

DRAWING UP for the DIGITAL AGE



TOUCH Printing Republic



Data One




IT CITY

Lease IT

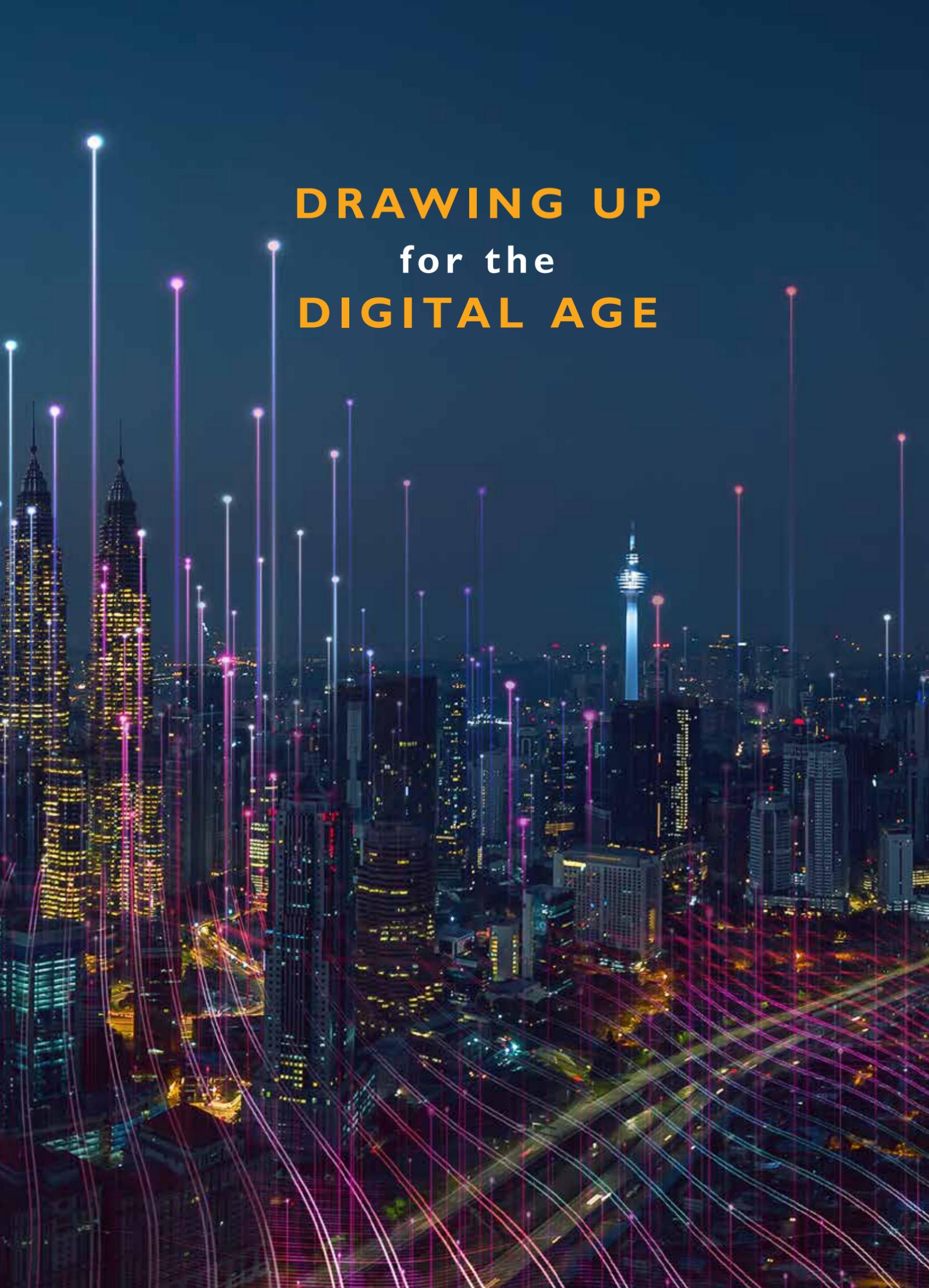


Digitech One



For over 39 years, the SVOA Group has conducted its computer and IT business by moving forward without turning back. We are proud to become a part of the development of the IT industry as well as the country's other industries and businesses and will continue to drive the country into the future by being a digital age enabler through its strategy, business plan, business model, and innovation that move at the world's speed, creating a pathway, tools, and a truly creative digital era for Thailand.

Our enterprise's business models comprising IT structure planning, computer system, new digital application, gaming, robotics, and others are technologies that are crucial to every step forward of the country and bring us closer to people than ever before.
“Drawing up for the Digital Age”



DRAWING UP
for the
DIGITAL AGE

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Management
Discussion and
Analysis (MD&A)
Yearly 2020

Summary of Financial Information

For the year ended December 31, 2020 and 2019

(Unit: Million Baht)

	CONSOLIDATED		THE COMPANY ONLY	
	2020	2019	2020	2019
Total Revenue	7,813.1	7,376.6	6,494.3	5,596.7
Gross Profit	754.4	659.3	444.6	397.8
Total comprehensive Income	139.8	124.7	81.6	78.0
Total Assets	5,985.5	4,858.6	4,059.7	3,073.1
Total Liabilities	3,707.5	2,581.7	2,669.6	1,656.0
Shareholders' Equity	2,278.0	2,276.8	1,390.1	1,417.1
Financial Ratio				
Gross Profit to Revenue (%)	9.9%	9.3%	7.1%	7.4%
Net Profit to Revenue (%)	1.8%	1.8%	1.3%	1.5%
Return on Equity (%)	6.1%	5.6%	5.8%	5.6%
Return on Asset (%)	2.6%	2.4%	2.3%	2.3%
Current Ratio (times)	1.1	1.3	1.0	1.3
Debt to Equity Ratio (times)	1.6	1.1	1.9	1.2
Information per Share (Baht)				
Earnings per Share	0.147	0.130	0.086	0.082
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

Audit Committee Report 2020

The Audit Committee of SVOA Public Company Limited was appointed by the Board of Directors and consisted of independent committee members with knowledge and experience in accounting and finance, law, business administration, and organizational management. Therefore, it is appropriate for the Committee to perform the duty of reviewing the financial reports in compliance with the regulations prescribed by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). The Committee comprises three independent committee members including:

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

In 2020, the Committee held four meetings with external auditors, internal auditors, management, and high-level executives to consider and provide useful recommendations on the correctness, completeness, and reliability of the information. The Committee reported the results of every meeting to the Board of Directors which can be summarized as follows:

1. Financial Report Review

The Audit Committee reviewed key information of the Company's and its Subsidiaries' quarterly and annual financial reports, prepared in accordance with the Thai Accounting Standards and reviewed by the external auditor, before presenting to the Board of Directors for approval. The Committee reviewed key information and received clarifications from the external auditor and management to ensure that the company's and its subsidiaries' financial reports were prepared in accordance with the accounting standards and disclosed complete, adequate, and reliable information, which would be beneficial for shareholders and users of the financial statements.

2. Internal Control System Review

The Audit Committee reviewed the internal control system by examining, based on the procedures prescribed by the SEC, the audit report from the internal audit division which was produced following the approved audit plan. The Committee found that the system was adequate and appropriate for the company's current business operations and did not find any issues or errors which could materially impact the company. This finding was consistent with the opinion of the external auditor. Additionally, the management has made adjustments according to the recommendations of the Audit Committee to ensure the efficiency and effectiveness of the company's operations. Moreover, an internal control system adequacy assessment form was prepared as specified by the SEC.

3. Internal Audit Oversight

The Audit Committee oversaw the internal audit, reviewed the annual audit plan, acknowledged the quarterly audit reports, monitored and provided recommendations for improvements on significant issues to ensure that the duties of the internal auditors were performed independently and efficiently, that the internal audit followed international standards, and that operations were conducted according to plans.

4. Compliance Review

The Audit Committee reviewed and monitored the company's operations in accordance with the rules and regulations of SEC and SET as well as other requirements related to the company's business operations. Information disclosure was transparent to ensure that the company fully complied with the rules and requirements.

5. Selection and Appointment of External Auditor

The Audit Committee proposed the appointment of external auditor and the auditor's fees for the year 2021 by considering the performance, qualifications, independence, and ethics of the auditor. The committee made the proposal to the Board to appoint Ms. Patcharawan Koonarangsri, CPA License No. 6650 and/or Ms. Kamolthip Lertwitworatthep, CPA License No.4377 and/or Mr. Wichart Lokatekrawee, CPA License No.4451 from EY Company Limited to be the company's external auditors for the year 2021.



Mr. Anant Tangtatswas
Chairman of the Audit Committee
25 February 2021

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 2020. The Company's 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 Leopairote
Chairman of the Board



Ms. Kulapa Intanate
Chief Executive Officer

Message to Shareholders



Mr. Manu Leopaibote
Chairman of the Board



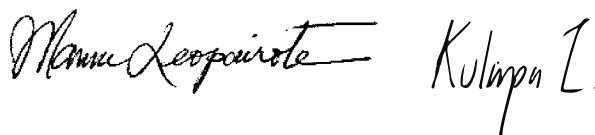
Ms. Kulapa Intanate
Chief Executive Officer

Driven by Covid-19, this past year was a year of technological changes which have led up to the New Normal and unlocked a new digital age. Every sector had to adapt and transform the way they evolve, work, and consume, forcing businesses to change the way they conduct their businesses and provide services. To adjust to the new way of management, it is believed that every organization should be prepared and responsive to the changing consumer behavior. However, today, new technologies have been adopted to allow people to work from home, learn and set up meetings through online channels. This emerging trend coupled with the growth of e-Commerce has fueled the current growth of IT.

SVOA Public Company Limited has shifted to respond to the changes by increasing online distribution and telesale channels. Aside from that, the Company has collaborated with partners to develop gaming gears, computer parts, marketed educational, service robotics, digital printing, digital application and cyber security to meet consumer lifestyle changes. Additionally, the Company has improved its efficiency in inventory management, logistics management, and complete after-sales services.

As a result, in 2020, our Company was able to deliver satisfying level of profits and operating results. By all means, those were the results of co-operation from our business alliance, executives, employees, and most importantly, our customers who continued to put their trust in our Company.

On this occasion, The Board of Directors, we would like to thank our shareholders, co-investors, customers, executives, and employees for their unwavering support. SVOA is committed to continuously creating sustainability and efficiency for the organization to ensure strong and sustainable business growth and social responsibility for the benefits of shareholders.



Mr. Manu Leopairrote
Chairman of the Board

Ms. Kulapa Intanate
Chief Executive Officer

Board of Directors



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



Mr. Pang Thieng Hwi
Director



Mr. Henry Goh
Director



Ms. Kulapa Intanate
Director



Dr. Wilson Teo Yong Peng
Director



Mr. Krit Kulsuppaisarn
Director



Mr. Anapol Nonthaphund
Director



Mr. Anant Tangtatswas
Independent Director and
Chairman of Audit Committee



Dr. Praon Phasukyud
Independent Director and
Member of Audit Committee

Sub-Committee 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.
Ms. Kulapa Intanate
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 Kulsuppaisarn
Chief Operating Officer
IT Project Strategic
Business Unit



SVOA Public Co., Ltd.
Mr. Anapol Nonthaphund
Chief Operating Officer
IT Distribution Strategic
Business Unit



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



IT City Public Co., Ltd.
Mr. Sophon Intanate
President



Lease IT Public Co., Ltd.
Mr. Sompon Aketerajit
Managing Director



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

SVOA Group

SVOA
GROUP



SVOA

- IT Distribution
- IT Project



Asys

- After-Sales Service



Data One

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



Digitech One

- Digital Application and Cyber Security



TOUCH Printing Republic

- Printing Solution Provider & Printing Service



IT CITY

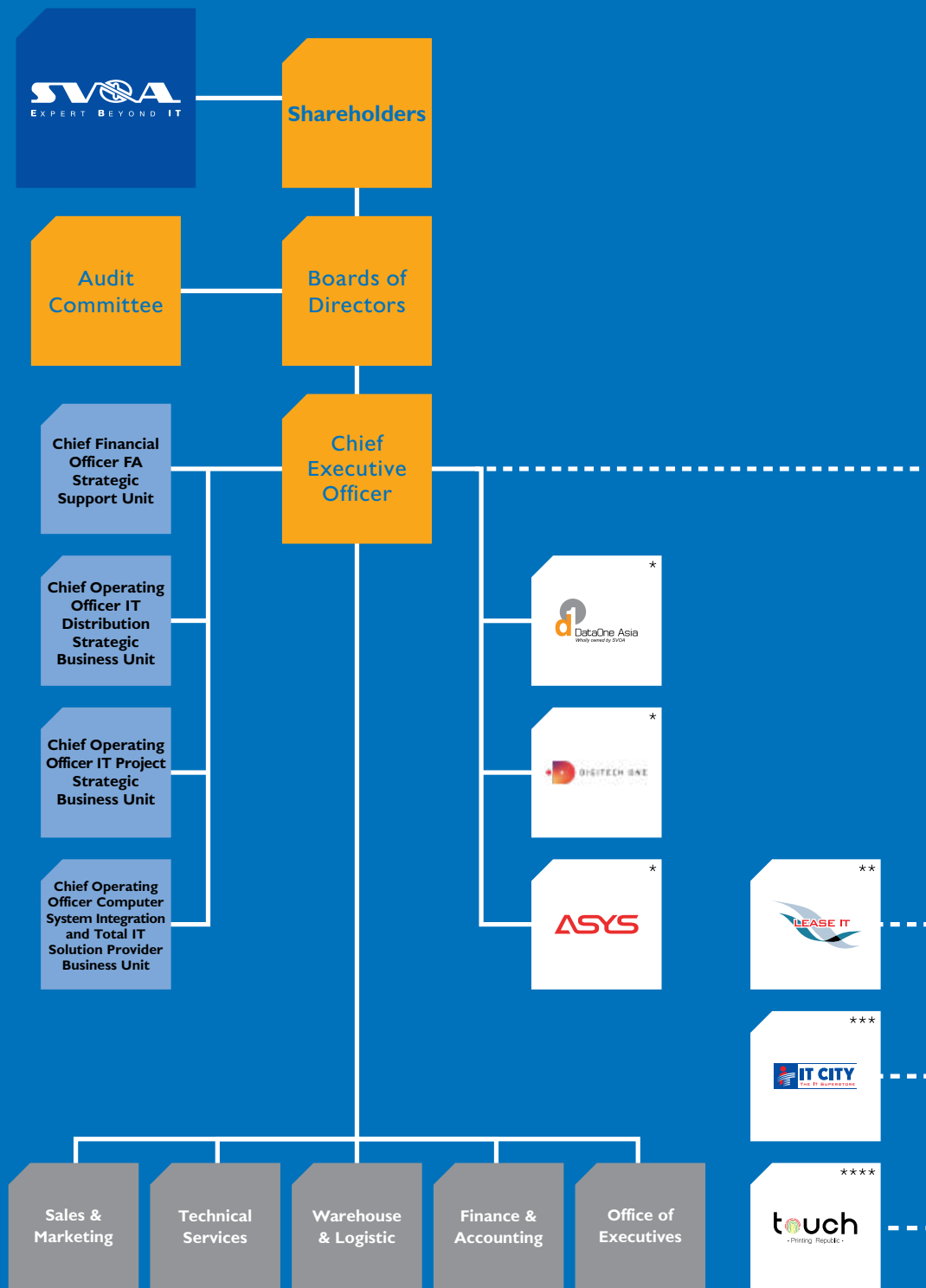
- IT Superstores



Lease IT

- Leasing and Financial Product

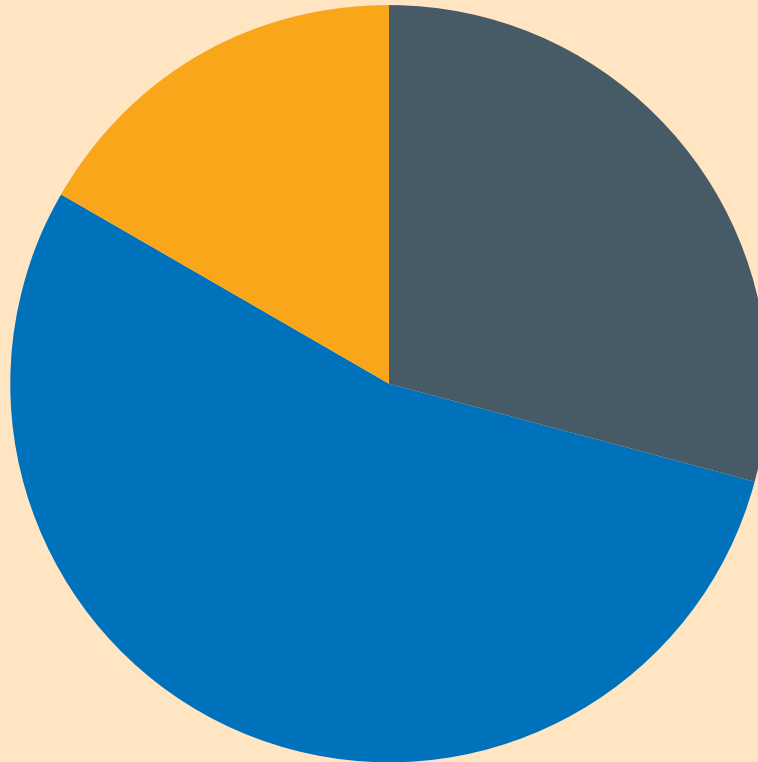
Corporate Structure



Remark:

- * SVOA Holds a 100% (Subsidiaries)
- ** SVOA Holds a 35.80% (Associated)
- *** SVOA Holds a 30.48% (Associated)
- **** SVOA Holds a 24% (Associated)

Shareholder Structure



48.04%

Others
454,905,110 shares

31.94%

Keppel Telecommunications and Transportation Limited
 • 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%)

20.02%

Mr. Min Intanate
189,633,150 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 39 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. Digital Application and Cyber Security: Digitech One
6. Financial Product Group: Lease IT
7. IT Superstores: IT CITY
8. Printing Solution Provider & Printing Service: Touch Printing

Nature of Business

I. 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, Robot for Education and Industry supply for these

equipments such as ink, bulb, blade, and software for design application and computer operation system For example Alienware, AMD, Apacer, Asrock, Autodesk, Boxlight, BricsCad, Chuphotic, Cooler Master, Dell, Delta, Epson, FSP, Gigabyte, HIS, Jarton, Kingmax, Kaspersky, Leadtek, LiteOn, MSI, Pletor, Power Color, Roland, Silhouette, SketchUp, SVOA PC, Ubtech, Viewsonic, V-Ray, Zotac

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 Myanmar, Laos and Cambodia.
5. Governmental-organization Project: SVOA PCL. places high importance on catering maintenance and repair services to public organizations nationwide. The 11 branches service network serves as both distribution and repair and maintenance centers to ensure prompt and convenient services. In addition to SVOA PCL. 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 PCL. 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: 12 January 2021 audited and approved by SGS Certificate (UKAS).
 - Certificate No. TH02/2597 Date: 12 January 2021 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: 2 August 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 17 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
 - Motorcycles 66
 - Cars 44
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: 12 January 2021, which is SGS Certificate, accredited by UKAS
- Certificate No. TH06/2599 Date: 12 January 2021, which is SGS Certificate, accredited by NAC

5. Digital Application and Cyber Security (Digitech One)

Business Capability

The business aims to connect different businesses to increase competitiveness and make it easier for customers to access new services without

having to request information from public or private sector but allowing for consent to disclose information on a credible platform using biometric facial recognition and digital ID to ensure secured online transactions through a reliable platform. The services include:

- **Software as service** provides the company's platform services using the SaaS Business Model to make business operations more efficient, such as electronic document signing and approval system and electronic tax document management system using a technological system that allows secured exchange of information between organizations.

- **Cyber security** provides complete cyber security service for the protection of confidential and personal information required by law and consulting services on the Personal Data Protection Act B.E.2562 (2019) (PDPA).

- **White label platform** provides rental service of targeted platform solutions for non-banks, fintech, and e-Commerce businesses, offering ready-made platforms including E-KYC, digital ID, and online credit applications.

Business Capability

At present, electronic transactions are gaining popularity and support from the government which is promoting the implementation of full electronic system, and the current situation has given an advantage to the industry's competitiveness. Additionally, the company is a software system developer offering products to meet the specific needs of customers in areas of authentication, digital signature, and online credit application. In terms of competition, the number of competitors in the industry is fewer than in other industries, giving the company a competitive edge in the market.

Our Target

Government agencies, state enterprises, educational institutions, financial institutions and banks, private organizations of all sizes, and customers in general.

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 is the retail business of computers, laptops, smartphones, IoT and gaming devices including a complete range of IT related products which offer a variety of over 10,000 items. Besides being a retail business, IT CITY is a wholesaler to retail customers in Bangkok and other provinces. At present, IT CITY is the business of providing the “One Stop Shopping” of IT Products service which are classified under different trade names for each different product group as follows:

- **IT CITY** distributes computer products, smartphones and peripherals as Traditional IT Products focusing on accessibility to wide consumers at all levels to position IT products easily accessible to consumers of all ages.

- **CSC** distributes smart phones and its accessories such as charger, adapter, backup battery (power bank) etc. we focus on reaching consumers who want to buy good-quality smartphones from leading manufacturers providing many models with a great warranty.

- **ACE** distributes computer products, high-performance assembled computers, gaming devices and peripherals for consumers, gaming group (Gamer) targeting teenagers who love to play games, content creators such as youtuber who look for high-performance IT products and unique IT equipment (Uniqueness).

- **IT Dot (it.)**, distributes IOT products, high-performance central connecting devices for smartphones and networking devices and gadgets targeted. To market of new generation of IT lovers seeking an Always Connected lifestyle, connected to various wireless devices in all aspects of their lives all the time.

In addition to providing services under these trade names, IT City is also granted to manage brand’s stores for the partners in leading shopping centers such as Oppo, Vivo, Samsung, Huawei, RealMe and Thailand’s leading network service operator; DTAC, in order to increase the potential of reaching consumers and increase the footprint of affiliated stores and shopping centers as well.



Business Capability

IT CITY is one of the leading retail store chains in the IT product industry with currently over 358 branches across the country. 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 destroys 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.12tprint.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

IT Distribution Strategic Business Unit (ITD):

The Company is committed to build credibility and engage into more online businesses ranging from marketing and selling products, providing technical knowledge about the products and services by connecting platforms through innovations and digital technology. The company will continue to focus on education technology in artificial intelligence and robotics, and develop courses for teachers and students to increase the competitiveness of the business and respond to new services and technology. The company provides new products such as components and digital printing through distribution channels nationwide, online marketing, integrated strategic planning, and continuously fosters relationships with dealers to boost sales and repeat purchases.

IT Project Business (ITP): We believe in our strength and experience in delivering Turnkey projects to government and private agencies, developing good and accessible service platform, and offering installation and after-sales services throughout the specified period in the contract. The company is committed to supporting the work of organizations at all levels in all functions.

Consulting and Computer Systems Business (D1): Aside from consulting, computer system development, and security system services for government agencies, banks, and insurance companies, the company places a great emphasis on expanding to other businesses. The company will offer technology to service businesses such as bank services in a new data format regulated by the Bank of Thailand (BOT) which requires banks to seek new technology and services including domestic and regional bank transfers. The company tailors its services to our clients as same as the insurance business in which changes in insurance services for necessary and new tools and technologies .

Digital Application and Cyber Security

(Digitech One) is the company's business that focuses on ability to connect different businesses to increase convenience for customers in accessing new services without having to ask for their information from government and private sectors but by allowing the disclosure of information through a reliable platform. The company has developed the technology for online authentication (e-KYC) using biometric authentication that scans for facial recognition to ensure the security of online transactions or using digital ID via reliable platforms. For example, NDID Company which offers organizations block chain node service to connect and cross verification, making transactions easier, such as opening a bank account or an investment account through an online channel, giving consent to disclose credit information for borrowing through an online channel, reducing paper use and significant document submission. The organizations can create and sign important documents through an application called Document Signing. Users are able to create PDF templates, design the signature position and online authorization workflow, and sign the documents with digital certificate technology. The public key infrastructure technology meets the international standard, and users can verify whether documents have been properly signed and legally binding under laws such as the Thai Electronic Transactions Act. The company also offers digital lending and borrowing which helps banks and fintech reach customers who were previously not their customers with convenient online access to financial services in line with the current trends of bank branch reduction and changing consumer behavior, allowing financial transactions to be made anywhere, anytime.

In addition, the company is an expert in cyber security and data protection and is ready to develop new and secured solutions to respond to business needs.

After-sales Service Business (ASYS Computer) offers after-sales services for IT products equipment more than 15 brands to respond to the needs for efficient, quick, and accountable services. The company provides outstanding after-sales, customer relations, and repair services as the ASP-authorized service provider following the standards for each product regardless of where they are bought. The company offers not only on-site warranty and out-of-warranty services, but customers can also bring the products to our service centers nationwide. Additionally, the company offers Maintenance Service Agreement (MA), installation service, and sells parts of world-class brands. With our customer-centric approach and continuous commitment, on 9 December 2020, ASYS Computer won the After-sales services and Customer Relations Ship Excellence Award at the Thailand Top SME Award 2020.

Apart from IT, the company has an affiliated business that provides loans for SMEs as an alternative funding source outside the traditional banking sector (non-bank) under **Lease IT Public Company Limited** for over 14 years. The company's main customers are SMEs that work with the public sector and large corporations. The company offers credits that meet the needs of SMEs working with the public sector from the start to the end of the project through instruments such as bid bond, project backup finance, and factoring.

In terms of comprehensive retail business, **IT City Public Company Limited** has renovated its stores, offered products that meet the current IT market needs, added IoTs (Internet of Things) and gaming gear to product offerings, and created a proactive plan for smartphone products to expand its market. The company has opened more branches in potential department stores in and outside Bangkok to reach more consumers and increase its service efficiency and management flexibility under the One Stop Shopping concept.

In an era of digital printing, **Touch Printing Republic Company Limited** has broken the limits

of traditional printing, which focuses on quantity, by emphasizing small scale production that can tailor to each customer's need and offer quick and a greater variety of printing services including fabric printing, leather printing, premium products, printing solution services, sales of printing machines, rolling machines, consulting services on printing machines, and total repair services. The company provides an online service platform at www.12tprint.com where customers can simply design a piece of work, cloth, scarf, or pillow and order the production of their unique work. The minimum order required is one and the product will be available for pick-up in 7 days. **Touch Printing Republic Company Limited** is engaged in corporate social responsibility (CSR) by making products including cloth bags, shirts, and cloth masks from the drawings of underprivileged and disabled children from various foundations for sales and gifts for special occasions. The proceeds will be given to the children's foundations.

In addition, the company focuses on environmental management and social responsibility in ways that allow the company to engage with the society for sustainable development.

From the change, the company has integrated those values into its management which allows SVOA to grow strongly and sustainably.

Major changes and development in corporate control

In 2020, there was no significant change or development in the control of the company. Mr. Min Intanate and our business partner, Keppel Telecommunications and Transportation Limited (Shareholding via Apsilon Ventures Pte Ltd and via BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH) still hold 492,094,890 shares of preferred and common shares, equivalent to 51.96% of paid-up capital (947,000,000 baht) of which both Mr. Min Intanate and Keppel Telecommunications and Transportation Limited still hold the majority voting and corporate control.

Activities & Significant Changes in the 2020



Her Royal Highness Princess Maha Chakri Sirindhorn presided over the opening ceremony of the Commart Extream 2020 fair at the Bangkok International Trade & Exhibition Centre (BITEC) and visited the exhibition booth of SVOA, the leader of IT products and after-sales services, displayed under the concept of gaming solutions and innovation, featuring the latest gaming gear and full gaming equipment.

SVOA, together with the Office of Vocational Education Commission, established the Excellent Center College to develop skilled workforce to support Thailand's target industries with Mr. Nataphol Teepsuwan, Minister of Education, paying a visit and conversing with teachers and students from the mechatronics department. The Excellent Center College set up a prototype classroom for robotics teaching, which was sponsored by UBTECH with Mr. Narong Paewpolsong, Secretary-General of the Vocational Education Commission and Dr. Suthep Kaengsanthia, Secretary of Office of Vocational Education Commission visiting Chonburi Technical College.





SVOA simulated the 21st century Robotic Smart Classroom for STEAM learning to enhance computational skills and systematic problem solving and to exhibit educational technology and advanced teaching materials. In the robotics classroom, teaching simulations on robots covers robot assembly, control programming, and robot functions. The event was attended by students, teachers, and private agencies.

SVOA together with Bb-BEYOND D-BOX by Com 7 organized a robot building workshop inviting children to have fun with JIMU, a basic robot for young children, learn to control and program robots following the missions and brainteaser games based on the Learn and Play concept to develop logical thinking, systematic problem solving, and creativity through hands-on experience.



SVOA attended Sign Asia 2020 at the end of the year launching a new and innovative Roland printer to meet the needs of digital printing business and premium advertising media, which are combined up to 8 True VIS inks with special colors, orange and green, the Eco UV special ink that is environmentally friendly.



Juniper Networks, the world's leader in networking and cyber security system technology, won the Network Technological Product Award at the Product Innovation Awards 2020 under the "Innovation Creating Value for the Nation's Industry" theme to support industrial revolution and industrial technological growth. DataOne Asia Company is the first and largest distributor of Juniper network products in Thailand and is Juniper Partner Support Service Specialist (PSS) and Juniper Professional Services Specialist (PPS). At the event, Khun Samphan Pongpanich, Executive Director of Distribution Division, DataOne Asia (Thailand) Co., Ltd., received the award. Juniper network products feature an interior architectural design for automatic high-speed information transmission which is cost-effective and meets the needs of businesses with a large amount of traffic.

DataOne, together with Juniper Networks, Thales, CommScope Ruckus, Netka System, Pulse Secure, OneSpan, and i-Sprint Innovations, the leaders in network and security products and solutions in organised the DI Solution day 2020 seminar under the Unlocking & Enhanced Digital Transformation theme, a seminar that brought together innovative IT infrastructure network platform and world-class security solutions and

provided updates on major technological trends that affect modern businesses to ensure ability to respond with appropriate technology and high level of security, allowing businesses to survive in the changing world, meet the needs of organizations for electronic transactions, and move to rapid development.



▶ DataOne joined hands with leading partners to support in organizing the Personal Data Protection Act (PDPA); The New Paradigm shift of Organizations' challenges for executives in the financial, banking, insurance, and other leading companies in a variety of industries. DataOne received the honor from its partners, SODA IT, a universal virtual tokenization solution provider, who won the Winner of 2015 “Most Innovative Startup” Award at the RSA Sandbox Asia Pacific & Japan 2015 for its solutions to protect the security of smartphones, and McAfee, the global leader in computer security software, to share their data discovery and data loss prevention (DLP) solutions.



▶ Lease IT was selected by the Stock Exchange of Thailand as one of 124 listed companies on the list of Thailand Sustainability Investment 2020 as a result of its commitment to improving environmental, social, and governance performance (ESG).

▶ Mr. Sompotch Uthaiwiwakul, Managing Director, Asys Computer Co., Ltd., a provider of after-sales services for IT products, computers, connecting devices, smartphones, and tablets, with 12 service centers and 224 authorized service centers across the region received the After-sales and Customer Relations Services of the Year Award at Thailand Top SME Award 2020.



Revenue Structure

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

(Unit: Million Baht)

Product Lines / Business unit	Operations	2020		2019		2018	
		Income	%	Income	%	Income	%
Distribution	ITDSBU	3,714	47	3,544	48	3,645	47
System Integration	SISBU	2,091	27	1,840	25	1,783	23
IT Project	ITPSBU	1,698	22	1,613	22	1,976	25
Service Center	ASYS	96	1	110	1	119	2
Share of profit from investments in associated companies	IT CITY	(13)	-	7	-	17	-
Share of profit from investments in associated companies	LEASE IT	26	-	37	-	54	1
Other Income		234	3	288	4	250	2
Total		7,846	100	7,439	100	7,844	100
Growth Rate		400	5	(400)	(5)	(1,124)	(13)

Business Goals

For over 39 years, the SVOA Group has conducted its computer and IT business by moving forward without turning back. We are proud to become a part of the development of the IT industry as well as the country's other industries and businesses and will continue to drive the country into the future by being a digital age enabler through its strategy, business plan, business model, and innovation that move at the world's speed, creating a pathway, tools, and a truly creative digital era for Thailand.

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 and expand product to the dealer, including component, gaming gears, education & commercial robots, and printing service & printing provider. We also expand the channels of products and services as well as wholesale business to cover all regions, especially online market telesale. 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 solution to build trust for our customers

After-sales Service Business (ASYS Computer) offers after-sales services for IT products equipment more than 20 brands to respond customer needs by efficient, quick, and accountable services. The company provides outstanding on-site service, after-sales services, customer relations, and repair services as the ASP-authorized service provider following the standards for each product.

Consulting and Computer Systems Business (D1): Aside from consulting, computer system development, and security system services for public agencies, banks, and insurance companies, the company places a great emphasis on expanding to other businesses. The company will offer technology to service businesses such as bank services in a new data format regulated by the Bank of Thailand (BOT) which requires banks to seek new technology and services including domestic and regional bank transfers. The company tailors its services to our clients just like the insurance business in which changes in insurance services are necessary and new tools and technologies are essential.

Digital Application and Cyber Security Business Unit (Digitech One) provides Digital Application business on customer centric as a specific solution service to SaaS Business Model (Software as a service) by applying technology into business transformation to digital business in financial and government sector. We also provide a complete services for Cyber Security included consulting and solution designing, selling products related to cyber security and data protection

response to social distancing which has a high level of security for the accuracy of information accordance with the electronic transaction act.

Financial Service (Lease IT) : 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 to access more funds for supporting all operational process of their project. With a variety of financial products that meet customer needs. Lease IT can help make all SMEs dreams come true under the slogan “True Financial Partner” which is beyond a loan provider.

In terms of comprehensive retail business, IT City Public Company Limited has renovated its stores, offered products that meet the current IT market needs, added IoTs (Internet of Things) and gaming gear to product offerings, and created a proactive plan for smartphone products to expand its market. The company has opened more branches in potential department stores in and outside Bangkok to reach more consumers and increase its service efficiency and management flexibility under the One Stop Shopping concept.

In an era of digital printing, Printing Solution sales of printing machines, rolling machines, consulting machines services, and maintenance. The company provides an online service platform at www.12tprint.com where customers can simply design a piece of work, cloth, scarf, or pillow etc. and order the production of their unique work. The minimum order required is one and the product will be available for pick-up in 7 days. Touch Printing Republic Company Limited is engaged in corporate social responsibility (CSR) by making products including cloth bags, shirts, and cloth masks from the drawings of underprivileged and disabled children from various foundations for sales and gifts for special occasions.

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.

I. 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 50 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 use influencer to 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 affective to the performance of our business operation. Therefore, we have reduced the level of competition by increasing the variety of distribution channels such as sales on SVOA online platform and LAZADA, SHOPEE and HIS. In order to expand our products to serve prospective consumers in every strategic market. In addition, Company concern and set up strong internal control for process of sales and receive by online platform.

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 12, 2021, the major shareholders, Keppel Telecommunications and Transportation Limited (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 20.02 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.

5. Risk from COVID 19 outbreak during the year

The outbreak of the Coronavirus Disease 2019 (COVID-19) has emerged and widely spreads in 1st quarter and the end of year. The Government has imposed various measures to prevent and control the spread of COVID-19 which effected to overall Thai economy. The company was small impacted from COVID-19 in 1st quarter however the Company can maintain operating profit as the prior year.

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 2849 2777, +66 2462 5822,

+66 2462 5933, +66 2816 7511

Fax: +66 2462 7030

Nationwide Sales & Services Network

North

• Chiangmai

188 Moo 7, Chai Sathan, Saraphi, Chiang Mai 50140

Tel: +66 5324 2151, 081 359 5227

Fax: +66 5324 2151 Ext. 28

• Phitsanulok

49/48 Chanvejchakij Road, NaiMueang, Mueang Phitsanulok, Phitsanulok 65000

Tel: +66 5530 3576-8, 081 359 7298

Fax: +66 5530 3576-8 Ext. 30

• Chiangrai

814/5 Nongbua Road, Wiang, Mueang Chiangrai, Chiangrai 57000

Tel: +66 5360 0484, 081 359 7487

Northeast

• Khon Khaen

333/66 Moo 6, NaiMueang, Mueang Khon Khaen, Khon Khaen 40000

Tel: +66 4324 1503, 081 359 7290

ID Line: SVOA

• Nakhon Ratchasima

28 Chumpol Road, NaiMueang, Mueang Nakhon Ratchasima, Nakhon Ratchasima 30000

Tel: +66 4424 3333, 081 359 7290

• Ubonratchathani

310/3 Polpan Road, NaiMueang, Mueang Ubonratchathani, Ubonratchathani 34000

Tel: +66 4531 6849, 081 359 7489

East

• Chonburi

53/125-126 Moo 3, Bansuan, Mueang Chonburi, Chonburi 20000

Tel: +66 3879 6788, 081 359 7301

Central

• Ratchaburi

159/41 Petchakasem Road, NahMueang, Mueang Ratchaburi, Ratchaburi 70000

Tel: +66 3232 2031, 081 359 7289

South

• Surat Thani

108/102 Moo 3, Liang Mueang Road, Makham Tieh,
Mueang Surat Thani, Surat Thani 84000

Tel: +66 7728 1235

• Hat Yai

20 Siamciti Center 2 Road, Hat Yai, Songkhla 90110

Tel: +66 7426 2101, 081 359 7292

ID Line: sv0813597292

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: 100,000,000 Baht

Paid up Capital: 100,000,000 Baht

Divided into: 1,000,000 Ordinary shares,
at par value of 100 Baht each

Business Profile: Digital Application and
Cyber Security

• 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 Co., Ltd.:

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 Co., Ltd.:

SVOA holds a 30.48 percent share.

Headquarter: 555 The Palladium World Shopping
Mall B1, B2, 5th Floor, Ratchaprarop Road,
Makkasan, Ratchathevee Bangkok 10400

Tel: +66 2656 5030 Ext. 39

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: 65 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

I. 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 Jermpipat

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

I. 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 Limited is a subsidiary company and 100% owned by Keppel Telecommunications and Transportation Limited). 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 12, 2021, 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	189,633,150	20.02
3	BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH (Customer Segregated Account, held for Apsilon Ventures Pte Ltd.)	62,461,740	6.60
4	Mr. Chawalit Charaschotipinit	35,160,000	3.71
5	Mr. Wijit Pokkakul	31,445,600	3.32
6	Mr. Khet Wanglee	14,500,000	1.53
7	Thai NVDR Co.,Ltd.	12,760,100	1.35
8	Universe Beauty Co.,Ltd.	10,200,000	1.08
9	T.K.S. Technologies Public Co.,Ltd.	9,000,000	0.95
10	Mr. Pornprasert Karnjanajari	7,000,000	0.74

Shareholders Meeting

At the Shareholders' Annual General Meeting of the year 2020, there were 7 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.

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

No agreement established.

- **Shareholders' Rights and Equality**

In 2020, the company had shareholders' meeting 1 time the 2020 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 2020, net profit from separate financial statement of 81,597,069 Baht. At the Board of Directors' Meeting No.1/2021 on February 25, 2021, it was agreed upon to propose to the Shareholders' Meeting to approve the dividend payment of 61.08 Percent of net profit after legal reserve amounting to 77,517,216 Baht. A dividend payment amounting to 47,350,000 Baht or 0.05 Baht per share was approved at the Shareholders' Meeting.

The Company performance for the year 2020 generated net profit from separate financial statement of 77,460,782 Baht. According to the Board of Directors' Meeting No. 2/2020 held on March 31, 2020, the Company passed a resolution to pay dividend 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.



• 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 Co., Ltd. (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 Co., Ltd. (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. Ms. Kulapa Intanate | Chief Executive Officer, IT Distribution Strategic Business Unit |
| 2. Dr. Wilson Teo Yong Peng | Chief Financial Officer |
| 3. Mr. Ananpol Nonthaphund | Chief Operating 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 Leoparote (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 Leopaiprote | 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 2020 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)	Extraordinary Meeting (Time)	No. of Absence (time)
1. Mr. Manu Leopaiprote	Remark (*)	4	2	0
2. Mr. Pang Thieng Hwi	Remark (*)	4	2	2
3. Mr. Henry Goh	Remark (*)	4	2	2
4. Ms. Kulapa Intanate	Remark (*)	4	2	1
5. Dr. Wilson Teo Yong Peng	Remark (*)	4	2	0
6. Mr. Krit Kulsuppaisarn	Remark (*)	4	2	0
7. Mr. Ananpol Nonthapund	Remark (**)	4	2	2
8. Mr. Anant Tangtatswas	Remark (*)	4	2	0
9. Dr. Prapon Phasukyud	Remark (*)	4	2	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.

()** Mr. Ananpol Nonthapund has been appointed to be the replacement of Mr. Thitakorn Ussayaporn as a director on May 14, 2020

The Authorized Directors

"Mr. Wilson Teo Yong Peng jointly signs with Mr. Pang Thieng Hwi or Mr. Henry Goh 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. 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 SET. 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 SEC, 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 Leopairote

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, 2010-2021 (11 years)
Age	78 (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 01/1/2020 - 31/12/2020

-

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

Mr. Pang Thieng Hwi

Position	Director
Year of Directorship	Director, 2014-2021 (7 years)
Age	56 (1965)

Qualifications

- Bachelor of Arts degree and Master of Arts (Honorary Award), Cambridge University, (U.K.)

Shareholdings as at 01/1/2020 - 31/12/2020

-

Working Experience for the last 5 Years

Present	Chief Executive Officer & Executive Director	Keppel Telecommunications & Transportation Limited (Singapore)
Present	Director	Keppel DC REIT Management Pte Ltd. (Singapore)
Present	Director	MI 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)
2020-2020	Director	Business Online Public Co., Ltd.
2019	Director	Anew Corporation Co.,Ltd.
2018	Director	Advanced Research Group Co.,Ltd.

Mr. Henry Goh

Position	Director
Year of Directorship	Director, 2009-2020 (11 years) If approved to resume his office for another term, he will be a director for the 12 th year
Age	64 (1957)

Qualifications

- FCA, Fellow of Institute of Singapore Chartered Accountants
- FCMA, Fellow of The Chartered Institute of Management Accountants (UK)

Shareholdings as at 01/1/2020 - 31/12/2020

-

Working Experience for the last 5 Years

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

Ms. Kulapa Intanate

Position	Director
Year of Directorship	Director, 2017-2020 (3 years) If approved to resume her office for another term, she will be a director for the 4 th year
Age	36 (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 2nd Class Honors:
International Business Management, Chulalongkorn University
- BBA Exchange Program, Groupe ESC Rouen, France
- Annesley College (High School) Adelaide, Australia

Directors Training Program

- DAP, Director Accreditation Program-Thai Institute of Directors. (IOD) DAPI32/2016
- Future Entrepreneurs Forum by Bangkok Bank and Bangkok University 2016
- Krungsri Leadership Academy Wave 4 2014

Shareholdings as at 01/1/2020 - 31/12/2020

-

Working Experience for the last 5 Years

Present	Chief Executive Officer	SVOA Public Co., Ltd.
Present	Director	Asys Computer Co., Ltd.
Present	Director	Touch Printing Republic Co., Ltd.
2013-2020	Deputy Chief Executive Officer	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)

Dr. Wilson Teo Yong Peng

Position	Director
Year of Directorship	Director, 2006-2021 (15 years)
Age	55 (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 01/1/2020 - 31/12/2020

-

Dr. Wilson Teo Yong Peng (Continue)

Working Experience for the last 5 Years

Present	Director	IT City Public 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.
2006-2020	Director	Business Online Public Co., Ltd.
2006-2020	Director	DataOne Asia (Thailand) Co., Ltd.
2006-2019	Director	Anew Corporation Co., Ltd.
2000-2020	Director	Acerts Co., Ltd.
2000-2019	Director	Advanced Research Group Co., Ltd.
2012-2013	Director	Lease IT Public Co., Ltd.

Mr. Krit Kulsuppaisarn

Position	Director
Year of Directorship	Director, 2016-2021 (5 years)
Age	68 (1953)

Qualifications

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

Directors Shareholdings as at 01/1/2020 - 31/12/2020

3,503,330 shares (0.37%)

Working Experience for the last 5 Years

2006-2020	Director	DataOne Asia (Thailand) Co., Ltd.
2006-2009	Chief Operating Officer	DataOne Asia (Thailand) Co., Ltd.

Mr. Anapol Nonthaphund

Position	Director
Year of Directorship	Director 2020 (1 year)
Age	60 (1961)

Qualifications

- Master of Art (M.A.), Economic Law, Faculty of Law, Chulalongkorn University 1998-1999
- Master's in business administration (M.B.A.), Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University 1983-1985
- Bachelor's in business administration (B.B.A.), Industrial Management Faculty of Commerce and Accountancy, Thammasat University 1979-1982
- Secondary Education, Certificate concentrated on Science and Math, Suankularb College 1974-1978

Shareholdings as at 01/1/2020 - 31/12/2020

-

Working Experience for the last 5 Years

Present	Director	Asys Computer Co., Ltd.
2008-2019	Executive Director	Epson (Thailand) Co., Ltd. Bangkok (Epson Brand)
2004-2007	Managing Director	Toyota Narumit Co., Ltd. (Toyota Authorized Dealer)

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) If approved to resume his office for another term, he will be an Independent director and Chairman of audit committee for the 9th year
Age	71 (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 01/1/2020 - 31/12/2020

-

Working Experience for the last 5 Years

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

Dr. Prapon Phasukyud

Position	Independent Director and Member of Audit Committee
Year of Directorship	Independent Director and Member of Audit Committee, 2003-2021 (18 years)
Age	64 (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 01/1/2020 - 31/12/2020

-

Working Experience for the last 5 Years

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

Management

Ms. Kulapa Intanate

Position Chief Executive Officer, IT Distribution Strategic Business Unit

Age 36

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 2nd Class Honors: International Business Management, Chulalongkorn University
- BBA Exchange Program, Groupe ESC Rouen, France
- Annesley College (High School) Adelaide, Australia
- DAP, Director Accreditation Program-Thai Institute of Directors. (IOD) DAPI 32/2016
- Future Entrepreneurs Forum by Bangkok Bank and Bangkok University 2016
- Krungsri Leadership Academy Wave 4 2014

Shareholdings as at 01/1/2020 - 31/12/2020

-

Working Experience for the last 5 Years

Present	Director	Touch Printing Republic Co., Ltd.
Present	Director	Asys Computer Co., Ltd.
Present	Director	SVOA Public Co., Ltd.
2013-2020	Deputy Chief Executive Officer	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)

Dr. Wilson Teo Yong Peng

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

Age 55

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 01/1/2020 - 31/12/2020

-

Dr. Wilson Teo Yong Peng (Continue)

Working Experience for the last 5 Years

Present	Director	SVOA Public Co., Ltd.
Present	Director	IT City Public 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.
2020-2020	Director	Business Online Public Co., Ltd.
2003-2020	Director	DataOne Asia (Thailand) Co., Ltd.
2000-2020	Director	Acerts Co., Ltd.
2000-2019	Director	Advanced Research Group Co., Ltd.
2006-2019	Director	Anew Corporation Co., Ltd.
2012-2013	Director	Lease IT Public Co., Ltd.

Mr. Krit Kulsuppaisarn

Position	Chief Operating Officer, IT Project Strategic Business Unit
Age	68

Qualifications

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

Shareholdings as at 01/1/2020 - 31/12/2020

3,503,330 shares (0.37%)

Working Experience for the last 5 Years

Present	Director	SVOA Public Co., Ltd.
2006-2020	Director	DataOne Asia (Thailand) Co., Ltd.
2006-2009	Chief Operating Officer	DataOne Asia (Thailand) Co., Ltd.

Mr. Anapol Nonthaphund

Position	Chief Operating Officer, IT Distribution Strategic Business Unit
Age	60

Qualifications

- Master of Art (M.A.), Economic Law, Faculty of Law, Chulalongkorn University 1998-1999
- Master's in business administration (M.B.A.), Marketing, Faculty of Commerce and Accountancy, Chulalongkorn University 1983-1985
- Bachelor's in business administration (B.B.A.), Industrial Management Faculty of Commerce and Accountancy, Thammasat University 1979-1982
- Secondary Education, Certificate concentrated on Science and Math, Suankularb College 1974-1978

Shareholdings as at 01/1/2020 - 31/12/2020

-

Working Experience for the last 5 Years

Present	Director	SVOA Public Co., Ltd.
Present	Director	Asys Computer Co., Ltd.
2008-2019	Executive Director	Epson (Thailand) Co., Ltd. Bangkok (Epson Brand)
2004-2007	Managing Director	Toyota Narumit Co., Ltd. (Toyota Authorized Dealer)

Mr. Adisorn Kaewbucha

Position Chief Operating Officer, System Integration
Age 65

Qualifications

- Bachelor of Electrical Engineering, Chulalongkorn University

Shareholdings as at 01/1/2020 - 31/12/2020

1,717,900 shares (0.18%)

Directors Training Program

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

Working Experience for the last 5 Years

Present	Chief Executive Officer	DataOne Asia (Thailand) Co., Ltd.
Present	Director	The Federation of Thai ICT for Savings and Credit Cooperatives Limited
2019-2020	Director	Ai-Lab Co., Ltd.
2018-2020	Director	ARES International (Thailand) Co., Ltd.
2013-2016	Director	SVOA Public Co., Ltd.

Mr. Sophon Intanate

Position President, IT City Public Co., Ltd.
Age 38

Qualifications

- Master of Commerce (Economics & Banking) The University of Sydney NSW, Australia
- Bachelor of Commerce (Economics & Finance) The University of Sydney NSW, Australia
- Certificate from Director Certification Program (DCP), 2013
- Thailand Insurance Leadership Program (2013)

Shareholdings as at 01/1/2020 - 31/12/2020

180,000 shares (0.02%)

Working Experience for the last 5 years

Present	Director and President	IT CITY Public Co., Ltd.
2018-2019	Vice President	IT CITY Public Co., Ltd.
	Product Marketing	
2016-Present	Director	Touch Printing Republic Co., Ltd.
2015-Present	Director	SPVI Public Co., Ltd.
2016-2018	General Manager	IT CITY Public Co., Ltd.
2010-2016	Product Manager	IT CITY Public Co., Ltd.
2014-31 Oct 2014	Director	ARIP Public Co., Ltd.

Mr. Sompon Aketerajit

Position Managing Director, Lease IT Public Co., Ltd.
Age 60

Qualifications

- Master of Science in Accounting, Thammasat University
- BA, Accounting (Costing), Chulalongkorn University
- Graduate Diploma in Auditing, Chulalongkorn University
- Director Accreditation Program (DAP) class 15/2004
- IFRS 9, IFRS 7 and IAS32 The Stock Exchange of Thailand
- Senior Executive Class 27, Capital Market Academy

Shareholdings as at 01/1/2020 - 31/12/2020

3,753,400 shares (0.4%)

Working Experience for the last 5 years

2006-Present	Director and Managing Director	Lease IT Public Co., Ltd.
2007-2012	Director and Chief Executive Officer	SVOA Public Co., Ltd.

Mr. Kittipoom Anutarapinyowong

Position Chief Executive Officer, Touch Printing Republic Co., Ltd.
Age 40

Qualifications

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

Shareholdings as at 01/1/2020 - 31/12/2020

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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 Limited (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 Ms. Kulapa Intanate
 - 2.2 Mr. Krit Kulsuppaisarn
 - 2.3 Mr. Anapol Nonthaphund

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 2020 is as follows:

Monetary Remuneration Board of Directors

Name	Position	Remuneration (Baht) 2020	Remuneration (Baht) 2019
1. Mr. Manu Leoparote	Independent Director & Audit Committee Chairman	2,505,000	2,620,000
2. Mr. Pang Thieng Hwi	Director	-	-
3. Mr. Henry Goh	Director	-	-
4. Ms. Kulapa Intanate	Director	-	-
5. Dr. Wilson Teo Yong Peng	Director	-	-
6. Mr. Krit Kulsuppaisarn	Director	-	-
7. Mr. Anapol Nonthapund	Director	-	-
8. Mr. Anant Tangtatswas	Independent Director & Audit Committee Chairman	923,000	960,000
9. Dr. Prapon Phasukyud	Independent Director & Audit Committee Chairman	576,000	600,000

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

	2020 (SVOA Consolidated)		2019 (SVOA Consolidated)	
	Total Persons	Total Amount (Baht)	Total Persons	Total Amount (Baht)
Salaries	5	11,713,600	4	13,800,000
Bonus	3	3,340,000	3	2,240,000
Others	5	400,392	4	399,568
Contributions to provident fund	5	395,430	4	582,120
Contributions to social security fund	5	29,250	4	36,000
Total		15,878,672		17,057,688

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, 2020, the Group including Associated Companies had 1,331 employees, a decreased of 41 employees from the previous year, amounting to 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 Co., Ltd.	455
2. DataOne Asia (Thailand) Co., Ltd.	182
3. Digitech One Co., Ltd.	23
4. Asys Co., Ltd.	139
5. Lease IT Public Co., Ltd.	72
6. IT CITY Public Co., Ltd.	391
7. TOUCH Printing Republic Co., Ltd.	69
TOTAL	1,331

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:

	2020 (Baht) (SVOA Consolidated)	2019 (Baht) (SVOA Consolidated)
Salaries	287,312,272.05	304,329,668.01
Bonus	24,643,512.00	16,996,808.00
Contributions to provident fund	9,418,277.87	10,311,637.97
Contributions to social security fund	5,025,262.00	7,761,613.00
Others	49,333,804.33	68,974,670.08
Total	375,733,128.25	408,374,397.06

Remuneration of SVOA, DataOne Asia, Digitech One 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 PCL. 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 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 PCL. “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 in to 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-bases 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 SET and SEC.
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

I. 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 SET and the SEC'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 SET 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 Directors 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 SET 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 financial statement 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 7 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 Team

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 SET 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 SEC and the SET 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, Associates and joint venture

To ensure proper balance in investigation between both parties, the Company therefore sent a director or executive to join the Board of subsidiary, associates and joint venture to constantly oversee and monitor the performance of that subsidiary, associates and 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 SET 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 SET.
- 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 SET 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 2020.

Social Responsibility



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 supporting 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 12 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 18 years having more than 2,500 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 benefit 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.

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 Company'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 4/2020 Audit Committee Meeting held on November 12, 2020. 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 opinion 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. 7: 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 SET. 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 SET 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 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of 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 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

Key audit 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.

Patcharawan Koonarangsri
Certified Public Accountant (Thailand) No. 6650

EY Office Limited
Bangkok: 25 February 2021

SVOA Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Assets					
Current assets					
Cash and cash equivalents	8	841,370,386	411,811,656	430,795,151	267,789,796
Trade and other receivables	9	1,756,898,624	1,568,940,388	1,236,734,940	913,646,668
Current portion of					
finance lease receivables	10	384,662,105	450,282,955	378,365,915	444,594,203
Inventories	11	931,614,093	839,876,271	540,883,027	514,639,454
Other current assets	12	92,370,081	62,955,069	33,723,488	8,705,070
Total current assets		4,006,915,289	3,333,866,339	2,620,502,521	2,149,375,191
Non-current assets					
Other non-current financial assets	19	33,493,970	-	30,174,478	-
Investments in subsidiary companies	13	-	-	119,170,813	70,170,813
Investments in associated companies	14	644,858,695	801,756,175	258,376,286	382,285,516
Investments in joint ventures	15	8,661,843	8,261,502	-	-
Property, plant and equipment	16	184,623,982	188,012,048	157,438,180	153,985,354
Right-of-use assets	17	78,748,418	-	45,267,922	-
Intangible assets	18	112,701,465	95,760,790	83,014,283	69,427,131
Finance lease receivables - net					
of current portion	10	675,636,198	185,279,728	667,302,544	171,515,475
Deferred tax assets	36	72,162,967	30,836,500	46,581,261	10,639,512
Other non-current assets					
Withholding tax deducted at source	20	119,613,721	146,733,365	27,756,109	54,473,236
Others		48,111,842	68,045,601	4,128,072	11,266,498
Total other non-current assets		167,725,563	214,778,966	31,884,181	65,739,734
Total non-current assets		1,978,613,101	1,524,685,709	1,439,209,948	923,763,535
Total assets		5,985,528,390	4,858,552,048	4,059,712,469	3,073,138,726

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

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

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from banks	21	1,374,210,653	1,131,854,576	1,110,152,666	816,514,306
Trade and other payables	22	1,313,882,907	693,988,530	1,065,615,620	543,444,444
Current portion of liabilities under					
finance lease agreements	23	-	717,810	-	478,847
Current portion of lease liabilities	23	28,593,245	-	12,402,044	-
Provision for short-term					
employee benefits	25	672,947	-	672,947	-
Other current liabilities	24	874,846,756	698,155,673	417,540,488	267,563,745
Total current liabilities		3,592,206,508	2,524,716,589	2,606,383,765	1,628,001,342
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion	23	-	912,240	-	350,449
Lease liabilities - not of current portion	23	53,279,394	-	33,113,249	-
Provision for long-term					
employee benefits	25	62,035,241	56,110,978	30,071,577	27,646,618
Total non-current liabilities		115,314,635	57,023,218	63,184,826	27,997,067
Total liabilities		3,707,521,143	2,581,739,807	2,669,568,591	1,655,998,409

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

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

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
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
707,000,000 ordinary shares of Baht 1 each		707,000,000	707,000,000	707,000,000	707,000,000
		<u>947,000,000</u>	<u>947,000,000</u>	<u>947,000,000</u>	<u>947,000,000</u>
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
707,000,000 ordinary shares of Baht 1 each		707,000,000	707,000,000	707,000,000	707,000,000
		<u>947,000,000</u>	<u>947,000,000</u>	<u>947,000,000</u>	<u>947,000,000</u>
Premium on ordinary shares		471,474	471,474	471,474	471,474
Retained earnings					
Appropriated - statutory reserve	26	61,177,716	57,097,863	61,177,716	57,097,863
Unappropriated		1,172,811,015	1,175,695,862	381,494,688	412,570,980
		<u>1,233,988,731</u>	<u>1,232,793,725</u>	<u>442,672,404</u>	<u>469,668,843</u>
Other components of shareholders' equity		<u>96,547,042</u>	<u>96,547,042</u>	-	-
Total shareholders' equity		<u>2,278,007,247</u>	<u>2,276,812,241</u>	<u>1,390,143,878</u>	<u>1,417,140,317</u>
Total liabilities and shareholders' equity		<u>5,985,528,390</u>	<u>4,858,552,048</u>	<u>4,059,712,469</u>	<u>3,073,138,726</u>

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 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Profit or loss:					
Revenues					
Revenue from contracts with customers	27	7,599,462,504	7,107,041,237	6,284,673,773	5,351,960,572
Other income	28	213,636,343	269,588,166	209,651,554	244,749,285
Total revenues		7,813,098,847	7,376,629,403	6,494,325,327	5,596,709,857
Expenses					
Cost of sales and services		6,845,021,367	6,447,767,657	5,840,121,066	4,954,154,575
Selling and distribution expenses		553,026,417	550,622,862	351,683,937	364,687,047
Administrative expenses		185,247,066	237,167,274	149,339,814	165,132,632
Impairment loss on financial assets (2019: Doubtful debts)		20,982,336	2,249,120	16,995,342	2,248,222
Unrealised loss on change in fair value of derivative		22,303,662	-	22,303,662	-
Total expenses		7,626,580,848	7,237,806,913	6,380,443,821	5,486,222,476
Operating profit		186,517,999	138,822,490	113,881,506	110,487,381
Share of profit from investments in associated companies	14.2	16,567,133	46,294,698	-	-
Share of profit from investments in joint ventures	15.2	400,341	698,113	-	-
Finance income	33	16,724,081	17,300,504	15,987,653	16,571,429
Finance cost	34	(35,539,577)	(53,861,338)	(26,289,970)	(37,253,311)
Profit before income tax expenses		184,669,977	149,254,467	103,579,189	89,805,499
Income tax expenses	36	(45,790,530)	(26,242,115)	(21,982,120)	(12,344,717)
Profit for the year		138,879,447	123,012,352	81,597,069	77,460,782
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)
		-	1,938,228	-	565,577
Share of other comprehensive income of associates - actuarial loss		923,504	(253,991)	-	-
Other comprehensive income for the year		923,504	1,684,237	-	565,577
Total comprehensive income for the year		139,802,951	124,696,589	81,597,069	78,026,359
Earnings per share					
29					
Basic earnings per share					
Profit		0.147	0.130	0.086	0.082
Weighted average number of shares (shares)		947,000,000	947,000,000	947,000,000	947,000,000

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities				
Profit before tax	184,669,977	149,254,467	103,579,189	89,805,499
Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Share of profit from investments in associated companies	(16,567,133)	(46,294,698)	-	-
Share of profit from investments in joint ventures	(400,341)	(698,113)	-	-
Depreciation and amortisation	64,451,818	33,352,082	39,751,960	23,492,161
Allowance for expected credit losses (reversal)	20,013,441	(18,421,556)	14,828,979	(3,004,490)
Allowance for diminution in inventory value (reversal)	6,769,084	(7,816,615)	(525,784)	(8,508,146)
Reversal of allowance for impairment loss on investments in other companies	-	(1,065,350)	-	(1,065,350)
Reversal of loss on impairment of intangible assets	-	(1,067,223)	-	-
Loss on impairment of current asset	-	5,727,735	-	5,252,711
Loss on impairment of deposit (reversal)	(307,982)	889,073	508,483	-
Allowance for expected credit losses on finance lease receivables	1,276,879	-	1,657,880	-
Unrealised loss on change in fair value of derivative	22,303,662	-	22,303,662	-
Gain on disposal of property, plant and equipment	(3,007,380)	(1,461,664)	(2,986,111)	(925,048)
Loss on written-off assets	-	3,737,087	-	2,605,950
Write-off withholding tax deducted at source	1,002,706	7,671,918	174,526	4,264,116
Amortisation of deferred interest income under the finance lease agreements	(16,315,475)	(17,158,804)	(15,809,154)	(16,498,389)
Unrealised loss (gain) on exchange	(19,976,799)	678,208	(12,015,203)	138,063
Reversal of liabilities and provisions	(50,084,833)	(87,895,690)	(32,062,602)	(38,113,284)
Provision for warranty	503,438	254,158	503,438	254,158
Interest expenses	31,563,190	53,726,773	24,060,224	37,223,671
Amortisation of deferred interest expenses under the finance lease agreements/lease agreements	3,985,064	137,397	2,238,423	32,471
Dividend received from associated companies	-	-	(23,377,342)	(34,979,260)
Gain on disposal of other long-term investment	-	(9,480,000)	-	(9,480,000)
Provision for long-term employee benefits	6,597,210	16,124,330	3,097,906	9,257,403
Profit from operating activities before change in operating assets and liabilities	236,476,526	80,193,515	125,928,474	59,752,236

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from operating activities (continued)				
Operating assets (increase) decrease				
Trade and other receivables	(212,537,450)	199,310,605	(340,802,954)	337,548,740
Inventories	(98,506,906)	192,696,453	(25,717,789)	110,849,495
Finance lease receivables	(417,031,185)	197,413,494	(422,290,688)	192,153,962
Other current assets	(31,733,082)	71,154,879	(25,826,423)	36,022,164
Other non-current financial assets	969,029	-	18,956	-
Other non-current assets	10,540,242	(1,806,878)	1,197,202	(7,432,819)
Operating liabilities increase (decrease)				
Trade and other payables	639,871,176	(100,253,616)	534,186,379	(128,007,970)
Other current liabilities	224,201,760	(127,183,958)	181,555,587	(37,433,423)
Cash flows from operating activities	352,250,110	511,524,494	28,248,744	563,452,385
Cash paid for interest expense	(31,630,189)	(54,304,271)	(24,079,904)	(37,717,005)
Cash paid for corporate income tax	(72,397,628)	(71,910,237)	(43,658,366)	(36,780,016)
Cash received from withholding tax refund	30,970,958	64,806,055	28,985,354	40,808,707
Cash paid for long-term employee benefits	-	(1,408,410)	-	-
Net cash flows from (used in) operating activities	279,193,251	448,707,631	(10,504,172)	529,764,071
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	23,377,342	34,979,260	23,377,342	34,979,260
Cash paid for investment in subsidiary company	-	-	(49,000,000)	(2,000,000)
Cash paid for investment in joint venture	-	(400,000)	-	-
Purchase of property, plant and equipment	(24,182,167)	(75,328,956)	(23,149,868)	(39,175,225)
Purchase of intangible assets	(29,336,584)	(23,522,170)	(22,199,350)	(20,513,199)
Proceeds from sales of property, plant and equipment	3,746,312	2,694,092	3,724,877	2,148,914
Net cash flows used in investing activities	(26,395,097)	(40,247,774)	(67,246,999)	(3,230,250)

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 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash flows from financing activities				
Cash received from short-term loans from banks	2,611,126,328	3,533,302,149	2,000,042,968	2,411,420,251
Repayment of short-term loans from banks	(2,590,795,837)	(3,848,748,965)	(1,890,760,099)	(2,719,557,533)
Increase (decrease) in trust receipt	222,025,586	(295,162,186)	184,355,491	(199,002,777)
Repayment principal portion of liabilities under finance lease agreements/lease liabilities	(23,730,437)	(4,233,069)	(12,763,411)	(792,715)
Interest paid under the finance lease agreements/ lease agreements	(3,985,064)	(137,397)	(2,238,423)	(32,472)
Dividend paid	(37,880,000)	(28,446,338)	(37,880,000)	(28,446,338)
Net cash flows from (used in) financing activities	176,760,576	(643,425,806)	240,756,526	(536,411,584)
Net increase (decrease) in cash and cash equivalents	429,558,730	(234,965,949)	163,005,355	(9,877,763)
Cash and cash equivalents at beginning of the year	411,811,656	646,777,605	267,789,796	277,667,559
Cash and cash equivalents at end of the year	841,370,386	411,811,656	430,795,151	267,789,796

Supplemental disclosures of cash flows information

Non-cash related item:

Acquisition of right-of-use assets under lease agreements	4,029,546	-	3,248,168	-
Acquisition of assets under finance lease agreements	-	502,570	-	502,570
Decrease in right-of-use assets from lease reassessment	452,682	-	452,682	-

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 2020

(Unit: Baht)

	Consolidated financial statements							
	Retained earnings				Other components of shareholders' equity			
	Convertible preferred shares	Ordinary shares issued and fully paid up	Share premium	Appropriated - statutory reserve	Unappropriated	Premium on ordinary shares of an associated company	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2019	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 30)	-	-	-	-	(28,446,338)	-	-	(28,446,338)
Unappropriated retained earnings transferred to statutory reserve (Note 26)	-	-	-	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 2020

(Unit: Baht)

	Consolidated financial statements							
	Retained earnings				Other components of shareholders' equity			
	Convertible preferred shares	Ordinary shares issued and fully paid up	Share premium	Appropriated - statutory reserve	Unappropriated	Premium on ordinary shares of an associated company	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2020	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
Commulative effect of change in accounting policy (Note 4)	-	-	-	-	(100,727,945)	-	-	(100,727,945)
Balance as at 1 January 2020 - as restated	240,000,000	707,000,000	471,474	57,097,863	1,074,967,917	96,547,042	96,547,042	2,176,084,296
Profit for the year	-	-	-	-	138,879,447	-	-	138,879,447
Other comprehensive income for the year	-	-	-	-	923,504	-	-	923,504
Total comprehensive income for the year	-	-	-	-	139,802,951	-	-	139,802,951
Dividend paid (Note 30)	-	-	-	-	(37,880,000)	-	-	(37,880,000)
Unappropriated retained earnings transferred to statutory reserve (Note 26)	-	-	-	4,079,853	(4,079,853)	-	-	-
Balance as at 31 December 2020	240,000,000	707,000,000	471,474	61,177,716	1,172,811,015	96,547,042	96,547,042	2,278,007,247

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 2020

(Unit: Baht)

	Separate financial statements				
	Convertible preferred shares	Ordinary shares issued and fully paid up	Share premium	Retained earnings	
				Appropriated - statutory reserve	Unappropriated
					Total shareholders' equity
Balance as at 1 January 2019	240,000,000	707,000,000	471,474	53,224,824	366,863,998
Profit for the year	-	-	-	-	77,460,782
Other comprehensive income for the year	-	-	-	-	565,577
Total comprehensive income for the year	-	-	-	-	78,026,359
Dividend paid (Note 30)	-	-	-	-	(28,446,338)
Unappropriated retained earnings transferred to statutory reserve (Note 26)	-	-	-	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
Balance as at 1 January 2020	240,000,000	707,000,000	471,474	57,097,863	412,570,980
Commulative effect of change in accounting policy (Note 4)	-	-	-	-	(70,713,508)
Balance as at 1 January 2020 - as restated	240,000,000	707,000,000	471,474	57,097,863	341,857,472
Profit for the year	-	-	-	-	81,597,069
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	81,597,069
Dividend paid (Note 30)	-	-	-	-	(37,880,000)
Unappropriated retained earnings transferred to statutory reserve (Note 26)	-	-	-	4,079,853	(4,079,853)
Balance as at 31 December 2020	240,000,000	707,000,000	471,474	61,177,716	381,494,688
					1,390,143,878

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 2020

I. General information

I.1 Corporate 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.

I.2 Coronavirus disease 2019 Pandemic

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

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting 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, 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”) (collectively as “the Group”)

Company’s name	Nature of business	Percentage of shareholding	
		<u>2020</u> Percent	<u>2019</u> 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
Digitech One Co., Ltd.	New Digital Application for financial institution and government sector	100	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 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TFRS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

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

- Recognition of credit losses - The Group recognises 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 initially recognises derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

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

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

TFRS 16 Leases

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

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

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

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

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, impairment of assets and reversal of deferred tax assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.

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

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

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

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

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

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	I January 2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	1,568,940	(4,566)	-	1,564,374
Current portion of finance lease receivables	450,283	(2,646)	-	447,637
Other current assets	62,955	(2,318)	-	60,637
Non-current assets				
Other non-current financial assets	-	56,458	-	56,458
Investment in associated companies	801,756	(151,010)	-	650,746
Property, plant and equipment	188,012	-	(2,377)	185,635
Right-of-use assets	-	-	102,774	102,774
Finance lease receivables - net of current portion	185,280	(4,688)	-	180,592
Deferred tax assets	30,836	18,407	-	49,243
Other non-current assets	214,779	(10,364)	-	204,415
Liabilities and shareholders' equity				
Current liabilities				
Current portion of liabilities under finance lease agreements	718	-	(718)	-
Current portion of lease liabilities	-	-	24,926	24,926
Non-current liabilities				
Liabilities under finance lease agreements - net of current portion	912	-	(912)	-
Lease liabilities, net of current portion	-	-	77,101	77,101
Shareholders' equity				
Retained earnings - unappropriated	1,175,696	(100,727)	-	1,074,969

(Unit: Thousand Baht)

	Separate financial statements			
	The impacts of			
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	1 January 2020
Statement of financial position				
Assets				
Current assets				
Trade and other receivables	913,647	(2,886)	-	910,761
Current portion of finance lease receivables	444,594	(2,600)	-	441,994
Other current assets	8,705	(808)	-	7,897
Non-current assets				
Other non-current financial assets	-	53,005	-	53,005
Investment in associated companies	382,285	(123,909)	-	258,376
Property, plant and equipment	153,985	-	(1,417)	152,568
Right-of-use assets	-	-	56,071	56,071
Finance lease receivables - net of current portion	171,515	(4,283)	-	167,232
Deferred tax assets	10,640	17,678	-	28,318
Other non-current assets	65,739	(6,911)	-	58,828
Liabilities and shareholders' equity				
Current liabilities				
Current portion of liabilities under finance lease agreements	479	-	(479)	-
Current portion of lease liabilities	-	-	11,856	11,856
Non-current liabilities				
Liabilities under finance lease agreements - net of current portion	350	-	(350)	-
Lease liabilities, net of current portion	-	-	43,627	43,627
Shareholders' equity				
Retained earnings - unappropriated	412,571	(70,714)	-	341,857

4.1 Financial instruments

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Recognition of an allowance for expected credit losses on financial assets	(14,218)	(10,577)
Recognition of derivatives at fair value through profit or loss	(77,815)	(77,815)
Recognition of share of loss from investments in associated companies	(27,101)	-
Recognition of deferred tax related to derivatives and financial assets	18,407	17,678
Impacts on retained earnings due to the adoption of financial reporting standards related to financial instruments	<u>(100,727)</u>	<u>(70,714)</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements			
	The former carrying amount	Classification and measurement in accordance with TFRS 9		
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost
				Total
Financial assets as at 1 January 2020				
Cash and cash equivalents	411,812	-	-	411,812
Trade and other receivables	1,568,940	-	-	1,564,374
Finance lease receivables	635,563	-	-	628,229
Warrants of associated company	123,909	46,094	-	-
Other non-current financial assets	10,364	-	-	10,364
Total financial assets	<u>2,750,588</u>	<u>46,094</u>	<u>-</u>	<u>2,614,779</u>

(Unit: Thousand Baht)

	Separate financial statements				
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 January 2020					
Cash and cash equivalents	267,790	-	-	267,790	267,790
Trade and other receivables	913,647	-	-	910,761	910,761
Finance lease receivables	616,109	-	-	609,226	609,226
Warrants of associated company	123,909	46,094	-	-	46,094
Other non-current financial assets	6,911	-	-	6,911	6,911
Total financial assets	1,928,366	46,094	-	1,794,688	1,840,782

c) As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss except derivative liabilities of which fair value is Baht 1.6 million (Separate financial statements: Baht 0.4 million).

4.2 Leases

Upon initial application of TFRS 16 the Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	85,044	40,415
Less: Short-term leases	(441)	(102)
Add: Option to extend lease term	54,353	35,480
Less: Contracts reassessed as service agreements	(28,659)	(15,351)
Less: Deferred interest expenses	(9,900)	(5,788)
Increase in lease liabilities due to TFRS 16 adoption	100,397	54,654
Liabilities under finance lease agreements as at 31 December 2019	1,630	829
Lease liabilities as at 1 January 2020	102,027	55,483
Weighted average incremental borrowing rate (percent per annum)	2.30 - 6.67	2.30 - 4.73
Comprise of:		
Current lease liabilities	24,926	11,856
Non-current lease liabilities	77,101	43,627
	102,027	55,483

5. Significant accounting policies

5.1 Revenue and expense 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.

Dividends

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

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Expense***Finance cost***

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

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).

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 in subsidiaries, joint ventures and associates

Investments in joint ventures and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, joint ventures and associates are accounted for in the separate financial statements using the cost method.

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:

	<u>Useful lives</u>
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, right-of-use asset, 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 Leases

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

The Group as a lessee

Accounting policies adopted since 1 January 2020

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

Right-of-use assets

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

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

Buildings and building improvements	2 - 6	years
Motor vehicles	2 - 5	years

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

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

Accounting policies adopted before 1 January 2020

Leases of 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.

The Group as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

5.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's 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.

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 Financial instruments

Accounting policies adopted since 1 January 2020

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

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

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

Dividends on listed equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

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

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

Impairment of financial assets

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

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

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

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

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

Accounting policies adopted before 1 January 2020**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.

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.

5.16 Derivatives**Forward exchange contracts**

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

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

5.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that 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 - The Group as a lessee

Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

6.3 Allowance for expected credit losses of trade receivables and contract assets

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

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	
	2020	2019	2020	2019
<u>Transactions with subsidiary companies</u>				
(Eliminated from consolidated financial statements)				
Sales and services	-	-	21	23
Purchases of goods and services	-	-	252	65
Other service income	-	-	11	9
Management fee expense	-	-	-	9
Other service charge	-	-	-	1
Rental expense	-	-	1	3
<u>Transactions with an associated companies</u>				
Sales and services	235	220	232	214
Purchases of goods	5	5	5	5
Dividend income	-	-	23	35
Rental expense	2	2	2	2
<u>Transactions with related companies</u>				
Sales and services	10	36	3	10
Purchases of goods and services	18	32	6	13
Service expense	1	1	1	1

The balance of the account as at 31 December 2020 and 2019 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade and other receivables - related parties (note 9)</u>				
Subsidiaries	-	-	18,162	20,555
Associated companies	42,347	33,074	38,901	32,864
Related companies (related by common shareholder and/or common directors)	7,998	17,314	408	8,864
Total trade and other receivables - related parties	50,345	50,388	57,471	62,283

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade and other payables - related parties (note 22)				
Subsidiaries	-	-	178,754	7,547
Associated companies	6,690	2,076	1,466	1,543
Related companies (related by common shareholder and/or common directors)	3,782	7,189	1,296	4,659
Total trade and other payables - related parties	10,472	9,265	181,516	13,749

Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	19,883	18,998	12,420	12,640
Post-employment benefits	574	1,008	504	729
Total	20,457	20,006	12,924	13,369

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 37.4 to the financial statements.

8. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank deposits	841,370	411,812	430,795	267,790
Total	841,370	411,812	430,795	267,790

As at 31 December 2020, bank deposits in saving accounts, and fixed deposits carried interests between 0.05 and 1.55 percent per annum (2019: between 0.05 and 1.55 percent per annum).

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade accounts receivable - related parties</u>				
Aged on the basis of due dates				
Not yet due	29,735	32,157	33,478	43,105
Past due				
Up to 3 months	11,356	11,049	16,463	11,423
3 - 6 months	336	-	-	-
Total trade accounts receivable - related parties	41,427	43,206	49,941	54,528
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	553,234	545,404	460,379	396,267
Past due				
Up to 3 months	428,240	292,190	334,160	199,511
3 - 6 months	67,098	77,544	59,903	64,126
6 - 12 months	37,376	107,744	34,389	61,313
Over 12 months	120,897	85,007	79,265	39,414
Total	1,206,845	1,107,889	968,096	760,631
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(81,652)	(59,613)	(39,715)	(22,012)
Total trade accounts receivable - unrelated parties, net	1,125,193	1,048,276	928,381	738,619
Total trade accounts receivable - net	1,166,620	1,091,482	978,322	793,147
<u>Other receivables</u>				
Other receivables and accrued income - related party	8,918	7,182	7,530	7,755
Other receivables and accrued income - unrelated party	599,072	470,816	260,901	112,745
Total	607,990	477,998	268,431	120,500
Less: Allowance for expected credit losses (2019: Allowance for doubtful accounts)	(17,711)	(540)	(10,018)	-
Other receivables - net	590,279	477,458	258,413	120,500
Trade and other receivables - net	1,756,899	1,568,940	1,236,735	913,647

As at 31 December 2020, allowance for expected credit losses 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 60 million and Baht 34 million, respectively (2019: Baht 10 million and Baht 75 million, respectively) and separate financial statements totaling Baht 60 million and Baht 31 million, respectively (2019: Baht 23 million and Baht 61 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 expected credit losses 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 2020, there was no balance of the receivables that were placed as collateral for such credit facilities (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).

10. Finance lease receivables

Finance lease receivables as at 31 December 2020 and 2019 consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finance lease receivables (contractual value)	1,903,458	1,197,270	1,874,971	1,168,783
Less: Receipts	(775,053)	(545,333)	(761,815)	(537,355)
Finance lease receivables	1,128,405	651,937	1,113,156	631,428
Less: Unearned interest income	(59,496)	(16,374)	(58,946)	(15,319)
Finance lease receivables, net of unearned interest income	1,068,909	635,563	1,054,210	616,109
Less: Allowance for expected credit losses	(8,611)	-	(8,541)	-
Finance lease receivables - net	1,060,298	635,563	1,045,669	616,109
Less: Portion due within one year	(384,662)	(450,283)	(378,366)	(444,594)
Finance lease receivables - net of current portion	675,636	185,280	667,303	171,515

Current portion of finance lease receivables consists of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current portion of finance lease receivables (contractual value)	410,134	460,875	403,480	454,680
Less: Unearned interest income	(24,469)	(10,592)	(24,124)	(10,086)
Current portion of finance lease receivables	385,665	450,283	379,356	444,594
Less: Allowance for expected credit losses	(1,003)	-	(990)	-
Current portion of finance lease receivables	384,662	450,283	378,366	444,594

The outstanding balances of financial lease receivables as at 31 December 2020 and 2019 are aged, based on due date, as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Aged on the basis of due dates</u>				
Not yet due	1,084,851	599,682	1,069,602	579,173
Past due				
Up to 3 months	35,264	48,767	35,264	48,767
3 - 6 months	8,290	3,488	8,290	3,488
Total finance lease receivables	1,128,405	651,937	1,113,156	631,428

As at 31 December 2020 and 2019, 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 2020		
	Less than 1 year	1-5 years	Total
Future minimum lease receivables	410,134	718,271	1,128,405
Less: Deferred interest income	(24,469)	(35,027)	(59,496)
Less: Allowance for expected credit losses	(1,003)	(7,608)	(8,611)
Present value of future minimum lease receivables	384,662	675,636	1,060,298

(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)

	Separate financial statements		
	As at 31 December 2020		
	Less than 1 year	1-5 years	Total
Future minimum lease receivables	403,480	709,676	1,113,156
Less: Deferred interest income	(24,124)	(34,822)	(58,946)
Less: Allowance for expected credit losses	(990)	(7,551)	(8,541)
Present value of future minimum lease receivables	378,366	667,303	1,045,669

(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

II. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2020	2019	2020	2019	2020	2019
Finished goods	273,465	473,238	(31,242)	(28,997)	242,223	444,241
Work in process	681,887	389,865	(4,524)	-	677,363	389,865
Goods in transit	12,028	5,770	-	-	12,028	5,770
Total	967,380	868,873	(35,766)	(28,997)	931,614	839,876

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories-net	
	2020	2019	2020	2019	2020	2019
Finished goods	232,932	431,608	(4,392)	(4,918)	228,540	426,690
Work in process	304,532	83,535	-	-	304,532	83,535
Goods in transit	7,811	4,414	-	-	7,811	4,414
Total	545,275	519,557	(4,392)	(4,918)	540,883	514,639

During the current year, the Group reduced cost of inventories by Baht 8.8 million (2019: Baht 3.1 million) (The Company only: Baht 1.5 million and 2019: Baht 1.6 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 2.1 million (2019: Baht 10.9 million) (The Company only: Baht 2.0 million and 2019: Baht 10.1 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	
	2020	2019	2020	2019
Prepaid expenses	53,949	51,918	2,332	1,892
Undue input vat	10,838	4,649	6,543	2,780
Advance for purchase of inventories	53	1,098	-	1,098
Input tax refundable	23,129	-	22,946	-
Others	4,401	5,290	1,902	2,935
Total other current assets	92,370	62,955	33,723	8,705

13. Investments in subsidiary companies

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

(Unit: Thousand Baht)

Subsidiary companies	Paid up capital		Shareholding percentage		Investment value under cost method		Dividend received during the year	
	2020	2019	2020	2019	2020	2019	2020	2019
	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	-	-
Digitech One Co., Ltd.	51	2	100	100	51,000	2,000	-	-
Total investments in subsidiary companies					175,519	126,519	-	-
Less: Allowance for impairment of investment - Asys Computer Co., Ltd.					(56,348)	(56,348)		
Investments in subsidiary companies - net					119,171	70,171		

On 26 February 2020, the meeting of the Board of Directors of the Company No. 1/2020, passed a resolution to additionally invest in all ordinary share capital increase of Digitech One Company Limited of 980,000 ordinary shares with the par value of Baht 100 per share which was 50 percent paid up, totaling Baht 49 million. The Company paid for such additional share capital increase of the subsidiary on 17 March 2020 with no change in shareholding percentage of investment in the subsidiary company from the share capital increase.

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 under equity method		Investment value under cost method	
		2020	2019	2020	2019	2020	2019
		%	%				
IT City Public Co., Ltd.	The distribution of computer and related accessories	30.48	30.48	349,390	364,363	144,394	144,394
Lease IT Public Co., Ltd.	Providing financial services	35.80	35.80	246,142	390,675	71,982	195,891
Touch Printing Republic Co., Ltd.	The distribution of printing equipment and printing services	24.00	24.00	18,767	15,503	12,000	12,000
ABIKS Development Co., Ltd.	Rental of office building	20.00	20.00	30,560	31,215	30,000	30,000
Total investments in associated companies				644,859	801,756	258,376	382,285

As at 31 December 2019, the Company had an investment in warrants of Lease IT Public Company Limited, which was recorded in “Investments in associated companies”, of Baht 124 million in the separate financial statements.

14.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit (loss) 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 (loss) from investments in associates during the year		Share of other comprehensive income from investments in associates during the year		Dividend received during the year	
	2020	2019	2020	2019	2020	2019
IT City Public Co., Ltd.	(12,547)	7,234	923	(121)	3,350	7,816
Lease IT Public Co., Ltd.	25,505	36,959	-	(133)	19,027	26,163
Touch Printing Republic Co., Ltd.	3,264	1,729	-	-	-	-
ABIKS Development Co., Ltd.	345	372	-	-	1,000	1,000
Total	16,567	46,294	923	(254)	23,377	34,979

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	
	2020	2019
IT City Public Co., Ltd.	264	322
Lease IT Public Co., Ltd.	276	360
Total	540	682

14.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Million Baht)

	IT City Public Co., Ltd.		Lease IT Public Co., Ltd.		Touch Printing Republic Co., Ltd.		ABIKS Development Co., Ltd.	
	2020	2019	2020	2019	2020	2019	2020	2019
Current assets	1,559	1,576	1,911	2,996	88	77	37	40
Non-current assets	2,380	1,033	734	555	13	12	116	117
Current liabilities	(1,817)	(1,485)	(1,152)	(1,288)	(22)	(24)	-	-
Non-current liabilities	(1,137)	(90)	(418)	(1,130)	(1)	-	-	-
Net assets	985	1,034	1,075	1,133	78	65	153	157
Carrying amounts of associates based on equity method	349	364	247	391	18	16	31	31

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December							
	IT City Public Co., Ltd.		Lease IT Public Co., Ltd.		Touch Printing Republic Co., Ltd.		ABIKS Development Co., Ltd.	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue	7,012	5,354	396	457	197	199	3	3
Profit (loss)	(41)	24	71	103	13	7	2	2
Other comprehensive income	3	-	-	-	-	-	-	-
Total comprehensive income	(38)	24	71	103	13	7	2	2

15. Investments in joint ventures

15.1 Details of investments in joint ventures:

Investments in joint ventures represent investment in entity which is jointly controlled by the Company's subsidiary and other company. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint venture	Nature of business	Consolidated financial statements					
		Shareholding percentage		Cost		Carrying amounts based on equity method	
		2020	2019	2020	2019	2020	2019
		(%)	(%)				
ARES International (Thailand) Co., Ltd.	System implementation and distribution of Argo ERP	49	49	7,350	7,350	8,276	7,755
AI Lab Co., Ltd.	Distribution and providing services related to artificial intelligence technology (AI)	20	20	400	400	386	507
Total				7,750	7,750	8,662	8,262

15.2 Share of comprehensive income and dividend received

During the year, the Group recognised share of profit (loss) from investments in the joint ventures in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Joint venture	Consolidated financial statements			
	Share of profit (loss) from investments in joint venture during the year		Dividend received during the year	
	2020	2019	2020	2019
ARES International (Thailand) Co., Ltd.	521	591	-	-
AI Lab Co., Ltd.	(121)	107	-	-
Total	400	698	-	-

15.3 Summarised financial information about material joint venture

Summarised information about financial position

(Unit: Thousand Baht)

	As at 31 December			
	ARES International (Thailand) Co., Ltd.		AI Lab Co., Ltd.	
	2020	2019	2020	2019
Cash and cash equivalent	13,968	14,553	59	1,857
Other current assets	7,401	4,210	7,898	2,247
Other current liabilities	(4,479)	(2,937)	(6,025)	(1,571)
Net assets	16,890	15,826	1,932	2,533
Shareholding percentage (%)	49	49	20	20
Share of net assets	8,276	7,755	386	507

Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the year ended 31 December			
	ARES International (Thailand) Co., Ltd.		AI Lab Co., Ltd.	
	2020	2019	2020	2019
Revenue	20,867	13,258	7,645	4,137
Costs of sales and services	(13,981)	(8,072)	(5,677)	(2,480)
Selling and administrative expenses	(5,822)	(3,980)	(2,573)	(1,123)
Profit (loss)	1,064	1,206	(605)	534
Other comprehensive income	-	-	-	-
Total comprehensive income	1,064	1,206	(605)	534
Shareholding percentage (%)	49	49	20	20
Comprehensive income as shareholding percentage	521	591	(121)	107
Elimination entries	-	-	-	-
Share of comprehensive income from investments in joint ventures	521	591	(121)	107

I 6. 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							Total
As at 31 December 2018	89,025	147,325	199,237	105,760	24,581	31,428	722,182
Additions	-	60,207	12,637	1,805	480	702	75,831
Disposals and written off	-	(1,709)	(15,487)	(17,886)	(14,426)	-	(66,137)
As at 31 December 2019	89,025	205,823	196,387	89,679	10,635	32,130	731,876
Adjustment due to first time adoption of TFRS 16	-	-	-	-	-	(4,292)	(4,292)
As at 1 January 2020	89,025	205,823	196,387	89,679	10,635	27,838	727,584
Additions	-	8,918	4,209	1,004	64	5,987	24,182
Disposals and written off	-	-	(33,052)	(1,667)	(520)	(9,490)	(44,729)
As at 31 December 2020	89,025	214,741	167,544	89,016	10,179	24,335	707,037

(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	Total
Accumulated depreciation								
As at 31 December 2018	-	125,273	188,036	103,451	23,134	25,815	119,496	585,205
Depreciation for the year	-	8,514	6,902	911	477	2,472	2,803	22,079
Disposals and written off	-	(925)	(14,263)	(17,177)	(14,426)	-	(16,629)	(63,420)
As at 31 December 2019	-	132,862	180,675	87,185	9,185	28,287	105,670	543,864
Adjustment due to first time adoption of TFRS 16	-	-	-	-	-	(1,915)	-	(1,915)
As at 1 January 2020	-	132,862	180,675	87,185	9,185	26,372	105,670	541,949
Depreciation for the year	-	11,831	7,013	948	521	1,322	2,819	24,454
Disposals and written off	-	-	(32,339)	(1,641)	(520)	(9,490)	-	(43,990)
As at 31 December 2020	-	144,693	155,349	86,492	9,186	18,204	108,489	522,413
Net book value								
As at 31 December 2019	89,025	72,961	15,712	2,494	1,450	3,843	2,527	188,012
As at 31 December 2020	89,025	70,048	12,195	2,524	993	6,131	3,708	184,624
Depreciation for the year								
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
2020 (Baht 2.8 million included in cost of sales and services, and the remaining balance included in selling and distribution expenses and administrative expenses)								24,454

(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 2018	89,025	146,858	137,096	93,959	9,993	23,343	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	579,355
Adjustment due to first time adoption of TFRS 16	-	-	-	-	-	(2,792)	(2,792)
As at 1 January 2020	89,025	173,004	142,402	88,352	10,473	21,253	576,563
Additions	-	8,326	3,769	1,004	64	5,987	23,150
Disposals and written off	-	-	(26,236)	(1,427)	(366)	(9,490)	(37,519)
As at 31 December 2020	89,025	181,330	119,935	87,929	10,171	17,750	562,194

(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
Accumulated depreciation							
As at 31 December 2018	-	125,065	126,906	92,173	8,546	18,990	419,299
Depreciation for the year	-	4,711	5,426	842	477	2,174	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	425,370
Adjustment due to first time adoption of TFRS 16	-	-	-	-	-	(1,375)	(1,375)
As at 1 January 2020	-	128,909	129,921	86,258	9,023	19,789	423,995
Depreciation for the year	-	6,325	5,701	854	520	1,322	17,541
Disposals and written off	-	-	(25,523)	(1,401)	(366)	(9,490)	(36,780)
As at 31 December 2020	-	135,234	110,099	85,711	9,177	11,621	404,756
Net book value							
As at 31 December 2019	89,025	44,095	12,481	2,094	1,450	2,881	153,985
As at 31 December 2020	89,025	46,096	9,836	2,218	994	6,129	157,438
Depreciation for the year							
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
2020 (Baht 2.8 million included in cost of sales and services, and the remaining balance included in selling and distribution expenses and administrative expenses)							17,541

As at 31 December 2020, 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 409 million (2019: Baht 451 million) and separate financial statements: Baht 304 million (2019: Baht 331 million).

17. Right-of-use assets

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

(Unit: Thousand Baht)

	Consolidated financial statements		
	Buildings and building improvement	Motor vehicles	Total
1 January 2020	82,920	19,854	102,774
Additions	1,344	2,684	4,028
Contracts termination during the year	(452)	-	(452)
Depreciation for the year	(18,220)	(9,382)	(27,602)
31 December 2020	65,592	13,156	78,748

(Unit: Thousand Baht)

	Separate financial statements		
	Buildings and building improvement	Motor vehicles	Total
1 January 2020	54,654	1,417	56,071
Additions	564	2,684	3,248
Contracts termination during the year	(452)	-	(452)
Depreciation for the year	(12,571)	(1,028)	(13,599)
31 December 2020	42,195	3,073	45,268

The Group has lease contracts for assets used in its operations. Leases generally have lease terms between 2 - 6 years.

18. Intangible assets

The net book value of intangible assets as at 31 December 2020 and 2019 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
	Computer software	Computer software
As at 31 December 2020		
Cost	264,801	161,981
Less Accumulated amortisation	(152,100)	(78,967)
Net book value	112,701	83,014
As at 31 December 2019		
Cost	240,655	139,782
Less Accumulated amortisation	(144,894)	(70,355)
Net book value	95,761	69,427

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	95,761	84,697	69,427	57,514
Acquisition of computer software	29,336	23,522	22,199	20,513
Net book value of written off assets	-	(2,252)	-	(1,212)
Amortisation	(12,396)	(11,273)	(8,612)	(7,388)
Reversal impairment loss	-	1,067	-	-
Net book value at end of year	112,701	95,761	83,014	69,427

19. Other non-current financial assets

(Unit: Thousand Baht)

	31 December 2020	
	Consolidated financial statements	Separate financial statements
<u>Financial assets at FVTPL</u>		
Warrants of associated company	23,790	23,790
Total financial assets at FVTPL	23,790	23,790
<u>Financial assets at amortised cost</u>		
Deposit	9,704	6,384
Total financial assets at amortised cost	9,704	6,384
Total other non-current financial assets	33,494	30,174

20. Withholding tax deducted at sources

The balance of withholding tax deducted at sources as at 31 December 2020 and 2019, aged on years, are summarised below.

(Unit: Thousand Baht)

Year	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
2000	-	20,169	-	20,169
2017	24,599	31,547	-	6,948
2018	40,331	65,582	-	22,437
2019	49,604	49,604	25,088	25,088
2020	5,080	-	2,668	-
Total	119,614	166,902	27,756	74,642
Less: Allowance for diminution in value	-	(20,169)	-	(20,169)
Withholding tax deducted at sources - net	119,614	146,733	27,756	54,473

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.

21. Short-term loans from banks

(Unit: Thousand Baht)

	Interest rate (Percent per annum)		Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019	2020	2019
Short-term loans from banks	1.85 - 3.53	2.60 - 5.53	706,283	685,953	561,283	452,000
Trust receipt	1.98 - 2.20	2.60 - 2.99	667,928	445,902	548,870	364,514
Total			<u>1,374,211</u>	<u>1,131,855</u>	<u>1,110,153</u>	<u>816,514</u>

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

22. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade payables - related parties	7,700	4,072	169,239	5,986
Trade payables - unrelated parties	1,281,852	673,189	867,044	519,309
Other payables - related parties	2,772	5,193	12,277	7,763
Other payables - unrelated parties	21,559	11,535	17,056	10,386
Total trade and other payables	<u>1,313,883</u>	<u>693,989</u>	<u>1,065,616</u>	<u>543,444</u>

23. Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease liabilities (contractual value)	115,343	3,565	63,365	2,276
Less: Paid	(27,209)	(1,870)	(14,037)	(1,418)
Lease liabilities	88,134	1,695	49,328	858
Less: Deferred interest expenses	(6,262)	(65)	(3,813)	(29)
Lease liabilities - net of deferred interest expenses	81,872	1,630	45,515	829
Less: Portion due within one year	(28,593)	(718)	(12,402)	(479)
Lease liabilities - net of current portion	<u>53,279</u>	<u>912</u>	<u>33,113</u>	<u>350</u>

The current portion of lease liabilities consists of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current portion of lease liabilities (contract value)	31,502	754	14,129	496
Less: Deferred interest expenses	(2,909)	(36)	(1,727)	(17)
Current portion of lease liabilities	<u>28,593</u>	<u>718</u>	<u>12,402</u>	<u>479</u>

A maturity analysis of lease payment is disclosed in Note 39.2 under liquidity risk.

Expenses relating to leases that are recognised in profit or loss are presented below.

(Unit: Thousand Baht)

For the year ended 31 December 2020		
	Consolidated financial statements	Separate financial statements
Depreciation expense of right-of-use assets	27,602	13,599
Interest expense on lease liabilities	3,985	2,238
Expense relating to short-term leases	422	182

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 28 million, including the cash outflow related to short-term lease. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of Baht 4 million (The Company only: Baht 3 million).

24. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Accrued project costs	580,313	507,980	267,949	176,784
Unearned revenue	30,051	38,050	4,021	2,115
Accrued expense	215,847	115,554	118,600	68,523
Short-term provision - provision for warranty	7,408	6,904	7,408	6,904
Others	41,228	29,668	19,562	13,238
Total other current liabilities	<u>874,847</u>	<u>698,156</u>	<u>417,540</u>	<u>267,564</u>

25. 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 financial statements		Separate financial statements	
	2020	2019	2020	2019
Provision for long-term employee benefits at beginning of year	56,111	43,818	27,647	19,096
Included in profit or loss:				
Current service cost	5,871	4,676	2,763	2,200
Interest cost	888	1,218	431	552
Past service costs and gains or losses on settlement	(162)	10,230	(96)	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)	-	-
Provision for long-term employee benefits at end of year	62,708	56,111	30,745	27,647
Provision for long-term employee benefits				
Current	673	-	673	-
Non-current	62,035	56,111	30,072	27,647
	62,708	56,111	30,745	27,647

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 had additional long-term employee benefit liabilities of Baht 14 million (The Company only: Baht 6 million) as a result. The Group had reflected the effect of the change by recognising past service costs as expenses in profit or loss for the year 2019.

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 13.3 years (Separate financial statements: 13.3 years) (2019: 13.3 years, separate financial statements: 13.3 years).

Significant actuarial assumptions are summarised below:

	Consolidated and separate financial statements	
	2020	2019
	(% p.a.)	(% p.a.)
Discount rate	1.7	1.7
Future salary increase rate	5.5	5.5
Staff turnover rate	10.0 - 30.0	10.0 - 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 2020 and 2019 are summarised below:

(Unit: Million Baht)

	As at 31 December 2020			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(5.98)	6.85	(2.84)	3.25
Salary increase rate	7.18	(6.37)	3.41	(3.03)

	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Staff turnover rate	(8.27)	10.52	(3.85)	4.90

(Unit: Million Baht)

	As at 31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(5.73)	6.60	(2.74)	3.16
Salary increase rate	6.28	(5.59)	3.00	(2.68)

	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Staff turnover rate	(7.24)	9.13	(3.40)	4.29

26. 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.

27. Revenue from contracts with customers

27.1 Disaggregated revenue information

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Type of goods or service:				
Sale of computer hardware, peripherals and software	3,716,956	3,543,677	3,722,103	3,549,666
Computer system and IT equipment installation service	1,698,823	1,613,008	1,710,895	1,629,519
IT consulting service	2,090,924	1,840,062	851,676	172,776
Warranty and after-sale service	92,760	110,294	-	-
Total revenue from contracts with customers	<u>7,599,463</u>	<u>7,107,041</u>	<u>6,284,674</u>	<u>5,351,961</u>
Timing of revenue recognition:				
Revenue recognised at a point in time	6,281,075	5,276,310	5,806,505	4,977,811
Revenue recognised over time	1,318,388	1,830,731	478,169	374,150
Total revenue from contracts with customers	<u>7,599,463</u>	<u>7,107,041</u>	<u>6,284,674</u>	<u>5,351,961</u>

27.2 Revenue recognised in relation to contract balances

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Revenue recognised that was included in contract liabilities at the beginning of the year	38,855	123,478	2,115	2,089

27.3 Revenue to be recognised for the remaining performance obligations

As at 31 December 2020, revenue totaling Baht 1,191 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 (2019: Baht 642 million) (the Company only: Baht 660 million, 2019: Baht 340 million). The Group expects to satisfy the performance obligations within 5 years.

The above information does not include revenue to be recognised for the unsatisfied portions of performance obligations related to contracts with a duration of one year or less.

28. Other income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Gain on exchange	24,590	7,554	15,034	5,072
Other	189,046	262,034	194,618	239,677
Total	213,636	269,588	209,652	244,749

29. 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.

30. Dividends

	Approved by	Total dividends	Dividend per share	Payment date
		(Thousand Baht)	(Baht)	

Year 2020

Dividends on 2019 income	Board of Director Meeting on 31 March 2020			
For preference shareholders		9,600	0.04	28 April 2020
For ordinary shareholders		28,280	0.04	28 April 2020
Total		37,880		

Year 2019

Dividends on 2018 income	Annual General Meeting of the shareholders No. 24 on 9 April 2019			
For preference shareholders		7,200	0.03	24 April 2019
For ordinary shareholders		21,246	0.03	24 April 2019
Total		28,446		

31. 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 2020 and 2019, respectively.

(Unit: Million Baht)

	Consolidated financial statements													
	For the years ended 31 December													
	IT distribution strategic business unit		System integration strategic business unit		IT project strategic business unit		Others		Total		Elimination of inter-segment revenues		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Sales and services														
Domestic														
- outside customers	3,489	3,320	2,083	1,811	1,695	1,612	92	110	7,359	6,853	-	-	7,359	6,853
- related parties	226	220	271	56	15	18	21	46	533	340	(300)	(96)	233	244
Export	7	10	-	-	-	-	-	-	7	10	-	-	7	10
Total	3,722	3,550	2,354	1,867	1,710	1,630	113	156	7,899	7,203	(300)	(96)	7,599	7,107
Cost of sales and services	(3,470)	(3,296)	(2,039)	(1,634)	(1,558)	(1,497)	(78)	(116)	(7,145)	(6,543)	300	95	(6,845)	(6,448)
Gross profit	252	254	315	233	152	133	35	40	754	660	-	(1)	754	659
Other income	114	130	35	65	42	56	1	5	192	256	(13)	(22)	179	234
Selling and distribution expenses	(241)	(271)	(210)	(159)	(78)	(86)	(24)	(35)	(553)	(551)	-	-	(553)	(551)
Segment operating profit	125	113	140	139	116	103	12	10	393	365	(13)	(23)	380	342
Unallocated income (expense)														
Other income									35	36	-	-	35	36
Administrative expenses									(198)	(259)	13	22	(185)	(237)
Impairment loss on financial assets									(21)	(2)	-	-	(21)	(2)
Unrealised loss on change in fair value of derivative									(22)	-	-	-	(22)	-
Share of profit from investments in associates and joint venture									78	82	(61)	(35)	17	47
Finance income									17	17	-	-	17	17
Finance cost									(36)	(54)	-	-	(36)	(54)
Income tax expenses									(46)	(26)	-	-	(46)	(26)
Profit for the year									200	159	(61)	(36)	139	123
Segment total assets	812	1,394	2,328	1,198	1,014	869	2,676	1,940	6,830	5,401	(844)	(542)	5,986	4,859
Investment in associates and joint venture accounted for by the equity method									1,270	1,316	(616)	(506)	654	810
Increase in non-current assets other than financial instruments and deferred tax assets									45	38	-	-	45	38

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 2020, the Group has revenue from a major customer in amount of Baht 919 million, arising from sales by the IT project strategic business unit segment (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).

32. 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 2020 amounting to Baht 9 million were recognised as expenses (2019: Baht 10 million) (separate financial statements: 2020: Baht 4 million and 2019: Baht 5 million).

33. Finance income

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest income on bank deposits	409	142	178	73
Interest income on finance leases	16,315	17,159	15,809	16,498
Total	16,724	17,301	15,987	16,571

34. Finance cost

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Interest expenses on borrowings	31,563	53,727	24,060	37,224
Interest expenses on lease liabilities	3,977	134	2,230	30
Total	35,540	53,861	26,290	37,254

35. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cost of services	966,808	1,593,718	427,440	330,857
Salaries and wages and other employee benefits	323,377	419,179	207,552	228,594
Changes in finished goods and work in progress	(92,248)	178,166	(22,321)	109,990
Marketing expenses	133,201	126,471	123,171	115,250
Rental expenses from operating lease agreements and services expenses	16,080	46,962	9,166	21,297
Depreciation and amortisation	64,452	33,352	39,752	23,492

36. Income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Current income tax:				
Current income tax charge	68,710	23,987	40,245	11,759
Deferred tax:				
Relating to origination and reversal of temporary differences	(22,919)	2,255	(18,263)	586
Income tax expense reported in the profit or loss	<u>45,791</u>	<u>26,242</u>	<u>21,982</u>	<u>12,345</u>

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
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	
	2020	2019	2020	2019
Accounting profit before tax	184,670	149,254	103,579	89,806
Applicable tax rate	20 %	20 %	20 %	20 %
Accounting profit before tax multiplied by income tax rate	36,934	29,851	20,716	17,961
Effects of:				
Share of profit from investments in associated companies	(3,313)	(9,259)	-	-
Share of profit from investments in joint venture	(80)	(140)	-	-
Non-deductible expenses	12,977	5,956	6,558	1,546
Additional expense deductions allowed	(724)	(163)	(614)	(163)
Income not subject to tax	(3)	(3)	(4,678)	(6,999)
Total	8,857	(3,609)	1,266	(5,616)
Income tax expenses reported in profit or loss	45,791	26,242	21,982	12,345

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 2020	31 December 2019	31 December 2020	31 December 2019
	(restated)		(restated)	
Deferred tax assets				
Allowance for expected credit losses (2019: Allowance for doubtful accounts)	18,896	14,632	9,170	6,204
Allowance for diminution in value of inventories	7,153	5,800	878	984
Allowance for asset impairment	2,729	-	2,506	-
Accrued warranty	1,482	1,381	1,482	1,381
Accrued project costs	26,742	18,629	22,274	15,762
Provision for long-term employee benefits	12,542	11,222	6,149	5,529
Lease liabilities	571	-	445	-
Unrealised fair value loss on investments in warrants of associated company	19,912	-	19,912	-
Total	90,027	51,664	62,816	29,860
Deferred tax liabilities				
Investment in an associated company	(870)	(870)	-	-
Finance leases	(16,994)	(19,957)	(16,235)	(19,220)
Total	(17,864)	(20,827)	(16,235)	(19,220)
Deferred tax assets - net	72,163	30,837	46,581	10,640

37. Commitments and contingent liabilities

37.1 Lease commitments

As at 31 December 2020, the Group had short-term leases and service commitments payable related to office building and motor vehicle lease as follows:

(Unit: Million Baht)

	Consolidated financial statements	Separate financial statements
Payable within:		
Less than 1 year	17	8
1 to 5 years	4	-

37.2 As at 31 December 2020, IT City Public Company Limited, an associated company, had commitments under 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)

Payable within:

Less than 1 year	78
1 to 5 years	61

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.

37.3 Bank guarantees

The Group

As at 31 December 2020, the Group had outstanding bank guarantees amounting to approximately Baht 744 million and USD 0.9 million (2019: Baht 1,038 million and USD 1 million), and the separate financial statements: Baht 525 million and USD 0.3 million (2019: Baht 775 million and USD 0.3 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 2020, IT City Public Company Limited, an associated company, has the outstanding bank guarantees of approximately Baht 46.7 million (2019: Baht 15.5 million and USD 0.1 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 2020, Lease IT Public Company Limited, an associated company, has the outstanding bank guarantees of approximately Baht 113 million (2019: Baht 96 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 74 million (2019: Baht 45 million) to secure these bank guarantees.

37.4 As at 31 December 2020 and 2019, 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	2020	2019
Short term loan	Baht 1,927 million	Baht 1,892 million
Credit line of forward contract	USD 11 million	USD 11 million
Credit line of forward contract	Baht 330 million	Baht 310 million

In addition, the Company issued guarantees to one supplier for purchase order of its subsidiary amounting to USD 0.6 million (2019: USD 0.6 million).

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

37.5 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.

37.6 As at 31 December 2020, the Company has outstanding commitment in respect of uncalled portion of investment in a subsidiary of approximately Baht 140 million (2019: Baht 91 million).

37.7 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 85 million to the counterparty. The Group has set aside provision of Baht 85 million for the liability in respect of this case. The subsidiary company is in the process of filing an appeal with the Supreme Court.

38. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had assets that were measured at fair value or for which fair value was disclosed using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements		
	2020		2019		2020		2019
	Level 1	Level 2	Level 1	Level 2	Level 1	Level 2	Level 1
Assets measured at fair value							
Financial assets measured at FVTPL							
Warrants of associated company	-	24	-	-	-	24	-
Derivatives							
Foreign exchange forward contracts	-	4	-	2	-	2	-
Assets for which fair value are disclosed							
Investments in associated companies	540	-	682	-	540	-	682

39. Financial instruments

39.1 Derivatives

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Derivative assets				
Derivative assets not designated as hedging instruments				
Warrants of associated company	23,792	123,909	23,792	123,909
Total derivative assets	<u>23,792</u>	<u>123,909</u>	<u>23,792</u>	<u>123,909</u>
Derivative liabilities				
Derivative liabilities not designated as hedging instruments				
Foreign exchange forward contracts	4,090	1,640	1,948	358
Total derivative liabilities	<u>4,090</u>	<u>1,640</u>	<u>1,948</u>	<u>358</u>

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 12 months.

39.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade and other receivables, 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 and other receivables. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by customer type. Letters of credit and other forms of credit insurance are considered an integral part of trade receivables and taken into account in the calculation of impairment. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Market risk

There are two types of market risk comprising interest rate risk and currency. The Group entered into foreign exchange forward contracts to hedge the foreign currency risk arising on the import of goods.

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.

As at 31 December 2020 and 2019, 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 2020					
	Consolidated financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	Over 1-5 years				
						(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	241	600	841	0.05 - 1.55
Trade and other receivables	-	-	-	1,757	1,757	-
Finance lease receivables	385	676	-	-	1,061	0.50 - 8.60
Other non-current financial assets	-	-	-	33	33	-
Financial liabilities						
Short-term loans from banks	1,374	-	-	-	1,374	1.85 - 3.53
Trade and other payables	-	-	-	1,314	1,314	-
Lease liabilities	29	53	-	-	82	2.30 - 5.87

(Unit: Million Baht)

	As at 31 December 2019					
	Consolidated financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	Over 1-5 years				
						(% p.a.)
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	-
Liabilities under finance lease	1	1	-	-	2	2.30 - 4.73

(Unit: Million Baht)

	As at 31 December 2020					
	Separate financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	Over 1-5 years				
						(% p.a.)
Financial assets						
Cash and cash equivalents	-	-	185	246	431	0.05 - 1.55
Trade and other receivables	-	-	-	1,237	1,237	-
Finance lease receivables	378	667	-	-	1,045	0.50 - 8.60
Other non-current financial assets	-	-	-	30	30	-
Financial liabilities						
Short-term loans from banks	1,110	-	-	-	1,110	1.85 - 3.53
Trade and other payables	-	-	-	1,066	1,066	-
Lease liabilities	13	33	-	-	46	2.30 - 5.87

(Unit: Million Baht)

	As at 31 December 2019					
	Separate financial statements					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Interest rate
	Within 1 year	Over 1-5 years				
						(% p.a.)
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	-
Liabilities under finance lease	1	-	-	-	1	2.30 - 4.73

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers 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	
	2020	2019	2020	2019	2020	2019
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	0.94	0.38	0.93	0.38	29.8674	29.9767
Financial liabilities						
US dollar	28.99	6.32	17.25	2.83	30.2068	30.3313
Yen	17.06	11.35	17.06	11.35	0.2945	0.2796
Yuan	0.6	-	0.6	-	4.6927	4.3736

Foreign currency sensitivity

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

Currency	Consolidated financial statements		Separate financial statements	
	Change in foreign currency rate	Increase (decrease) in profit before tax	Change in foreign currency rate	Increase (decrease) in profit before tax
	(%)	(Thousand Baht)	(%)	(Thousand Baht)
Financial assets				
US dollar	+5	1,406	+5	1,383
	-5	(1,406)	-5	(1,383)
Financial liabilities				
US dollar	+5	(43,790)	+5	(26,056)
	-5	43,790	-5	26,056

As at 31 December 2020 and 2019, the Group had outstanding forward exchange contracts, of which details are presented below.

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

2020

Consolidated financial statements

US dollar	6.3	January - November 2021	29.8400 - 31.6000
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Separate financial statements

US dollar	3.6	January - November 2021	29.8400 - 31.6000
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Currency	Amount bought	Maturity date	Contractual exchange rate
	(Million)		(Baht per 1 foreign currency unit)

2019Consolidated 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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Liquidity risk

The Group monitors the risk of a shortage of liquidity through short-term loans from bank and lease contracts. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding.

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

(Unit: Thousand Baht)

	Consolidated financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from financial institutions	150,567	1,227,916	-	-	1,378,483
Trade and other payables	-	1,313,883	-	-	1,313,883
Lease liabilities	-	31,502	56,632	-	88,134
Total non-derivatives	150,567	2,573,301	56,632	-	2,780,500
Derivatives					
Derivative liabilities: net settled					
Foreign exchange forward contracts	-	4,090	-	-	4,090
Total	-	4,090	-	-	4,090

(Unit: Thousand Baht)

	Separate financial statements				
	On demand	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives					
Bank overdraft and short-term loans from financial institutions	70,326	1,043,129	-	-	1,113,455
Trade and other payables	-	1,065,616	-	-	1,065,616
Lease liabilities	-	14,129	35,199	-	49,328
Total non-derivatives	70,326	2,122,874	35,199	-	2,228,399
Derivatives					
Derivative liabilities: net settled					
Foreign exchange forward contracts	-	1,948	-	-	1,948
Total	-	1,948	-	-	1,948

39.3 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.

40. 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 2020, the Group's debt-to-equity ratio was 1.63:1 (2019: 1.13:1) and the Company's was 1.92:1 (2019: 1.17:1).

41. Event after the reporting period

On 25 February 2021, the Annual General Meeting of shareholders of the Company passed a resolution to pay the dividend for 2020 to the Company's shareholders at Baht 0.05 per share. These dividends will be paid on 28 April 2021.

42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2021.

Management Discussion and Analysis (MD & A) Yearly 2020

Summary of Business Operation of Company and Subsidiaries

In the year 2020, the consolidated financial statements shown the net profit of Baht 138.9 million, increase by Baht 15.9 million from previous year or 12.9%. If not including the loss from adoption for new TFRS of Baht 43.3 million, **the consolidate financial statement shown net profit of Baht 182.2 million, increase by Baht 57.0 million** from the previous year or 45.5%. The separate financial statements have net profit of Baht 81.6 million increase by Baht 4.1 million or 5.3%. If not including the loss from adoption for new TFRS of Baht 39.3 million, **the separate financial statement shown net profit of Baht 120.9 million, increase by Baht 41.2 million** from the previous year or 51.7%. As a resulted from increase of all revenue business units and cost and expenses controlling.

(Unit: Mil Baht)	Consolidated						Separate					
	2020		2019		Increase (Decrease)		2020		2019		Increase (Decrease)	
Total revenues	7,813.1	100.0%	7,376.6	100.0%	436.5	5.9%	6,494.3	100.0%	5,596.7	100.0%	897.6	16.0%
Total expenses	-7,583.3	-97.1%	-7,235.6	-98.1%	-347.7	4.8%	-6,341.1	-97.6%	-5,484.0	-98.0%	-857.1	15.6%
Finance cost	-35.5	-0.5%	-53.9	-0.7%	18.4	-34.1%	-26.3	-0.4%	-37.3	-0.7%	11.0	-29.5%
Income tax expenses	-45.8	-0.6%	-26.2	-0.4%	-19.6	74.8%	-22.0	-0.3%	-12.3	-0.2%	-9.7	78.9%
Share of profit from investments in associated companies and joint ventures	17.0	0.2%	47.0	0.6%	-30.0	-63.8%	-	-	-	-	-	-
Finance income	16.7	0.2%	17.3	0.2%	-0.6	-3.5%	16.0	0.2%	16.6	0.3%	-0.6	-3.6%
Reversal of impairment loss (Impairment loss) on financial assets	-21.0	-0.3%	-2.2	0.0%	-18.8	854.5%	-17.0	-0.3%	-2.2	0.0%	-14.8	672.7%
Unrealised loss on change in fair value of derivative	-22.3	-0.3%	-	-	-22.3	100.0%	-22.3	-0.3%	-	-	-22.3	100.0%
Profit for the year	138.9	1.8%	123.0	1.7%	15.9	12.9%	81.6	1.3%	77.5	1.4%	4.1	5.3%
Other comprehensive income	0.9	0.0%	1.7	0.0%	-0.8	-47.1%	-	-	0.5	0.0%	-0.5	-100.0%
Total comprehensive income for the year	139.8	1.8%	124.7	1.7%	15.1	12.1%	81.6	1.3%	78.0	1.4%	3.6	4.6%

• Analysis of Revenue Structure

(Unit: Mil Baht)	Consolidated						Separate					
	2020		2019		Increase (Decrease)		2020		2019		Increase (Decrease)	
Sales and services income	7,599.5	97.3%	7,107.0	96.3%	492.5	6.9%	6,284.7	96.8%	5,352.0	95.6%	932.7	17.4%
Other income	213.6	2.7%	269.6	3.7%	-56.0	-20.8%	209.7	3.2%	244.7	4.4%	-35.0	-14.3%
Total Revenues	7,813.1	100.0%	7,376.6	100.0%	436.5	5.9%	6,494.4	100.0%	5,596.7	100.0%	897.7	16.0%

Total revenues of the Company and its subsidiaries in the consolidated financial statements of Baht 7,813.1 million, increased by Baht 436.5 million from the previous year or 5.9% and total revenues in separate financial statement of Baht 6,494.4 million, increased by Baht 897.7 million from the previous year or 16.0%

Product line/Business Unit	Operated by	2020		2019	
		Revenue	%	Revenue	%
IT Distribution	ITDSBU	3,714	47	3,544	48
System Integration	SISBU	2,091	27	1,840	25
IT Project	ITPSBU	1,698	22	1,613	22
Components Distribution	ASYS	96	1	110	1
Other income		214	3	269	4
Total sale		7,813	100	7,376	100

* after eliminated transactions of group company

- Sales and services income in the consolidated financial statements increased by Baht 492.5 Million or 6.9% and separate financial statement increased by Baht 932.7 Million or 17.4%, as a result from increased of IT Distribution (ITDSBU), System Integration (SISBU) and IT Project (ITPSBU) strategic business unit. The IT project increase from computer bidding projects of government sector and state enterprise, the situation of the COVID-19 has a positive impact for the Company in this quarter and the beginning of gradual handover of works of ADM recycle machine project (automatic deposit-withdrawal machines) 2,130 units that won the auction at the end of 2019.
- Other income in the consolidated financial statements decreased by Baht 56.0 million or 20.8%, and the separate financial statements decreased by Baht 35.0 million or 14.3% from the previous year as a result of decrease in the part of revenue from suppliers' support and there have been reversal the estimation costs of projects that were completed.
- Share of profit from investment in associates and joint ventures decreased by Baht 30.0 million or 63.8% from the previous year, mainly from Lease IT Public Co., Ltd. and IT CITY Public Co., Ltd.

• Analysis of Expenditure Structure

(Unit: Mil Baht)	Consolidated						Separate					
	2020		2019		Increase (Decrease)		2020		2019		Increase (Decrease)	
Cost of sales and services	6,845.0	90.3%	6,447.8	89.1%	397.2	6.2%	5,840.1	92.1%	4,954.2	90.3%	885.9	17.9%
Selling and distribution expenses	553.0	7.3%	550.6	7.6%	2.4	0.4%	351.7	5.5%	364.7	6.7%	-13.0	-3.6%
Administrative expenses	185.2	2.4%	237.2	3.3%	-52.0	-21.9%	149.3	2.4%	165.1	3.0%	-15.8	-9.6%
Total Expenditure	7,583.2	100.0%	7,235.6	100.0%	347.6	4.8%	6,341.1	100.0%	5,484.0	100.0%	857.1	15.6%

Total expenses in the consolidated financial statements increased by Baht 347.6 million or 4.8% from the previous year and separate financial statement increased by Baht 857.1 million or 15.6% from the previous year, due to:-

- Cost of sales and services in the consolidated financial statement increased by Baht 397.2 million or 6.2% and the separate financial statement increased by Baht 885.9 million or 17.9% in accordance with the proportion of sales and services.
- Selling and distribution expenses in the consolidated financial statements increased by Baht 2.4 million or 0.4% and the separate financial statements decreased by Baht 13.0 million or 3.6% resulted from sales promotion campaign.
- Administrative expenses in the consolidated financial statements decreased by Baht 52.0 million or 21.9% and the separate financial statements decreased by Baht 15.8 million or 9.6% as resulted from manage and control expenses.
- Unrealized gain (loss) on change in fair value of derivative was resulted from the first-time adoption of new TFRS9 that has to recognize Warrants of Lease IT (LIT) as the market price and recorded loss of Baht 22.3 million in the year of 2020.

• Analysis of Profit Structure

In the year 2020, profit before income tax expenses in the consolidated financial statement of Baht 184.7 million, increased by Baht 35.4 million from the previous year of 23.7% and profit before income tax expenses in the separate financial statement of Baht 103.6 million, increased by Baht 13.8 million from the previous year or 15.3%. Income tax expenses in the consolidated financial statement of Baht 45.8 million and income tax expenses in the separate financial statement of Baht 22.0 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						Separate					
	31 December 2020		31 December 2019		Increase (Decrease)		31 December 2020		31 December 2019		Increase (Decrease)	
Total Current Assets	4,006.9	66.9%	3,333.9	68.6%	673.0	20.2%	2,620.5	64.5%	2,149.4	69.9%	471.1	21.9%
Other non-current financial assets	33.5	0.6%	-	-	33.5	100.0%	30.2	0.7%	-	-	30.2	100.0%
Investment in subsidiary companies	-	-	-	-	-	-	119.2	2.9%	70.2	2.3%	49.0	69.8%
Investment in associated companies	644.9	10.8%	801.8	16.5%	-156.9	-19.6%	258.4	6.4%	382.3	12.4%	-123.9	-32.4%
Investment in joint ventures	8.7	0.1%	8.3	0.2%	0.4	4.8%	-	-	-	-	-	-
Property, plant and equipment	184.6	3.1%	188.0	3.9%	-3.4	-1.8%	157.4	3.9%	154.0	5.0%	3.4	2.2%
Right-of-use assets	78.7	1.3%	-	-	78.7	100.0%	45.3	1.1%	-	-	45.3	100.0%
Intangible assets	112.7	1.9%	95.8	2.0%	16.9	17.6%	83.0	2.0%	69.4	2.3%	13.6	19.6%
Financial lease receivables - net of current portion	675.6	11.3%	185.3	3.8%	490.3	264.6%	667.3	16.4%	171.5	5.6%	495.8	289.1%
Deferred tax assets	72.2	1.2%	30.8	0.6%	41.4	134.4%	46.6	1.1%	10.6	0.3%	36.0	339.6%
Other non-current assets	167.7	2.8%	214.7	4.4%	-47.0	-21.9%	31.8	0.8%	65.7	2.1%	-33.9	-51.6%
Total non-current assets	1,978.6	33.1%	1,524.7	31.4%	453.9	29.8%	1,439.2	35.5%	923.7	30.1%	515.5	55.8%
Total Assets	5,985.5	100.0%	4,858.6	100.0%	1,126.9	23.2%	4,059.7	100.0%	3,073.1	100.0%	986.6	32.1%

The Company and subsidiaries had total assets in the consolidated financial statements of Baht 5,985.5 million, increased by Baht 1,126.9 million from the end of the year or 23.2% and had the total assets in the separate financial statements of Baht 4,059.7 million, increased by Baht 986.6 million from the end of previous year or 32.1% due to:-

- Current assets in the consolidated financial statements increased by Baht 673.0 million and the separate financial statements increased by Baht 471.1 million as a result of:-
 - Cash and cash equivalents in the consolidated financial statements increased by Baht 429.6 million and the separate financial statements increased by Baht 163.0 million from the operating results.
 - Trade and other receivables in the consolidated financial statements increased by Baht 188.0 million and the separate financial statement increased by Baht 323.1 million in accordance with the proportion of sales and services. In the year 2020, the average collection period in the consolidated financial statements was 80 days and the separate financial statements was 62 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 processes of acceptance and payment.

- Current portion of financial lease receivables in the consolidated financial statements and the separate financial statements decreased by Baht 65.6 million and decreased by Baht 66.2 million from the long-term lease contracts with government agencies and private sector.
- Inventories in the consolidated financial statements increased by Baht 91.7 million and the separate financial statements increased by Baht 26.2 million from increase of work in process and inventory management and control. In the year 2020, the inventories turnover in the consolidated financial statements was 47 days and the separate financial statements was 33 days, respectively.
- Non-current assets in the consolidated financial statements increased by Baht 453.9 million and the separate financial statements increased by Baht 515.5 million as resulted from the new coming of finance lease contracts, the first-time adoption of a new TFRS16 that has to recognize Right-of-use assets, and the investment in Digitech One Company Limited, a new subsidiary.

• Analysis of Liabilities Structure

(Unit: Mil Baht)	Consolidated						Separate					
	31 December 2020		31 December 2019		Increase (Decrease)		31 December 2020		31 December 2019		Increase (Decrease)	
Current liabilities	3,592.2	96.9%	2,524.7	97.8%	1,067.5	42.3%	2,606.4	97.6%	1,628.0	98.3%	978.4	60.1%
Non-Current liabilities	115.3	3.1%	57.0	2.2%	58.3	102.3%	63.2	2.4%	28.0	1.7%	35.2	125.7%
Total liabilities	3,707.5	100.0%	2,581.7	100.0%	1,125.8	43.6%	2,669.6	100.0%	1,656.0	100.0%	1,013.6	61.2%

Total liabilities of the Company and its subsidiaries in the consolidated financial statements of Baht 3,707.5 million, increased of Baht 1,125.8 million from the end of the previous year or 43.6% and total liabilities in the separate financial statements of Baht 2,669.6 million, increased by Baht 1,013.6 million from the end of the previous year or 61.2% due to:-

- Short-term loans from banks in the consolidated financial statements increased by Baht 242.4 million and the separate financial statements increased by Baht 293.6 million from the financing agreement for the supply of goods to customers. When receiving money from customers under the contract, the Company will repay the loan to the bank which this method would lessen the cost of the company's capital.
- Trade and other payables in the consolidated financial statements increased by Baht 619.9 million and the separate financial statements increased by Baht 522.2 million due to more purchasing and increasing average payment period. In the year 2020, the average repayment period in the consolidated financial statement was 53 days and the separate financial statements was 50 days, respectively.

• Analysis of Structure of Shareholders' Equity

(Unit: Mil Baht)	Consolidated						Separate					
	31 December 2020		31 December 2019		Increase (Decrease)		31 December 2020		31 December 2019		Increase (Decrease)	
Fully paid up capital	947.0	41.6%	947.0	41.6%	-	-	947.0	68.1%	947.0	66.8%	-	-
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	4.2%	-	-	-	-	-	-	-	-
Statutory reserve	61.2	2.7%	57.1	2.5%	4.1	7.2%	61.2	4.4%	57.1	4.0%	4.1	7.2%
Retained earnings	1,172.8	51.5%	1,175.7	51.6%	-2.9	-0.2%	381.5	27.4%	412.6	29.2%	-31.1	-7.5%
Total Shareholder's equity	2,278.0	100.0%	2,276.8	100.0%	1.2	0.1%	1,390.1	100.0%	1,417.1	100.0%	-27.0	-1.9%

Shareholders' equity of the Company and its subsidiaries in the consolidated financial statements was Baht 2,278.0 million, increased by Baht 1.2 million from the end of previous year or 0.1% resulted from profit by Baht 138.9 million and the recognition of revaluation of investments in accordance with TFRS 9 effective on 1 January 2020. The separate financial statements Baht 1,390.1 million, decreased by Baht 27.0 million from the end of previous year or 1.9% resulted from profit by Baht 81.6 million and recognition of revaluation of investments in accordance with TFRS 9 effective on 1 January 2020 including the announcement of an interim dividend of Baht 37.9 million.







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