in the separate financial statements of Baht 1,656.0 million, decreased by Baht 702.5 million from the end of the previous year or 29.8% due to :-

- Short-term loans from banks in the consolidated financial statements decreased by Baht 610.6 million and the separate financial statements decreased by Baht 507.1 million due to loan repayment when money was received from customers to reduce interest cost.
- Trade and other payables in the consolidated financial statements decreased by Baht 99.6 million and the separate financial statements decreased by Baht 127.9 million in accordance with the reduction in the inventory order from inventory management. For year 2019, the average repayment period in the consolidated financial statements was 42 days and the separate financial statements was 45 days.

• Analysis of Structure of Shareholders' Equity

(Unit: Mil Baht)	Consolidated						Separate					
	31 December 2019		31 December 2018		Increase (Decrease)		31 December 2019		31 December 2018		Increase (Decrease)	
Fully paid up capital	947.0	41.6%	947.0	43.4%	-	-	947.0	66.8%	947.0	69.2%	-	-
Par value surplus	0.5	0.0%	0.5	0.0%	-	-	0.5	0.0%	0.5	0.0%	-	-
Premium on shares of an associated company	96.5	4.2%	96.5	4.4%	-	-	-	-	-	-	-	-
Statutory reserve	57.1	2.5%	53.2	2.4%	3.90	7.3%	57.1	4.0%	53.2	3.9%	3.90	7.3%
Retained earning	1,175.7	51.7%	1,083.4	49.8%	92.3	8.5%	412.5	29.2%	366.9	26.8%	45.6	12.4%
Total Shareholder's equity	2,276.8	100.0%	2,180.6	100.0%	96.2	4.4%	1,417.1	100.0%	1,367.6	100.0%	49.5	3.6%

Shareholders' equity of the Company and its subsidiaries in the consolidated financial statements was Baht 2,276.8 million, increased by Baht 96.2 million from the end of previous year or 4.4 % and the separate financial statements Baht 1,417.1 million, increased by Baht 49.5 million from the end of previous year or 3.6% due to net income from operations.



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