

MOVE FORWARD TO THE  
**NEXT ▶ MILESTONE**  
ASIASOFT ANNUAL REPORT 2019



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# **1 MESSAGE FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER**

In 2019, the gaming industry has been facing intense competition, especially in the mobile gaming market sector. Given the challenges, Asiasoft has shown its determination in enhancing our services and knowledge in all sectors in keeping up with our competitive edge. As a result, the Company has successfully been able to gain profits in turnover for the past 3 consecutive years. This is considered a great sign for the year 2020 for the Company in increasing revenue growth and profits as planned. The main factor that played a major role in the success we gained in the past year is the launch of the mobile gaming services in Thailand, proving to be a very huge success. This accomplishment reflects the Company's increased skills, understanding and expertise in the mobile gaming market and shows that we have gained more understanding of gamers' behaviors and needs. Besides improving product management, during the past two to three years, Asiasoft has reengineered the organizational structure to make them simple and less complex in responding to the world's situation. Moreover, the Company was able to significantly minimize operating costs in several key areas.

Our goal in 2020 is to continue on with more determination and effort in superseding growth targeting strong revenue and profit. Facing high competition and rapid change in the gaming industry, we are aware that competition is not only against local business operators but global competitors as well. Despite being in a competitive market, we – Asiasoft – have proven our persistence through the difficulties and the ability to overcome challenges in the past years. We are also one of the few gaming business operators that continue to deliver online gaming services across Southeast Asia. With our potential and great professional experiences in this business, we have successfully built trust with our well-known world-class alliances in delivering popular games and services. In 2020, Asiasoft aims to launch high-quality mobile games and services that have gained popularity and success in other countries and match gamer tastes and preferences in Southeast Asia. The Company is also focused on potential markets in Indonesia.

On behalf of Asiasoft, I would like to take this opportunity to sincerely thank you our shareholders, valued customers and business alliances for your continuing support, confidence and above all for your trust. Most importantly, I would like to thank you all staff members and administrative teams who have been working committedly showing your ongoing valuable contribution. Your engagement has always been a key to the Company's success. We assure you that together we will put an effort into building a widespread reputation and acceptance in all sectors. The Company will continue to grow and nurture the business with strong determination under a principle of good Corporate Governance, through the Code of Conduct and Corporate Social Responsibility concerns in order to create the utmost benefits for shareholders and all stakeholders alike.



Mr. Tan Tgow Lim  
Chairman



Mr. Pramoth Sudjitporn  
Chief Executive Officer

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee of Asiasoft Corporation Public Company Limited consists solely of three independent directors with the qualifications set forth by the Securities & Exchange Commission i.e. Mr. Chalermphong Jitkuntivong as Chairman of the Audit Committee, Mrs. Monluedee Sookpantarat and Pol.Col. Yanaphon Youngyuen, as Audit Committee Member.

The Audit Committee has always performed its work in accordance with duties and responsibilities that assigned by the Board of Director and under the charter of Audit Committee that comply with the best practice guidelines for audit committee, relative Rules and Regulations of the Stock Exchange of Thailand.

During the year 2019, the Audit Committee met totally 5 times together with the Management, the Account and Finance Department, Outsourced Internal Audit and the external auditors every quarter depending on the relevant agenda which can be concluded as follows :

### **1. Ensure accurate and adequate financial reports.**

To review the quarterly and yearly Company's financial statements together with the external auditors and the Management by questioning, discussing and advising on certain issues and matters relating to the Company's financial reports. In addition, the Audit Committee held the meeting with external auditors without management 1 times, in order to grant external auditors the opportunity to express any problems and recommendation.

The Audit Committee is of the opinion that the financial statements of the Company and its subsidiaries were prepared in accordance with generally accepted accounting standards and were presented accurately and fairly with adequate information disclosure.

### **2. Ensure suitable and efficient internal control and internal audit systems as well as to review the independence of internal audit office.**

To review internal audit systems, approve the structure of the internal audit plans, acknowledge the result of auditing including the evaluation of the adequacy of the Company's internal control system together with Outsourced Internal Audit.

The Audit Committee is of the opinion that the Company has appropriate and adequate internal control and audit systems.

### **3. Consider, elect and nominate the Company's outsourced internal audit for the year 2020.**

The Audit Committee is on the process of consider, elect and nominate the auditor in Thailand to be the outsourced internal auditor for the Company for the year 2020.

### **4. Ensure compliance with laws pertaining to securities and the stock exchange, regulations of the Stock Exchange of Thailand, Securities and Exchange Commission and laws concerning Company business.**

The Audit Committee is of the opinion that the Company has complied with relevant rules and regulations that concerning Company business.

### **5. Consider, elect and nominate the Company's auditors for the year 2020.**

To present the Board of Directors to propose to the shareholders' meeting on the consideration of appointing Mazars Limited as the Company's external auditor for 2020. Mazars Limited has assigned Mr. Sompop Pholprasarn, Certified Public Accountant (Thailand) No. 6941 and Ms. Wannawat Hemachayart, Certified Public Accountant (Thailand) No. 7049 to be the Project Leader and responsible for the performing of the Company's external audit of the Company, because he is an independent auditor who has knowledge, ability and experience providing external auditing with the authority, duties, and responsibilities set forth by the Securities and Exchange Commission.

### **6. Consider the transactions with related parties and transactions with conflict of interest in line with relevant legislation and regulations.**

To review process, practice, regulations and articles of association of the Company in order that the approved transactions and disclosure comply with the rules or notification of the Stock Exchange of Thailand as accurate and complete.

The Audit Committee is of the opinion that the transactions to be in order and are in the best interest of the Company with adequate information disclosure.

### **7. Self-Assessment.**

The Audit Committee conducted collective self-assessment in order to guide whether the performance of the Audit Committee is in accordance with the entire scope of responsibilities or not. The Self-Assessment showed that the Audit Committee performed mainly of their duties in accordance with the entire scope of responsibilities.

**8. Others :**

8.1 Reviewing the information disclosed to the Stock Exchange of Thailand and the Securities and Exchange commission, as disclosed in the Company's annual report year 2019 (Form 56-2) and in the annual information disclosure form as at 31 December 2019 (Form 56-1).

8.2 Reporting the Audit Committee's activities to the Board of Directors periodically.

8.3 Reviewing the Charter of Audit Committee for ensuring the Charter of Audit Committee is update and suitable for the Organization Environment.

8.4 The record of attendance of the Audit Committee members is summarized as follows :

Name	Position	At the Meeting During 2019
1. Mr. Chalermphong Jitkuntivong	Independent Director and Chairman of the Audit Committee	5/5
2. Mrs. Monluedee Sookpantararat	Independent Director and the Audit Committee Member	5/5
3. Pol.Col. Yanaphon Youngyuen	Independent Director and the Audit Committee Member	4/5

On behalf of the Audit Committee



(Mr. Chalermphong Jitkuntivong)  
Chairman of the Audit Committee  
20 February 2020



# BOARD OF DIRECTORS



# BOARD OF DIRECTORS



**Mr. Tan Tgow Lim**

Chairman

59 years old

## Educational Background

- Business Administration, Cambridge GCE Ordinary Level
- Presbyterian Boys School in Singapore

## Work Experiences (Present)

- Chairman, Asiasoft Corporation Public Company Limited
- Director, Playpark Pte. Ltd.  
(former name Asiasoft Online Pte. Ltd.)
- Director, PT. Asiasoft
- Director, CIB Development Sdn. Bhd.
- Director, Playpark Inc.

## Work Experiences (Former)

- Director, AS Online Sdn. Bhd.
- Director, Level Up!, Inc.
- Director, Asiasoft International Company Limited

## Training Program organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP 50/2006)

## Illegal Record in past 10 years

- None

## Number of Company Shares as of 31 December 2019

- Common shares 30,423,300
- Warrant -

## Number of Company Shares of spouse as of 31 December 2019

- Common shares 6,000,000
- Warrant -

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**Mr. Pramoth Sudjitporn**

Vice Chairman

45 years old

#### **Educational Background**

- Bachelor of Business Administration, Bangkok University

#### **Work Experiences (Present)**

- Vice Chairman, Chief Executive Officer and Chairman of Executive Committee, Asiasoft Corporation Public Company Limited
- Director, A Capital Company Limited
- Director, Playpark Company Limited (former name Funbox Company Limited)
- Director, Skynet Systems Company Limited
- Liquidator, Asiasoft International Company Limited

#### **Work Experiences (Former)**

- Director, Miryn Innovation Company Limited
- Director, Asiasoft Online Pte. Ltd.

#### **Training Program organized by Thai Institute of Directors Association (IOD)**

- Director Accreditation Program (DAP 50/2006)

#### **Illegal Record in past 10 years**

- None

#### **Number of Company Shares as of 31 December 2019**

- |                 |             |
|-----------------|-------------|
| • Common shares | 193,397,907 |
| • Warrant       | 49,349,476  |

#### **Number of Company Shares of spouse as of 31 December 2019**

- |                 |            |
|-----------------|------------|
| • Common shares | 41,397,656 |
| • Warrant       | 10,349,414 |

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**Mr. Lertchai Kanpai**

Director

59 years old

**Educational Background**

- Bachelor of Laws, Ramkhamhaeng University

**Work Experiences (Present)**

- Director and Managing Director, Asiasoft Corporation Public Company Limited
- Director, Playpark Company Limited (former name Funbox Company Limited)

**Work Experiences (Former)**

- Director, Asiasoft International Company Limited
- Director, A Capital Company Limited
- Director, Funbox Company Limited (former name Playpark Company Limited)

**Training Program organized by Thai Institute of Directors Association (IOD)**

- Director Accreditation Program (DAP 51/2006)

**Illegal Record in past 10 years**

- None

**Number of Company Shares as of 31 December 2019**

- Common shares 10,777,800
- Warrant -

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### Mr. Chalermphonng Jitkuntivong

Independent Director and  
Chairman of the Audit Committee  
59 years old

#### Educational Background

- Master of Laws, Cornell University, USA
- Barrister at laws (Thai Bar)
- Bachelor of Laws (Hons.), Chulalongkorn University
- Graduate Diploma in Business Laws, Thammasat University

#### Work Experience (Present)

- Independent Director and Chairman of the Audit Committee, Asiasoft Corporation Public Company Limited
- Attorney, Domnern Somgiat & Boonma Law Office Limited

#### Training Program organized by Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP 53/2006)
- Understanding the Fundamental of Financial Statements (UFS 9/2007)

#### Specific Knowledge or Expertise

- Law

#### Illegal Record in past 10 years

- None

#### Business Relationship with the Company

- None

#### Number of Company Shares as of 31 December 2019

- |                 |         |
|-----------------|---------|
| • Common shares | 407,600 |
| Warrant         | 76,425  |

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**Mrs. Monluedee Sookpantararat**

Independent Director and  
Audit Committee Member  
55 years old

**Educational Background**

- Master's Degree in Accounting, Thammasat University
- Graduate Diploma in Auditing, Thammasat University
- Bachelor's Degree in Accounting with 2<sup>nd</sup> class honors, and Major in Accounting, Thammasat University
- Certified Public Accountant, Thailand License No.4020
- Arbitrator, Thailand Arbitration Center : THAC
- Arbitrator, Thai Arbitration Institute : TAI, Court of Justice
- ASEAN Chartered Professional Accountant

**Work Experiences (Present)**

- Independent Director and Audit Committee Member, Asiasoft Corporation Public Company Limited
- Independent Director and Audit Committee Member, Plan B Media Public Company Limited
- Vice Chairman, and Chairman of Audit Committee, ASN Broker Public Company Limited

- Vice President - Finance, Nava Nakorn Public Company Limited
- Vice President - Finance, Nava Nakorn Electricity Generating Company Limited
- Visiting Lecturer, Faculty of Commerce and Accountancy, Thammasat University
- Visiting Lecturer, Faculty of Accountancy, Bangkok University

**Work Experiences (Former)**

- Director, Wave Entertainment Public Company Limited
- Chief Financial Officer, Group of Wave Entertainment Public Company Limited
- Audit Manager, EY Office Limited

**Training Program organized by Thai Institute of Directors Association (IOD)**

- Director Certification Program (DCP 31/2003)
- Director Diploma Award (Fellow Member) (Class 11/2003)
- Director Accreditation Program (DAP 34/2005)
- Audit Committee Program (ACP 23/2008)

**Other Relevant Training in 2019**

- KPMG Executive Briefing: Topic: IFRS 9, 16 in Practice for Manufacturing Industry, KPMG Phoomchai Audit Ltd.
- KPMG Audit Committee Forum, Topic: Intelligent Automation for Internal Audit, KPMG Phoomchai Audit Ltd.
- KPMG Audit Committee Forum, Topic: Robotic Process Automation (RPA) - Next Generation Workforce, KPMG Phoomchai Audit Ltd.
- PwC Forensics Seminar on Anti-Money Laundering Compliance Risk, Law and Regulations, PricewaterhouseCoopers ABAS Ltd.
- Seminar “Cybersecurity and Personal Data Protection: Get Ready for New Business Standards” Future of Cybersecurity and Privacy Policy in Thailand, Faculty of Law, Chulalongkorn University and The Stock Exchange of Thailand
- Seminar “Topic: Disruptive Arbitration: Role of the Legal Profession), Thailand Arbitration Center : THAC
- Seminar “Topic: International Financial Reporting Standard 9 (FRS 9), Faculty of Commerce and Accountancy, Thammasat University

**Illegal Record in past 10 years**

- None

**Business Relationship with the Company**

- None

**Number of Company Shares as of 31 December 2019**

- |                 |         |
|-----------------|---------|
| ● Common shares | 116,000 |
| ● Warrant       | -       |

**Number of Company Shares of spouse as of 31 December 2019**

- |                 |         |
|-----------------|---------|
| ● Common shares | 185,000 |
| ● Warrant       | 46,250  |

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**Pol.Col. Yanaphon Youngyuen**

Independent Director and  
Audit Committee Member  
66 years old

**Educational Background**

- Bachelor of Public Administration Science; Police Cadet Academy Class 28
- Master of Urban Planning; Faculty of Architecture, Chulalongkorn University
- Master of Science Program in Computer Science; Department of Computer Engineering, Faculty of Engineering, Chulalongkorn University
- Chief Information Officer (CIO 16)
- Senior Executives Development Program : Visionary Leadership Class 46
- Capital Market Academy (CMA 7)
- National Security Management for Senior Executives (NSM 3)
- Management for Senior Executives Program 2 Class 3
- Advance Political and Electoral Development Institute (APED 3)
- Advanced Security Management Program (ASMP 4)

**Work Experiences (Present)**

- Independent Director and Audit Committee Member, Asiasoft Corporation Public Company Limited
- The Qualified Members of the National Cyber Security Preparatory Committee
- Sub-Committee for Drafting Cyber Security Law 2019
- Sub-Committee for Drafting Personal Data Protection Law 2019

**Work Experiences (Former)**

*Royal Thai Police*

- Suppression Division : Chakawat Police Station, Prarajawang Police Station, Bangsue Police Station
- Supporter Division : HR of Metropolitan Police Bureau, Purchasing Department, AFIS Criminal Records Division, Police Information System Center

*Department of Special Investigation (DSI)*

- Director of Hi-Tech Crime Bureau
- Director of Technology and Information Bureau
- Deputy Director-General of DSI

*Office of Public Sector Anti-Corruption Commission (PACC)*

- Deputy Secretary-General of Office of Public Sector Anti-Corruption Commission

*Achievement*

- The Automated Fingerprint Identification System (AFIS)
- Criminals Database Operating System (CDOS)
- Police Information System (POLIS)
- Command Control Communication Information Center (C<sup>3</sup>I)
- Design and Developer Programing; Gunman System, Important Personal Information System, Lost Vehicle System, Payroll System, Crime Statistics System
- Internet Developer for Royal Thai Police and website [www.police.go.th](http://www.police.go.th)
- Sub-Committee for Drafting Computer Crime Law 2007 and 2017
- Sub-Committee for Online Media Reform Steering
- President of Thai Webmaster Association
- Vice President of Thai Computer Association
- President of Thai Information Security Association (TISA)

*Lecturer in Ecology of Crime, Computer and Computer Crime*

- Police Cadet Academy and many other Universities and Institutes

**Training Program organized by Thai Institute of Directors Association (IOD)**

- Director Accreditation Program (DAP 144/2018)

**Illegal Record in past 10 years**

- None

**Business Relationship with the Company**

- None

**Number of Company Shares as of 31 December 2019**

- Common shares -
- Warrant -

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# MANAGEMENT

## 4 EXECUTIVE COMMITTEE AND SUBSIDIARY'S MANAGEMENT



**Mr. Ung Chek Wai, Gerry**  
Chief Financial Officer

### **Educational Background**

- Business Administration, Middlesex University
- Master of Science in Corporate Finance, Salford University

### **Work Experiences (Present)**

- Chief Financial Officer, Asiasoft Corporation Public Company Limited
- Director, Playpark Pte. Ltd.  
(former name Asiasoft Online Pte. Ltd.)
- Director, Playpark Inc.

### **Work Experiences (Former)**

- Director, AS Online Sdn. Bhd.
- Director, Singtel (International Group)
- Country Manager, Southeast Asia for Danone
- Managing Director, Asiasoft Online Pte. Ltd.

### **Training Program organized by Thai Institute of Directors Association (IOD)**

- Director Accreditation Program (DAP 88/2011)

### **Illegal Record in past 10 years**

- None

### **Number of Company Shares as of 31 December 2019**

- Common shares -
- Warrant -

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**Mr. Quach Dong Quang**  
Chief Operation Officer

**Educational Background**

- University of Warwick - Warwick Business School  
- Msc. Management Science and Operations Research
- University of Nottingham - BA. Social Science
- Dudley College of Technology

**Work Experiences (Present)**

- Chief Operation Officer, Asiasoft Corporation Public Company Limited
- Director, Playpark Pte. Ltd.  
(former name Asiasoft Online Pte. Ltd.)
- Director, Playpark Inc.
- Director, Asiasoft (VN) Co., Ltd.
- Director, PT. Asiasoft

**Work Experiences (Former)**

- Director, Asiasoft Online Sdn. Bhd.
- Director, Level Up! Inc.
- Game and Biz development, Asiasoft (VN) Co. Ltd
- Regional Manager (SEA), Vivendi Universal Games
- Country Manager, BIC ASIA - Indochina
- Country Manager, Danone International Brand - Vietnam

**Illegal Record in past 10 years**

- None

**Number of Company Shares as of 31 December 2019**

- Common shares -
- Warrant -

■ ■ ■ ■



**Mr. Kittipong Prucksa-aroon**  
Deputy Managing Director

#### **Educational Background**

- BBA, Assumption University

#### **Work Experiences (Present)**

- Deputy Managing Director, Asiasoft Corporation Public Company Limited
- Managing Director, Skynet Systems Company Limited
- Managing Director, Thaiware Communication Company Limited
- Liquidator, Playcybergames Company Limited
- Liquidator, Miryn Innovation Company Limited

#### **Work Experiences (Former)**

- Managing Director, TripleS Social Trade (Thailand) Company Limited
- Managing Director, Thinkplus Digital Company Limited
- Managing Director, Miryn Innovation Company Limited
- Managing Director, Playcybergames Company Limited
- Managing Director, Cybergames Corporation Company Limited
- Assistant Vice President / Director, MFEC Public Company Limited
- Executive Director, Advance Intelligence Modernity Company Limited

- Deputy Managing Director, Asys Computer Company Limited
- General Manager, Advanced Research Group Company Limited

#### **Training Program organized by Thai Institute of Directors Association (IOD)**

- Successful Formulation & Execution of Strategy (Class 13/2011)

#### **Specific Knowledge or Expertise**

- Business Management

#### **Illegal Record in past 10 years**

- None

#### **Number of Company Shares as of 31 December 2019**

- Common shares 17,300
- Warrant 4,325

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**Mrs. Ratana Manomongkolkul**

Deputy Managing Director

(1 January 2019 - 31 August 2019)

#### **Educational Background**

- Master of Business : Administration (General Management), Mahidol University
- Bachelor of Administration : Accounting, Bangkok University

#### **Specific Knowledge or Expertise**

- Accounting

#### **Illegal Record in past 10 years**

- None

#### **Work Experiences (Present)**

- Deputy Managing Director, Asiasoft Corporation Public Company Limited

#### **Number of Company Shares as of 31 December 2019**

- Common shares -
- Warrant -

#### **Work Experiences (Former)**

- Shared Service Manager, ABB Limited
- Chief Financial Officer, Ingram Micro (Thailand) Company Limited
- Chief Financial Officer, Roxcel (Thailand) Company Limited

■ ■ ■ ■

#### **Training Program organized by Thai Institute of Directors Association (IOD)**

- Director Accreditation Program (DAP 126/2016)

5

# HIGHLIGHT EVENTS OF 2019

## Thailand

### January

Flyff challenged its fans to reach Level 20 from January 8<sup>th</sup> to March 31<sup>st</sup> for a chance to win a Playstation 4 Pro!



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As a New Year gift to its players, Audition released a new music video for the legendary song, "Kwam-Rak-Chan-Keu-Ter (My Love is You)", by "Earth - Patravee Srisuntisuk" of Muzik Move Records.



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Audition launched the first couple competition with no gender restriction called "LGBT Couple Cup" on 27 January 2019 at Lodestar, premium internet cafe.



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### February

Audition surprised players during the month of love with a special performance from famous artist "Ploychompoo - Jannine Weigel." With millions of fans, she rearranged and created a new version of the legendary song "Kwam-Rak-Chan-Keu-Ter (My Love is You)." In a fresh Pop-Dance style, the song and the music video garnered over 630,000 views.



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March

Tales Runner launched “Tales Runner Season 2” including new features such as Mau Salon, Farm Craft, Fishing and Chaos Knights to name a few. Creating a new experience for all the runners, Season 2 came with an exclusive pre-order option for the 22nd character “Harang” from 19 March to 2 April 2019.



■ ■ ■ ■

Yulgang released a big patch entitled “Holy Pets”. Sharing the announcement got players the Party Buff 30% and the Holy Pets monopoly. To add to the hype, “Saolin” and “Kung-Fu,” the celebrated cat of “Khao-Reak-Phom-Wa-Meao (They Call Me Meao)” with over 740,000 followers, created a cute clip for Yulgang.



■ ■ ■ ■

Dragon Nest celebrated its 7<sup>th</sup> anniversary on 13 March 2019 with a big patch - “World Remaster.”



■ ■ ■ ■

Audition held the ladies only competition “Lady Tournament Cup #3” on 31 March 2019 at Lodestar, premium internet cafe.



■ ■ ■ ■

Luna X Online opened registrations for its “PVP Tournament Season 5” on 9 - 15 March 2019.



■ ■ ■ ■

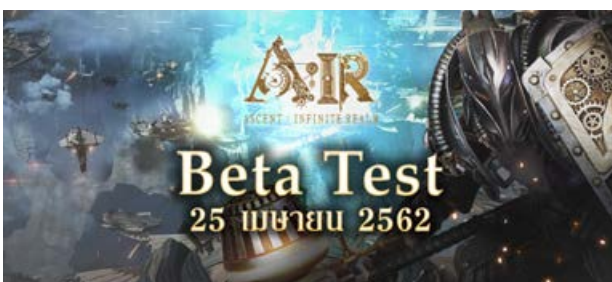
#### April

Annual General Meeting 2019



■ ■ ■ ■

Trailblazing the world, PlayPark and KRAFTON brought the much awaited, “Ascent : Infinite Realm (A:IR)”, to Thailand for its maiden Beta Test on 25 April - 12 June 2019.



■ ■ ■ ■

Audition held the “Summer PJ Battle” event on 3 - 30 April 2019 for community building. PJ and the players were divided into teams. The team with the most number of dance rounds won.



■ ■ ■ ■

#### May

Flyff opened a new server, “Iblis,” which launched the Master & Hero (Rebirth max level 130) system, character leveling and many more events.



■ ■ ■ ■



Audition hosted the “Man of the Mode Crazy-4” competition for men only on 25 May 2019 at Lodestar, premium internet cafe.



■ ■ ■ ■

June

Dragon Nest held a fan art drawing competition about wings, tail, and decal to find the most elegant costume to be applied in-game.



■ ■ ■ ■

Turn-Based MMORPG mobile game by Chinese Gamer International Corporation, “TS Online Mobile” made waves in Thailand. Bagged No.1 spots in the Top Trending game and Top Grossing RPG genre on Google Play. It garnered No.2 rank in App Store’s Top Free and Top Grossing games.



■ ■ ■ ■

Dragon Nest challenged gamers to a PVE Weekly Competition in search of the Top 100 fastest to clear the mission of “Time and Space Gust: Apocalypse.”



■ ■ ■ ■

Flyff launched the “Friend Get Friend” event, where current gamers get rewards from inviting their friends to play Flyff.



■ ■ ■ ■

## July

This year’s “Audition Thailand Championship”, titled “Drive your Dance Spirit,” will have three categories - Individual Fight, Lady Match and Team Battle. Winners of these respective categories will compete at Lodestar premium internet cafe in the Grand Finals on 3 August 2019.



■ ■ ■ ■

“Swordsman Online”, an MMORPG newly published by PlayPark, entered Open Beta Test (OBT) on 26 June 2019 after a successful Closed Beta Test (CBT) in previous month. With many gamers from Thailand joining the servers, participation for the game exceeded expectations.



■ ■ ■ ■

Dragon Nest opened the new “Wedding System” alongside a “Pre-Wedding” event. The players who cleared the couple’s mission got a chance to win a THB 20,000 travel trip!



■ ■ ■ ■



August

“Audition Southeast Asia Championship 2019” (part of PlayPark All-Stars Annual competition) held from 24 - 25 August 2019 pit four participating countries (Philippines, Malaysia, Thailand, and Singapore) against each other in the Team and Individual tournaments which ultimately saw Thailand come out on top. Congratulations to “World Wide Wave” and “Mr. Thanakorn Salee” for winning the Team and Individual competitions respectively.



Flyff held the PVP special match to find the strongest guild.



On 31 August 2019, TS Online Mobile held the “TS Fan Fest”, an offline event jam-packed with fun events and exciting activities. Fans participated in mini-competitions and enjoyed delicious food at the food zone. Additionally, there was a shop which sold exclusive premiums and items to the delight of the fans.



Audition celebrated its 13<sup>th</sup> anniversary with a major patch containing an all-new in-game town hall and dancing room, a revamped game website, and many events throughout August 2019.



## September

On 7 September 2019, 50 players from five FAMs in the Audition community came together for the “Audition FAM Outing Ep.6” event to support the Foundation for Children and had lunch at the Daisy Restaurant & Coffee.



Tales Runner Season 2 introduced a pre-order package for the 23<sup>rd</sup> new character in the game, named “LALA”, the Princess of Talesland, from 10 September to 1 October 2019. LALA became playable only to all who pre-ordered on 1 October 2019.



Tales Runner held an event on 28 September 2019 to welcome new character “LALA” to the game. Players got to playtest LALA, participate in other activities, enjoy a mini concert and meet “Daisy Daisy” girl group member “Hammy” who was the presenter of the day.



Dragon Nest went in search of the strongest players in the game by hosting a classic PVP activity - the “Dragon Nest Retro PVP” competition.





Flyff released the “Rebirth 2.5” update which unlocked an expanded Max Level of 155, a new system Secret Room, the Rental Pang Quest system for renting costumes and equipment, and the Party Buff.



■ ■ ■ ■

## October

“Last Chaos”, a thrilling MMORPG, entered Closed Beta Test (CBT) on 2 October 2019 for all the Thailand gamers joining the servers. Open Beta was set to launch in December 2019.



■ ■ ■ ■

“Tales Runner Thailand Championship 2019”, the biggest community gathering yet, included a prize pool of over THB 197,000 for the Individual Fight and Team Battle categories.



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Yulgang turned competitiveness in-game to create a positive impact in “Save the Turtles” campaign. Players out-bid each other for the “High-Level Turtle” item auction which raised THB 18,000 for turtle conservation. On 5 October 2019, the Yulgang team and 20 players visited the “Turtle Conservation Center Royal Thai Navy” at Sattahip province to donate and visit the turtles nurtured by the center.



■ ■ ■ ■

“PlayPark Premium Service” opened to help upgrade the fun and unlocked the limits of four premier games, namely Tales Runner, Dragon Nest, Flyff and Granado Espada.



Dragon Nest hosted the first search for the cutest girl in the battlefield. The winner got a brand new mobile phone and 30,000 DN Points; plus, the opportunity to work with the Dragon Nest team in future events.



Famous for its cute animation and graphics, Flyff launched a contest to find the beautiful girls of Flyff.



Audition challenged players to show off their creativity by designing hot new item sets for the game with a THB 5,000 prize at stake.



## November

PlayPark held the “PlayPark 11.11 Knockout Sale” with discounts on item prices as high as 90% across nine favorite games.





Yulgang Thailand organised the “Yulgang Meeting” on 29 November 2019 to celebrate the 15th anniversary at Asiasoft Corporation Public Company Limited. Highlighted at the event were gift exchanges by the attendees, sharing of the 2020 game roadmap and awarding one lucky player with a trip to South Korea.



■ ■ ■ ■

December

After a successful Closed Beta Test (CBT) in October 2019, “Last Chaos”, an MMORPG published in Thailand, has entered an Open Beta Test (OBT) on 10 December 2019. Game participation has far exceeded expectations.



■ ■ ■ ■

The “Dragon Nest Thailand Championship 2019” (DNTC) was held on 23 November 2019 at Lodestar, Premium internet cafe. “Valhalla” and “Luneshinem” emerged as winners for team and solo categories respectively. The winners walked home with more than THB 550,000 worth of prizes.



■ ■ ■ ■

HeartsWar’s beautiful animations and outstanding gameplay gained the compliments of players. Following the successful Closed Beta Test (CBT) in Thailand, Singapore, Philippines, Malaysia, Indonesia, Vietnam, the game will move to Open Beta Test (OBT) in January 2020.



■ ■ ■ ■

Facing the best players in the world in the highest international Audition Competition in China, the representatives brought glory to Thailand when they emerged as winners in different categories of “Audition World Championship 2019” : Noppadon Artsakul (Mymind) won Champion Individual Battle, Ritthikiat Krongkrathok (BenzZz) won 2<sup>nd</sup> Runner-up Individual Battle and SETH. WORLD WIDE WAVE won 2<sup>nd</sup> Runner-up Team Battle.



Capping off 2019, PlayPark launched “PlayPark GACHA!” - a new promotion system that grants random favorite and even rare items to players. Initially, three games are included in PlayPark GACHA! namely Audition, Dragon Nest and TS Online Mobile.



## Singapore

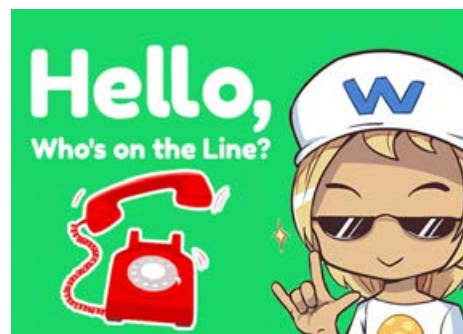
### February

CM Venshi met up with fellow Maplers during the Lunar New Year to give away red packets and hampers to lucky Maplers for their continuous support throughout the years.



### March

Following the huge success of Merry Venshimas back in December, CM Venshi has prepared yet another special event “Hello, Who’s on the Line?” for all Maplers to enjoy. Players will be entitled to 1x Personal Multiplier with a spending of 50,000 @cash in Cash Shop on a weekly basis. All lucky callers that got through to Venshi’s Line receive a very special Logitech Line Friends Wireless Mouse.





## April

In conjunction with the new in-game Maple Club V event, CM Venshi decided to shake it off for the 1st ever “Maple Club V Dance Challenge”. Maplers were invited to submit a video of their version of Maple Club V Dance Challenge onto the event’s post on Facebook. 1 of the 3 lucky winners walked away with a brand new Razer Leviathan Mini speakers.



■ ■ ■ ■

## May

1<sup>st</sup> Community Event of the Year - v186 Content Update event was held at Second Storey Cafe in Katong on 11 May 2019. Over 40 players attended this 2 hours events and survey was conducted at the end of the event on how we can provide a better service to the community.



■ ■ ■ ■

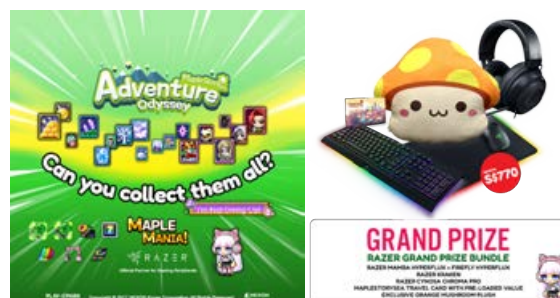
## July

MapleStorySEA celebrated its 14<sup>th</sup> anniversary on 22 and 23 June 2019 at Sunway Velocity, Kuala Lumpur and on 13 July 2019 at JCube, Singapore. The event drew a combined crowd of over 3,000 people. Joining the official venue sponsors is Razer who provided top-tier gaming peripherals for the lucky draw winners.



■ ■ ■ ■

PlayPark Singapore partnered with Razer to bring special Razer-themed items to MapleStorySEA for “2019’s Maple Mania!” This included unique items like the Razer Kraken Kitty Ears, Razer Blade Throne, and more that are available in-game with Maple Mania! Coins.



■ ■ ■ ■

## August

From 7 August – 24 September 2019, MapleStorySEA was changed by “Retro World”; a new patch introducing arcade style games. Special new items and skills such as the Goddess Cry skill and the Retro World Guardian medal can be earned along with unique new rewards in the Coin Shop.



....

On 29 August 2019, a new MapleSEA Passport Page was launched and players were rewarded for securing their existing Maple Passport with a legit mobile number.



....

## September

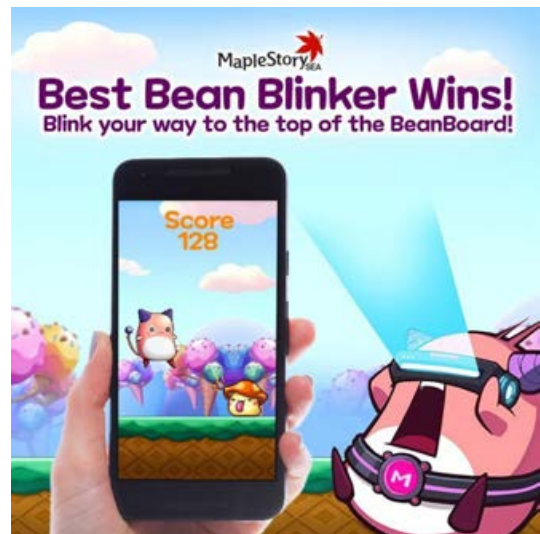
“Lucky Autumn Charm” event ran during the month of September. Players who spent 30K Maple Cash in the Cash Shop during the event period received a lucky draw chance to win an exclusive MapleStorySEA figurine.



....

## October

A new event - “Bean Blinker” game was created for the launch of the Pink Bean event in-game. This Bean Blinker game was available only through Instagram and a total of 3 lucky winners with the highest scores walked away with Starbucks vouchers.



....

November

An all-new Anima Race joined the Maple Family on 16 November 2019. With an affinity to Spirits and wielding the magic from Celestial World, the Reckless Sage: “Ho Young”, aimed to explore and bring peace back to Cheongun Valley, Grandis and Maple World.



December

The coolest kids in MapleStorySEA were invited to an exclusive invite-only year-end party held on 21 December 2019 at YWCA Fort Canning, Singapore. Maplers came dressed in their ideal stylish school uniform and had a blast at Maple High School with CM Venshi and Amber. In a special raffle, a really lucky Mapler SunnyAriesDK, walked away with the premium Orchid Figurine.



Malaysia

January

PlayPark Malaysia launched “Mosiang Online” in English version on 17 January 2019 and received overwhelming response from the community.



March

Mission Against Terror 2 celebrated its 9<sup>th</sup> anniversary on 30 March 2019 at Blitz Cafe, Bandar Utama. Tons of activities including a friendly match tournament was held as well as community bonding events such as players vs gm challenge, mini games and more.





TLBB launched a new server “Ying Xiong Zhan Ge” on 21 March 2019. A new concept, “Song of War” was implemented to let players enjoy the exciting PvP content in the martial art world.



■ ■ ■ ■

## May

Wulin Online launched a special clean version server “Qun Xiong Gui Zheng” on 29 May 2019. With the new business model implementation (no lucky draw pack selling and no equipment selling in item mall) to recall old users and recruit new users to return to a clean and fair gaming environment.



■ ■ ■ ■

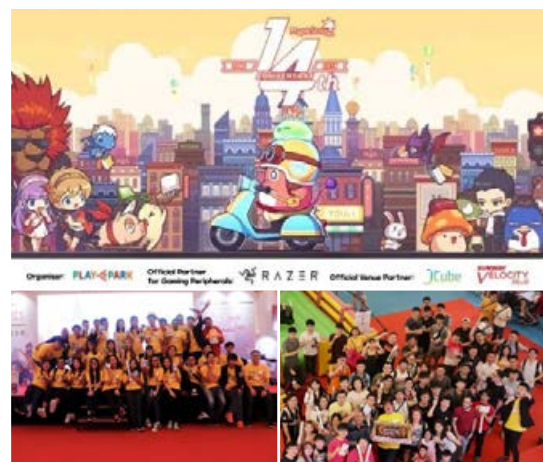
## June

From the hundreds of players fighting for the annual “Battle of the Clan 2019” tournament, “SubwayLovers” come out as champions to bag the top honors. Leading company, Genysis co-hosted the Grand Final at Battle Arena, sponsored by MSI, ViewSonic, and Armaggeddon. The fever continues with the main event, “MATIC 2019”, set in December with an even bigger prize pool.



■ ■ ■ ■

MapleStorySEA celebrated its 14<sup>th</sup> anniversary on 22 and 23 June 2019 at Sunway Velocity, Kuala Lumpur and on 13 July 2019 at JCube, Singapore. The event drew a combined crowd of over 3,000 people. Joining the official venue sponsors is Razer who provided top-tier gaming peripherals for the lucky draw winners.



■ ■ ■ ■

July

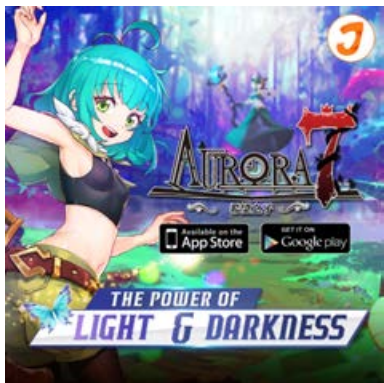
TLBB launched a new server, “Wu Yi Zongheng”, on 25 July 2019 coinciding with its major update featuring three new maps, new ancient artifacts, further enhancement on the martial arts system as well as a new home for married in-game couples.



■ ■ ■ ■

August

“Aurora 7”, PlayPark’s latest mobile game, was open for pre-registration on 1 August 2019 and has seen over 20,000 sign-ups. Running concurrently with the pre-registration was the Aurora 7 Giveaway Event where the grand prize is an Asus ROG Gaming phone.



■ ■ ■ ■

September

“Aurora 7” launched on 5 September 2019 to an overwhelming response especially from the Philippines. To cope with the influx of new players, a second server was released within two weeks.



■ ■ ■ ■

Mosiang Online recently launched the “Infernus” server, both in English and Chinese language. This brought in new content and more importantly, the terrifying Red Dragon Boss running rampant in the World of Mosiang.



■ ■ ■ ■



## October

“Aurora 7” officially launched in the Southeast Asia Region. The game continuously launched the 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> server in October 2019 due to the overwhelming response from players.



■ ■ ■ ■

## November

PlayPark launched the Chinese version of “Yulgang” in Malaysia and Singapore. The Cute Version Classic Martial Art MMORPG finally made its debut in Malaysia and Singapore.



■ ■ ■ ■

## December

“Dream Dance Online”, the Latest Social Music Mobile Game launched in Southeast Asia. Over 20,000 Pre-registration and the game is now CBT with good response from the gaming community.



■ ■ ■ ■

Philippines

January

PlayPark kicked off the year strong by bringing games and freebies at one of the biggest local festivals in Cebu City - “Sinulog”.



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February

Every weekend of February, PlayPark On Tour went island hopping in Visayas and Mindanao regions by bringing fun, tournaments, and loots.



....

The Hero journey began when “Flyff Rebirth” opened. Flyff Rebirth came with vast updates to boost the Hero Skill, Stat Points, Hero badge, 130H Level Capacity, and new battle maps.



....

March

PlayPark Cabal Reloaded showcased it’s latest update, “The Demonite”, with a grand launch party at SM City North EDSA. On top of entertainment, fights, and freebies, the Grand Launch also hosted the very first leg of “Cabal 5V5 Carnage 2019” on the road to the 11<sup>th</sup> anniversary.



....



In partnership with the tech arm of one of the biggest chain of malls in the Philippines, SM Cyberzone, PlayPark held its yearly “PlayPark Game Fest” at several malls around the country.



Special Force, RF Online and Flyff were highlighted at “The Mayor’s Cup 2019” in Cebu. With qualifiers hosted at partner cafes, the finale had gamers gathering from across the province of Cebu.



Filipino rock icon, “Razorback”, with “Basti Artadi”, set the tone for RF Online’s newest server with the official soundtrack entitled, “Stargazer”. Out now on Spotify.



RF Online opened its “Stargazer” Server - a fresh new battleground with high modifier rates, exclusive rewards and limited release. Stargazer also boasted custom rings and capes that gamers can carry over to the regular servers.





April

The fight for destiny has begun. “PlayPark All-Stars 2019” kick started the new season of PlayPark’s biggest tournament series of the year.



....

PlayPark has teamed up with the most rewarding streaming platform for gamers - “StreamCraft” - to bring fun PlayPark content to the world.



....

Citizens of Gaia, rejoiced. PlayPark “Rappelz” launched Alpha Test and extended Closed Beta Test (CBT) to the hottest MMORPG coming back to rule Southeast Asia.



....

May

Continuing its long-standing ties, PlayPark and XSplit once again renewed their partnership to bring quality entertainment to all the gamers in Southeast Asia and the world.



....

PlayPark and chill as “#PlayParkSummerSaya” officially began with fun games on social media. Gamers made summer memorable with photos and answers the summer’s biggest problems.



■ ■ ■ ■

Flyff introduced its “Guild Siege Bounty Edition” which pitted the toughest guilds against each other. Party packages were at stake for the winning guilds. Chosen MVPs got individual rewards including gaming peripherals and chairs.



■ ■ ■ ■

Bringing epic experiences online, PlayPark Live partnered with Reddragon to bring high-performance gaming products from Redragon to PlayPark Live.



■ ■ ■ ■

## June

Flyff was re-launched in the Philippines in October 2018. To this date, Flyff’s performance continues to be several folds higher compared to metrics during its first launch.



■ ■ ■ ■



Cabal celebrates reigning supreme in the Philippines for 11 years with “Domination” anniversary party. Cabal welcomed more than 4,000 fans during the one-day event.



Audition Next Level brought back all the glamour of international stardom with the “Audition Southeast Asia Championship Season 2”. Gamers got together for one night Kickoff Party at Skydome SM City North EDSA.



July

PlayPark welcomed three days of amazing bargains and lots of freebies in PlayPark’s first “Midyear Sale”. The community also tuned in live to join a giveaway session of limited edition PlayPark merchandise with social media influencers – “Sh1n Boo” and “Phaister”.



August

Thousands of fans from around Southeast Asia came to witness the heart-pounding action at the “PlayPark All-Stars 2019”. New champions were crowned for the Audition Southeast Asia Championship Season 2, Special Force All-Stars, Flyff Philippines Championship, Perfect World Philippines Championship and RF Elite Square Championship.



Home to new and exciting PlayPark content, the “2019 PlayPark Launchpad” cooked up the biggest surprises yet. All are invited to witness the trailblazing reveal of the hottest titles to join the ever-growing PlayPark family - including MU Online, mobile games namely Club Audition Mobile, Rappelz The Rift and Flyff Mobile, and the first Manila gathering for Shaiya.



PlayPark Launchpad geared up to be more exciting by combining one of the biggest gaming events of the year with over PHP 300,000 worth of prizes for the cosplay event. PlayPark teamed up with Cosplay.ph to host the PlayPark Launchpad Cosplay Contest.



The world of Perfect World opened the lands of Avalask for exploration. The first of the four continents slated for the coming updates unlocked along with the Havoc and Divine Esteem Levels that comes after Immortal and Demon levels.



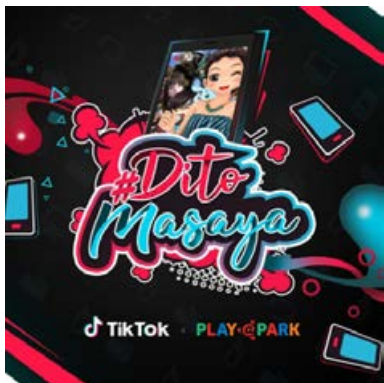
Marching to conquer lands unknown, classic MMORPG, PlayPark “Shaiya” launched in Southeast Asia. Gamers can expect many activities with exciting rewards including Shaiya’s featured extreme PvP action.





September

PlayPark partners with entertainment platform, TikTok, to launch its newest campaign; “#DitoMasaya” (it’s fun here). The movement is the first of many projects aimed at engaging today’s youth with PlayPark products.



Esteemed MMORPG, Flyff celebrates a successful first year back in Southeast Asia with “Flyff Volume 2”. The anniversary celebrations kicked off with “Party Pang” - named after the Lord Pang server - a nationwide live party in the Philippines, in conjunction with exciting in-game festivals.



October

In celebration of four years in Southeast Asia, Special Force 2 had bountiful items for all the gamers who joined the party. Gamers got even more prizes as the anniversary coincided with “CM Azure”’s birthday blowout.



Continuing its strong start, PlayPark and TikTok opens the Halloween season with a “Clean As You Go” (#CLAYGO) campaign. Challenging the creativity and motivation of today’s youth, #CLAYGO dares gamers to go out, to clean the environment, and to make a rousing TikTok video about it. Influence the youth to use social media in a positive way.



PlayPark participates at “Electronic Sports and Games Summit” (ESGS) to set the stage to give the gaming community a peek at the newest games coming to Southeast Asia: Club Audition Mobile and Crossout SEA. To spice up the event, PlayPark is pitting highly popular streamers “Suzzysaur” of Rumble Royale against “Dexie Diaz” of NEXT Talents.



■ ■ ■ ■

## November

Celebrations for Audiversary kicked off with a BANG! Every day was a party for and any time to complete Audiversary milestone events to get amazing prizes.



■ ■ ■ ■

Be Spawnteneous! PlayPark brought hot upcoming games, MU Online, Crossout, and Club Audition Mobile, for the space for the competitive, the creator, the crafter, the collector and the casual - “NEXUS GameCraft & Esports Expo”.



■ ■ ■ ■

## December

In partnership with Alpha, PlayPark rallied its gaming community and employees to bring the Christmas spirit to young patients affected with cancer and cerebral palsy. Together, they have gathered toys, clothes, food and necessities all month of December for the beneficiaries.



■ ■ ■ ■

On 15 December 2019, citizens of the Mindanao region were hit with a 6.9 magnitude earthquake. PlayPark, with the help of its gamers, raised funds from “PPXP 2019”’s ticket sales. All the contributions from the community and funds raised through the event will be donated to the earthquake victims through the Philippine Red Cross.



The biggest Christmas party for gamers was held in the Philippines for the fourth straight year. Thousands of gamers from across the Philippines gathered in three major cities namely Cebu, Manila and Davao in the first week of December. Through partnerships with TikTok, Corsair, Elgato, Palit, NVIDIA, and regional sponsors, gamers enjoyed a day filled with performances, games and prizes of gaming gears, home appliances and Christmas baskets. The team also surprised gamers with a song and dance number to celebrate the launch of Dito Masaya soundtrack and music video.



Indonesia

June

Phenomenal game, “Ran Online”, landed in Indonesia with PlayPark and Wavegame backing the launch. Its successful Closed Beta Test (CBT) led to the full service opening in June 2019.



August

PlayPark and its co-partner, Wavegame, relaunched the classic MMORPG, Ran Online on June 2019. Thanks to a huge and positive response, a big campaign titled, “Show Your Skill” was organized. This was an 8 versus 8 online tournament with the winners competing to win IDR 10,000,000.





## 6 ONLINE GAMES LAUNCHING IN 2019



**TS Online Mobile**

Thailand



**Aurora 7**

Singapore, Malaysia, Philippines



**Flyff**

Thailand



**Yulgang**

Singapore, Malaysia



**Last Chaos**

Thailand



**Swordsman Online**

Thailand



**Shaiya**

Thailand, Singapore, Malaysia, Philippines, Indonesia, Vietnam





# POLICY AND OVERVIEW OF THE COMPANY'S BUSINESS

7

# POLICY AND OVERVIEW OF THE COMPANY'S BUSINESS

## 7.1 Company Vision and Mission

### VISION

**“The Virtual World for Passionate Gaming.”**

### MISSION

**“To Inspire Endless Moments of FUN and Excitement  
through Virtual and Live Experiences.”**

## 7.2 Objective and Long-term Goals

To achieve over 2 billion baht revenue by 2023 and solidify Asiasoft as the dominant force in mid-to-hardcore gaming focusing on Genre that plays to our Strength and our expertise accumulated over the years, it is unique among publisher in Southeast Asia. Our roadmap to achieve this Goal has already been set in motion starting 2020, with a much more aggressive approach to acquire games that fit our requirement as well as games that further enhancing our competitiveness.

Operationally, to achieve our long term objectives, we will heavily invest in Mobile games as well as ramp up our operational capability to maximize the life cycle of all Mobile games under our portfolio.

Asiasoft is 1 of the 2 companies that have reached in all Southeast Asian countries with our local team as well as operational partners, this permits us greater flexibility in reaching out to as well as manage our community. Our operational philosophy is to “Think Regional, Act Local”. Regional thinking allows us to combined and shared experiences and increases our chances of success with every acquisition. Act local allow us to maximize each product in each market. All our strategies and directions must be acted upon and enforced through the ability to connect to our gamers using all channels available for us, from social networks, to chat and mail. But the most important channel is still Face-2-Face, we may serve our gamers in the virtual worlds through many of our games, but to keep them loyal we must connect with them on the most fundamental level that human respond to, meaning at the core, our operations, and community activities is to build that human bond that extends and enhance our connection in the virtual world.

### 7.3 Important Changes and Development

Asiasoft Corporation Public Company Limited (the “Company or AS”) was formerly named B.M. Media (Thailand) Company Limited. The Company was incorporated on 20 September 2001, with a registered capital of 5 million baht as a distributor of PC games by co-founders of the Company, Mr. Pramoth Sudjitporn, Mr. Tan Tgow Lim and Mr. Lertchai Kanpai, all of whom have extensive experience in the entertainment software business.

- In 2003, the Company started to provide online gaming services in Thailand by launching “Ragnarok Online”, an online game licensed from Gravity Company Limited, South Korea. The game was localized into Thai language to serve Thai gamers and was met with the enormous success which in turn helped to establish the Company as one of the leading providers of online games in Thailand.
- In 2004 - 2005, a shareholding restructuring of the Company was carried out by purchasing shares in companies held mainly by common shareholders to provide clarity in the operating structure, savings, and effectiveness in management.
- In 2006, the Company expanded its services to include “Audition” casual game which met with astounding success. To date, it still holds the no.1 spot in the dance game category in Thailand. In the same year, the Company established Asiasoft Online Pte. Ltd. in Singapore as its first step to expand the market to cover Southeast Asia.
- In 2007, the Company listed on the Stock Exchange of Thailand on 17 May 2007 with a registered capital of 316 million baht.
- In 2011, the Company expanded its services above and beyond online games by investing in Thaiware Communication Company Limited, the portal owner of [www.thaiware.com](http://www.thaiware.com) known as the hub of IT news and download distribution for both Thai and international software. Truehits ranked the web portal as no.1 in Computer. This portal also serves as a platform for e-commerce selling software, IT equipment and gadgets.
- In 2012, the Company expanded the market to Malaysia by investing in CIB Development Sdn. Bhd.
- In 2014, the Company has continuously grown and expanded the mobile gaming sector to correspond to the increase in consumer usage of smartphones. Combined with the growing popularity in online media and marketing on the digital platform, the Company expanded into online agency business by offering complete digital marketing planning services by investing in Think Plus Digital Company Limited to services its own group of companies and other customers. Within the same year, the Company invested in developing digital content by investing with Mirin Innovation Company Limited to create online PC

games and mobile games including applications. In addition, the Company continued to push ahead in Southeast Asia by expanding the market to cover the Philippines by acquiring Level Up! Inc.

- In 2016, the registered capital was increased by 102,469,254 baht, bringing the total registered capital to 409,877,016 baht.
- In 2017, the registered capital was increased for Playpark Co., Ltd. by 110,000,000 baht, bringing the total registered capital to 150,000,000 baht, the Company invested in Skynet Systems Company Limited, a Fintech Startup to develop trading platform applications for trading stocks and securities.
- In 2018, the registered capital was increased for Skynet Systems Company Limited, an associate company in Thailand and for Asiasoft Online Pte. Ltd., a subsidiary company in Singapore and renamed it as Playpark Pte. Ltd. In addition, negotiations with business partners in Indonesia started in preparation for the launch of online gaming services of 2019.
- In 2019, The Company expanded its services to Indonesia in collaboration with PT. Wave Wahana Wisesa and signed a business agreement with Krafton Inc., a world-class game developer from South Korea to publish the Ascent: Infinite Realm (A:IR) in Thailand. We also made remarkable in-road into the Mobile gaming platform through the launch of TS Mobile from Taiwan Developer, Chinese Gamers International.

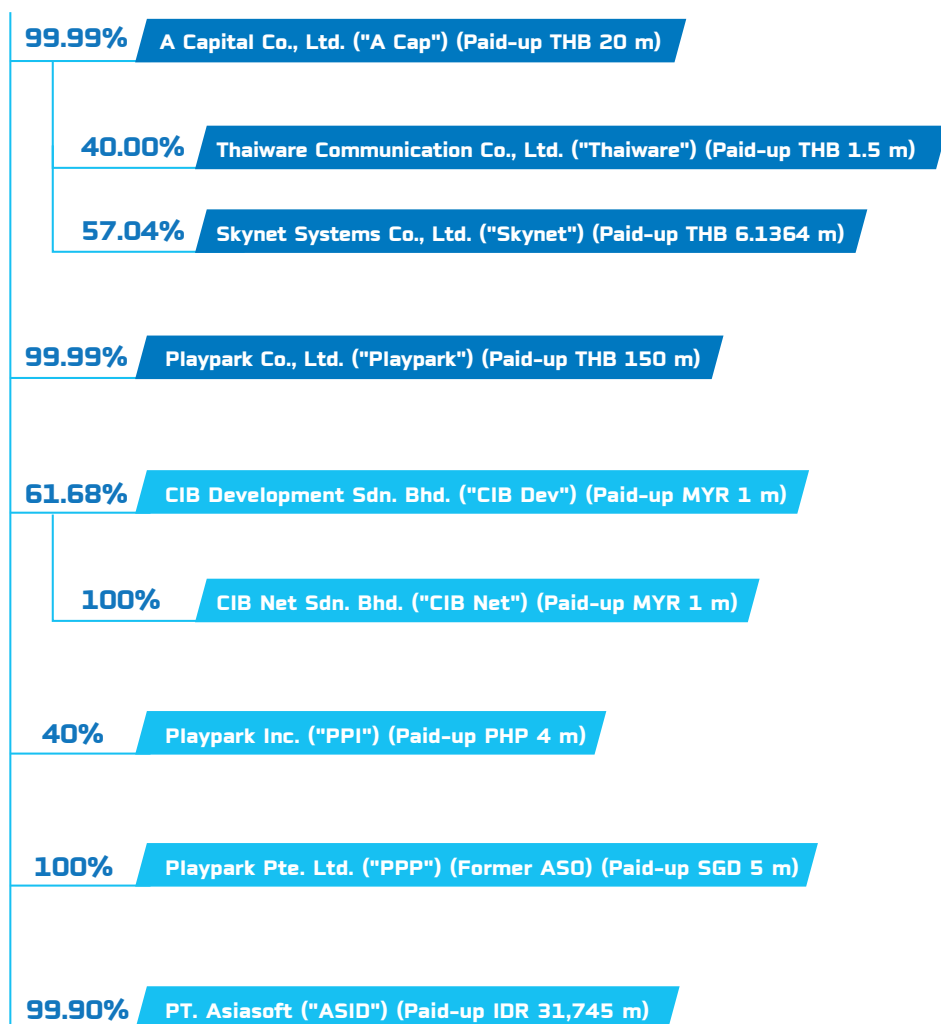


## 7.4 Company Structure

As at 31 December 2019, the Asiasoft Group comprises of 10 companies, as follows :



(Paid-up capital THB 409.87 m)



The Company's main business is in online entertainment, as detailed below.

Company	Country	Main business
1. Asiasoft Corporation Plc. ("AS")	Thailand	Providing online entertainment services as an online game and mobile game operator in Thailand.
2. A Capital Co., Ltd. ("A Cap")	Thailand	Investment Arm (Holding Company).
3. Thaiware Communication Co., Ltd. ("Thaiware")	Thailand	Providing information and distributing software and IT service, including software download on the website <a href="http://www.thaiware.com">www.thaiware.com</a>
4. Skynet Systems Co., Ltd. ("Skynet")	Thailand	Developing stock and security market trading platform application.
5. Playpark Co., Ltd. ("Playpark")	Thailand	Online game business services.
6. CIB Development Sdn. Bhd. ("CIB Dev")	Malaysia	Online PC and mobile game business services in Malaysia.
7. CIB Net Sdn. Bhd. ("CIB Net")	Malaysia	Online PC and mobile game business services in Malaysia.
8. Playpark Inc. ("PPI")	Philippines	Online PC and mobile game business services in the Philippines.
9. Playpark Pte. Ltd. ("PPP") (Former name Asiasoft Online Pte. Ltd.)	Singapore	Online PC and mobile game business services in Singapore.
10. PT. Asiasoft ("ASID")	Indonesia	Online game business services in Indonesia.

## 7.5 Relationship with the Business Group of Major Shareholders

The main business of the Company does not have any significant relationship with or relating to other business operations of major shareholders.

■ ■ ■ ■

# NATURE OF BUSINESS

## 8.1 Structure of the Company's Income

The Company's income can be divided into three type of business as follows :

Type of Revenue	2019		2018		2017	
	THB M	%	THB M	%	THB M	%
1. Revenue from online game service	742	97	552	92	760	91
2. Revenue from distribution business	14	2	37	6	19	2
3. Other income	6	1	12	2	56	7
<b>Total</b>	<b>762</b>	<b>100</b>	<b>601</b>	<b>100</b>	<b>835</b>	<b>100</b>

The Company's income can be divided into two geographical areas as follows :

Type of Revenue	2019		2018		2017	
	THB M	%	THB M	%	THB M	%
1. Revenue from operation in Thailand	411	54	255	42	476	57
2. Revenue from overseas operation	351	46	346	58	359	43
<b>Total</b>	<b>762</b>	<b>100</b>	<b>601</b>	<b>100</b>	<b>835</b>	<b>100</b>

## 8.2 Products and Services

### 8.2.1 Nature of the Company's Businesses

The Company is recognized locally and internationally as a leading provider of online entertainment services, especially of online gaming, in Southeast Asia.

The Company initially stepped into the online gaming business industry in 2003 with a launch of "Ragnarok Online" which was hugely successful. Later, in 2008, "Maple Story" was launched in Singapore and achieved great recognition from Singaporean gamers. This was a major milestone that catapulted the Company to become one of the leading online gaming operators in Thailand. Through 2019, the Company have launched 32 games in 5 countries including Thailand, Singapore, Malaysia, the Philippines, and Indonesia.

In the past 3 years, approximately 93% of the overall revenues of the the affiliated companies came from online gaming products and services

The online gaming services offered in each countries are operated through companies set up locally in those countries. Each local company owns a dedicated gaming server system to support gamers in that country. Additionally, the Company runs a multi-country server in Singapore to provide support for gamers in the region to ensure that there is adequate gaming server support to efficiently serve a high traffic of multiplayer gaming.

Apart from that, cloud computing technology has been developed and become a lower cost. The companies; hence, started to use a cloud based platform from service providers instead of investing in and managing new server operations. This resulted in more effective IT cost management and better service quality.

Asiasoft gained major revenue from online gaming services through both PC and Mobile platforms which offer many payment methods and channels.

- Online game prepaid money card distributed under our Company's @Cash and Level Up! card. The prepaid card is produced in the form of plastic and electronic card, distributed through domestic dealers and leading retailers covering Southeast Asia.
- Cash cards or prepaid cards distributed by mobile service providers in the operating countries, for example One-2-Call!, TrueMoney, and Celcom, available in the form of plastic and electronic card platforms.
- Payment via debit and credit cards certified by Visa and MasterCard.
- Online banking services by 4 local banks in Thailand, including Bangkok Bank, Krungsri Bank, Krung Thai Bank, and Siam Commercial Bank.
- QR Payment services by 9 banks in Thailand, including Bangkok Bank, Krungsri Bank, Krung Thai Bank, Siam Commercial Bank, TMB Bank, Government Savings Bank, Kasikorn Bank, UOB Bank, and Thanachart Bank
- Online payment via K Plus Mobile Banking of Kasikorn Bank.
- Payment via TrueMoney wallet application.
- Payment via Rabbit LINE Pay application in Thailand.
- Payment via PayPal account.
- Payment via local SMS services in operating countries.

For online gaming services on mobile platforms, customers can also make payment via App Store for iOS and Google Play for Android. In topping up their online games, gamers can make transactions through the payment channels listed above.

For convenience of gamers in Southeast Asia in topping up to the online games of the Company, the Company offers the money top-up system called PlayMall, which is the main centralized e-wallet



for payments of all items and services for games under PlayPark brand. The system can accommodate refills that convert into Cash Points for seven currencies namely US dollar (USA), Baht (Thailand), Ringgit (Malaysia), Singapore dollar (Singapore), Dong (Vietnam), Peso (the Philippines) and Rupia (Indonesia). In 2019, a new version of Playmall has successfully been developed in accordance with the new accepted standards in accounting methods that have been implemented in 2019. The new version of Playmall offers a flexible system of refill promotions to be more convenient and effective for gamers.

Moreover, to provide support in servicing gamers, the Company established an online gaming information center to answer technical and how-to-play questions via Call Center, Live Chat, Email, or social media namely Facebook fan page, and official Line@.

During 2019, the Company was granted the rights to service 32 online games in 5 countries as follows :

Online Game	Type of Game*	Type of Revenue Model
1. MapleStorySEA	MMORPG	Item Sale
2. Yulgang	MMORPG	Item Sale
3. Perfect World	MMORPG	Item Sale
4. Granado Espada	MMORPG	Item Sale
5. Cabal	MMORPG	Item Sale
6. TLBB	MMORPG	Item Sale
7. Dragon Nest	MMORPG	Item Sale
8. Elsword	MMORPG	Item Sale
9. Flyff	MMORPG	Item Sale
10. Mosiang Online	MMORPG	Item Sale
11. Luna Online	MMORPG	Item Sale
12. Ran Online	MMORPG	Item Sale
13. Rising Force Online	MMORPG	Item Sale
14. Wulin Online	MMORPG	Item Sale
15. Tian Zi Chuan Qi	MMORPG	Item Sale
16. Swordsman Online	MMORPG	Item Sale
17. Last Chaos	MMORPG	Item Sale
18. Shaiya	MMORPG	Item Sale
19. Tanki Online	Webgame	Item Sale
20. Audition	Casual	Item Sale
21. Super Dancer Online Xtreme	Casual	Item Sale
22. Tales Runner	Casual	Item Sale

23. Mission Against Terror 2	FPS	Item Sale
24. Special Force 2	FPS	Item Sale
25. Special Force	FPS	Item Sale
26. Soul Ark	Mobile	Item Sale
27. Genki Heroes	Mobile	Item Sale
28. Jin Guang Qun Xia Zhuan	Mobile	Item Sale
29. Heroes Unleashed	Mobile	Item Sale
30. Let's Play Mahjong	Mobile	Item Sale
31. TS Online Mobile	Mobile	Item Sale
32. Aurora 7	Mobile	Item Sale
<b>Total 32 Games</b>		

\*1. Massive Multiplayer Online Role-Playing Game (MMORPG) is an online game genre that can accommodate a high number of players with real-time interaction in a virtual world where gamers have the opportunity to compete or interact. Contents of the games are about action adventures which includes battle, monster hunt which aims to develop their own character or warlike environment having the following characteristics :

- Gamers have a choice of playing one or more characters at the same time by using the Multi Character Control System : (MCC). Each character continuously develops and varies in strengths and weaknesses.
- Gamers can earn experience points from their adventure and use those points to increase character's levels; they can also collect, exchange or sell various items acquired during their adventure, for example weapons or points to increase the strengths and differentiation of the characters.
- The character progression is based on real life situations, for example marriage, acceptance of apprentices or masters, grouping to fight opposition.
- There is no end game and there is no definite win or lose as the game continues to progress indefinitely.
- Most gamers are loyal to the game and community due to the nature of the game which promotes competition among gamers as it requires a considerable amount of time to collect the experience and increase their character level.

2. Casual Game is an online game genre with colorful and endearing cartoon characters. It is easy to play - not much skill is required. Each game can be completed in a short period of time, and is suitable for relaxation.

3. First Person Shooting (FPS) is an online game genre that is action-oriented, using gun type weapons to fight opponent. Players are split into teams and they help each other in various combat modes with time limitation for each session.

4. Mobile Game is another online game platform that can play on portable devices such as smartphones and tablets. Various PC games are now available in mobile platform.

The online gaming business is the major source of the Company's revenue, accounting for 97% of the Company's total revenue. The Company provides its comprehensive online gaming services to gamers in Southeast Asia, starting from acquiring game licenses that match its market preference, running efficient game operation, making PR and marketing planning, establishing game information centers for customer, providing convenient payment channels, and Most importantly, choosing appropriate technologies and systems for the best services to customers, including the server system, computer equipment and software, client program, security system. The Company also creates websites and social networking channels to interact with gamers to provide the best gaming experience.

During 2019, the Company provides online game service in total of 32 games in 5 countries as follows :

Service Country	Number of Game	Online Game for which Service are Provided During 2019
Thailand	14	Yulgang, Granado Espada, Dragon Nest, Elsword, Audition, Tales Runner, Ran Online, Flyff, Luna Online, TS Online Mobile, Swordsman Online, Last Chaos, Shaiya, Tanki Online
Singapore	15	TLBB, MapleStorySEA, Audition Next Level, Super Dancer Online Xtreme, Special Force, Special Force 2, Shaiya, Soul Ark, Tanki Online, Wulin Online, Flyff, Mission Against Terror 2, Mosiang Online, Rising Force Online, Tian Zi Chuan Qi
Malaysia	22	TLBB, Super Dancer Online Xtreme, Mission Against Terror 2, Mosiang Online, Special Force, Special Force 2, Wulin Online, Genki Heroes, Let's Play Mahjong, Jin Guang Qun Xia Zhuan, Heroes Unleashed, Tian Zi Chuan Qi, Luna Online, Audition Next Level, Flyff, Rising Force Online, MapleStorySEA, Kung Fu All-Star, Tanki Online, Yulgang, Aurora 7, Shaiya
The Philippines	10	Perfect World, Cabal, Special Force, Special Force 2, Audition Next Level, Rising Force Online, Mission Against Terror 2, Flyff, Tanki Online, Shaiya
Indonesia	7	Soul Ark, Special Force, Special Force 2, Tanki Online, Flyff, New Ran Online, Shaiya

**Note :** Some games were served in more than one country.

In addition, in making a support channel to customers, the Company has established the website ‘www.playpark.com’ as a center to connect gamers to all types of games including PC and mobile game formats, and for game downloading. It is a community for gamers to update news, exchange information and opinion.

The Company invested in a company dealing with IT news and established the website ‘www.thaiware.com’ to be a center of IT news, IT products and services as well as free/buy software downloads from local and overseas.

Service fees for online games are charged by Item Sale, allowing gamers to play for free and charging for items used in the games such as weapons, decoration items, pets and accessories. Gamers can decide whether or not to make a purchase. Items sold are considered as service fees for the Company. Item sale depends on the type and popularity of the game in each country, marketing policies at the time, and quantity of items offered for sale - primarily, prices of items are cheaper when purchased in set packages.

At present, the revenue model of online game services around the world has generally changed from the game package sale and airtime sale model to item sale system. Operators believe that by first offering games to play for free, gamers are more persuaded to try out the games; and if satisfied, the opportunity of earning revenue for the Company through item sale exceeds selling in other ways. In addition, the Company gains other income from advertising through Casual Game in which offers a free game with in-game advertisements to gamers.

## 8.2.2 Marketing Activities and Distribution

### Marketing Activities

The Company has been operating under the trade name “Asiasoft” from the start of its operation in 2001. The name has become widely recognized among gamers throughout the region as the leading operator in the online gaming market, signifying a good level of quality in the games the Company published, effective marketing activities, and ability to retain its customer base as well as the trust in the Company’s server system for the game services. To further create clarity in marketing representation and to support business expansion into other areas, the Company created a new brand under the name “PlayPark” to market online games and decided to use Asiasoft as the corporate brand.

A marketing activity is an important strategy for effective communication with current and potential customers regarding the services and online games offered by the Company. The objective of these efforts means to create recognition and acknowledgement of online games among potential customers,



bringing the promoted game across as an inexpensive and convenient means of daily entertainment. In addition to the launch of new games, marketing activities also aim to strengthening the customer relations, corporate image and social responsibility. The Company also regularly conducts market surveys in order to understand needs and behaviors of gamers, which are the basis for effective marketing strategies and customer satisfaction. Additionally, the Company conducts marketing activities in collaboration with business partners such as activities through payment channels, internet cafes and consumer products to promote and build product recognition, customer retention and brand loyalty.

### Distribution

In servicing online gamers, the Company partnered up with various distributors of prepaid and top up services such as @Cash and others in various platforms. The Company believes that an effective distribution channel is important in fast-reaching target customers to online games. For gamers in Thailand, top up services include @Cash prepaid card, One-2-Call!, and TrueMoney cash card, credit and debit cards, online banking, and Rabbit LINE Pay. Details are as follows :

Thailand :

#### @Cash

@Cash prepaid card is used to refill cash to our online games. Users will gain a Serial Number and Security Code to exchange for virtual money to purchase items in any game or to refill to Playmall e-wallet. Currently, @Cash prepaid card is available at 7-Eleven, and FamilyMart, Boonterm Online Refill Kiosks, distributor websites [www.rtbplus.com](http://www.rtbplus.com), [www.zest.co.th](http://www.zest.co.th), and mPay Stations.

#### One-2-Call!

The Company partnered with Advanced M Pay Company Limited. the service provider of One-2-Call! cash card enhances user convenience by providing alternative to refill cash into the games. Users can purchase One-2-Call! cash card from convenience stores to top up in the same way as @Cash prepaid card.

#### TrueMoney

The Company partnered with True Money Co., Ltd. The service provider of TrueMoney cash card is the most well-known prepaid card which can refill for almost all domestic games in Thailand. Users can purchase TrueMoney cash card from 13,000 convenience stores and refill similar to @Cash prepaid cards.

### Debit and Credit Cards

The Company added a refill channel, allowing user to refill through online banking service, using debit and credit card from domestic banking institutions certificated by Visa and MasterCard.

### Online Banking

The Company offers an online banking payment method for top-up services by directly deducting amount balance via online banking service through 4 bank institutions comprising Bangkok Bank, Krungsri Bank, Krung Thai Bank, and Siam Commercial Bank.

### Rabbit LINE Pay

The Company partnered with Rabbit-Line Pay Company Limited, an affiliated company of Line Corporation Company Limited, which is a service provider of LINE Messenger having the most massive domestic user base in Thailand. Through Rabbit Line Pay, gamers can transfer cash to top up to their games at PlayMall.

### TrueMoney wallet

The Company partnered with True Money Co., Ltd., a 'TrueMoney wallet (E-Wallet) application operation.' The application is an online wallet having more than 10,000,000 customers in Thailand. Gamers can top up to their games or transfer money to Playmall via TrueMoney wallet application.

### QR Payment

The Company offers another online payment channel 'QR Payment' via online banking of 9 banks: Bangkok Bank, Krungsri Bank, KrungThai Bank, Siam Commercial Bank, TMB Bank, GSB Bank, Kasikorn Bank, UOB Bank, and Thanachart Bank. With this payment method, payment is performed by scanning a QR code from a mobile app, and the amount balance will be directly deducted and transferred to their games via PlayMall.

### K Plus Mobile Banking

Gamers can top up to their games via Playmall through K Plus Mobile Banking method which an online banking platform in which can be conveniently done via a mobile app.

Malaysia :

- Online Credit Card : The sale of electronic @Cash cards through [www.paypal.com](http://www.paypal.com) where payment is made through credit cards.
- Physical Cards : Gamers can purchase physical cards at retails stores distributed by ACS
- Soft-Pin : Gamers can purchase electronic @Cash soft pins through local distributors like MOL, ACS, Offgamers, Epay, and Wefirst.
- @Cash on Mobile : The sale of electronic @Cash through mobile payment in Malaysia where gamers can course through their purchases via Maxis Network system, Digi, and Apigate.
- Direct Reload : Gamers can directly reload into the game using Yougopay or Offgamers MGC, Gamesberry or Mycard.
- Online Banking : Gamers can use an online banking system to make payments.
- Wallet System : Payments can be made through the popular wallet system like Wechat, Boost, Grabpay, and Alipay.

Singapore :

- Online Payment : @Cash digital pin can be purchased from online websites, such as zGold MOL, and OffGamers.
- Direct Top-up : Gamers can directly purchase or top up online games through @Cash into their accounts using PayPal, Visa (credit card), MasterCard (credit card), and eNETS (debit card).
- I Mobile Wallets: With the rising adoption of mobile wallets and “All-in-1Apps”, @Cash can be conveniently purchased even on the go with GrabPay.

Indonesia :

- GudangVoucher : An online payment system that allows gamers to top up to pay for services such as phone credits, software licenses, bills, and gaming credits.
- Wavepoint : An online payment system that allows gamers to top up to pay for services such as phone credits, software licenses, bills, and gaming credits. Gamers can use Wavepoint to top up to Playmall.
- Wavevoucher : A prepaid card that gamers can purchase products and services online or through resellers, and top up games via Playmall.

Philippines :

- Sale via POS : Prepaid card and electronic @Cash can be purchased at many convenience stores including Ministop (prepaid card), 7-Eleven (prepaid card and electronic @Cash), and Cebuana Lhuillier (electronic @Cash).
- Sale via Debit Card : EON and PayMaya sells electronic @Cash, and gamers can easily pay with a debit card.
- Sale via Customized Platform : ALL SERVE distributes prepaid cards and Electronic @Cash, using ALL SERVE's billing system. Coins.ph, GCash, Shopee, and Lazada are new addition on the list.
- Sale on Web Platform : GAMEX sells Smart/Sun postpaid and prepaid load which can be converted to electronic @Cash. GAMER, similarly, sells Globe prepaid load which can be converted to electronic @Cash. Load Central, LoadXtreme, and Offgamers. Load Central and PONDO simply distribute electronic @Cash at partner outlets.

### 8.2.3 Competitive Strategy

The last few years have seen a drastic decline in PC gaming in terms of both users, revenue and numbers of publishers operating in this segment. That causes all publishers including ourselves to adjust our operations to react to these changes. Since last year, this segment has stabilized and the changes kill-off weak publishers and only the entity with a solid portfolio and community can survive, "survival of the fittest".

The rise of mobile was the main cause of PC decline, with many of the old publishers either rushing in too quickly with expensive products resulting from competitive nature of too many publishers running after too few mobile titles, cause the costs of acquisition to escalate and most products failed hence leaving many publishers weakened and eventually exited the market.

With the stabilization of the mobile segment and reduced number of publishers, the new environment is much more conducive to acquiring and launching products that have better traction as well as increases the chances of making good ROI.



### Investment Diversification to Countries with Online Gaming Business Potential

The number of PC games especially classic titles have become much more readily available for us to acquire, to which we did and with better than our expected results, we will continue to acquire contents in this segment to form the foundation of Asiasoft operations. One strategy for Asiasoft in 2019 was pushing into 2 new markets, Indonesia and Myanmar. Indonesia proves to be a challenging market due to its fragmented geography as well as language and culture, as such we have launched Ran Online and achieve expected results and form the foundation for a much bigger push in 2020.

Myanmar, with very new infrastructure and challenges, will prove to be challenging, however, its a market that has up and coming potential for the future as such we wanted to make sure Asiasoft set-foot and grow our capability there ready for bigger push once all the eco-system start to fall into place.

### Increasing the Number of Online Games and Continuously Updating Versions of Existing Games

In 2019, the Company offers 32 online games in five countries. The Company collaborates with online game developers and distributors to continuously update versions of the existing games. In addition, the Company seeks out to procure various types and ranges of new games to offer in each country to satisfy customers' needs.

Our strong operational capability across Southeast Asia increasingly proves to be a major advantage. Developers now believe in single client multi-language and single server for all Southeast Asia. So that they only need 1 team to support us rather than working with many other publishers with different versions, hence substantially reduces their costs and making the launching of new or classic title much more viable. This is a major advantage which we will exploit much more deeper in 2020 and forward, applicable to both PC and Mobile platform.

### Continuously Strengthen the Market Position by Embracing a Customer-centric Approach

The Company continuously strengthens the market position by focusing on four strategies to differentiate from competitors and maintain the position as the leading online game operator in the region.

- Offering top online games that are well-known and popular in overseas markets : The Company believes that games that are well-known and popular in overseas markets have outstanding features both in terms of design and content, which will increase the chance of the Company's success in marketing to targeted countries.

- Offering online games that were once popular : The Company recognizes that these games still have a large fan base that awaits their return. Updated overall contents and features must be relevant to the current lifestyle and behavior of customers so that marketing strategies can support the chances of increasing revenue and expanding the customer base. In the past year, the Company introduced these games and were met with much success in several countries.
- Marketing activities directly to target customers : The Company has a strong database of gamers and it uses marketing efforts to attract its current user base to its new games, as well as continually expanding the Company's customer base. Such marketing activities include promotion during the launch of new games, retaining current users via in-game competition and special seasonal activities as well as offline marketing activities such as meetings and parties among gamers, sends e-newsletters to introduce new games and supports CSR activities.
- Expanding the distribution of refill payment channels to increasing coverage : The Company plans to increase regional coverage of payment channels by focusing on expanding new payment channels, hence updating or increasing new options to correspond with the changing lifestyle and behavior of consumers. By having more payment channels, the operational cost for the Company is reduced, gamers gain more convenience, and the Company gains a more competitive edge. Moreover, distribution channels for refilling is a good channel for marketing activities, i.e. promotions or co-promotions, using media support from payment partners to introduce new games to the target gamers.

#### Marketing Activities to Promote the Sale of In-game Items

As most of the online games service operated by the Company takes a business model of free-to-play games. The Company's revenue is generated through in-game item sales and focuses on efforts to encourage gamers to purchase in-game items regularly. For example, through monthly in-game promotions, Item Shops and Item Mall on websites, refill promotions with payment channel distributors and promoting via media that the Company owns.

### Effective Online Game Information Center

An online game information center is an important tool to help gamers play game smoothly and continuously resulting in gaining their trust in using services provided by the Company. Brand loyalty is reflected in the increase in play time, and item sale. The Company offers information via the following channels.

Country	Service Channel	
Thailand	Call Center	(9.00 - 23.00)
	E-Support*	(24 hours)
	Live Chat	(9.00 - 23.00.)
	Facebook Fan Page	
Malaysia	iBox*	(24 hours)
	Live Chat	(11.00 - 20.00)
	Facebook Fan Page	
Singapore	iBox*	24 hours)
	Live Chat	(11.00 - 20.00.)
	Facebook Fan Page	
The Philippines	iBox*	(24 hours)
	Facebook Fan Page	
Indonesia	Call Center	(9.00 - 17.00)
	Line@	(9.00 - 17.00)
	Telegram Messenger	(9.00 - 17.00)
	WhatsApp	(9.00 - 17.00)

\*Enquiry System

The Company continuously develops and improves the efficiency of all services including acquiring and developing personnel, maintaining a system to be sufficiently effective in serving gamers corresponding to their lifestyle, and gaining satisfaction from gamers - the most important customers of the Company.

### IT Infrastructure in Online Gaming Services Development

In online gaming, the connection between the player and server must be effectively established. The IT infrastructure must be effective and secure so as to assist the interaction in the gaming world to go smoothly, continuously, and speedily - considered as the heart of online gaming. Therefore, the Company has continuously invested in the development of IT infrastructure and security. Moreover, the Company has set up a team to analyze and develop all related systems every year in order to update game features and services to become more user-friendly.

The Company recognizes an importance of the management of IT security management system which includes the whole process of internal operation of all teams and all systems relating to providing services to customers. The Company is the first online game service operator in Thailand to obtain ISO/IEC 27001:2013 (Information Security Management System : ISMS). ISO/IEC 27001:2013 is a standard defined by the renowned and reliable international ISO (The International Organization for Standardization) and IEC (The International Electrotechnical Commission). These two organizations are responsible in setting up standards for information security management system that all companies use for both internal and external services. These standards may be applied to all types of industries and businesses.

#### Reasonable and Competitive Online Gaming Service Fee Rates

It is the Company's policy to set up reasonable rates of online game service fee for customers in each country. The Company allows customers to play games for free and charges for its services through the sale of in-game items. This is to increase the competitiveness of the Company against other operators in the same industry and in other entertainment industries. At the same time, such rates must generate a good return for the Company. The Company does not have a policy to set service fee rates lower than competitors, or to engage in price war.

#### Development of New Business Channels

The Company has set up a policy in developing new business solutions to keep up with the moving trends of consumer behavior and preferences including their behavior concerning internet and applications. The focus is on providing convenience of the Company service's access, i.e. online games, newsletters, and prizes from games. All these aspects help create relationships with the Company's services and thereby increases communication channels with the target groups, business partners, and developers who want to gain entry into Southeast Asia markets under the PlayPark platform.

### **8.3 Industry Trends and Competition**

#### **8.3.1 Overview of Southeast Asia Online Gaming Market**

The Company's main target for our online entertainment service is in the Southeast Asian region, which consists of 5 countries: Thailand, Singapore, Malaysia, Indonesia, and the Philippines. The growth rate of internet users spiked tremendously in recent years, resulting in an increase in the pool of online gamers. Meanwhile, with the advancement in technology and infrastructure, the cost of high-speed internet is also becoming more affordable even for the new emerging markets in Southeast Asia. The rate of growth of smartphone users in the region has also increased steadily in recent years. These are all the supporting factors of the growth of the gaming industry in the region.



Moreover, operators in the online games industry enjoy a number of advantages over operators in other online entertainment industries such as offline PC games, arcade games, movies, music, and karaoke. Some reasons include :

- Online games are cheaper and easily accessible : Online games can be played anywhere, as long as the user has access to a stable and smooth running internet connection. Compared to other entertainment services, the online games industry in the region sees an optimistic trend of a decreasing cost for playing online games and the improvements in technology and infrastructure to support online gaming from home.
- The majority of online gamers use the services on a continuous basis : The nature of the relationship a gamer has with the game is relatively stronger than that many of the other entertainment products. The attachment to a game usually develops from a gamer's commitment to the game (especially for MMORPG titles), and competitions and contacts with other gamers. For instance, the time and money spent in the game are common reasons for online gamers to continually support their favorite game services.
- The spread of personal computers and internet connection : Prices of personal computers with higher specifications have come down making it easier for consumers to own and to play games with high graphic resolution. Internet providers compete on price and constant speed delivery making it widely accessible – reducing difficulties in reaching consumers.
- Low intellectual property infringement problems : Problems with intellectual property infringement in the entertainment industry such as songs, offline PC games, computer programs, and other entertainment rights continue to be the challenging problem for operators in this region impacting operational results to the point that they cannot continue to be in business. Online gaming operators face less of these problems as the components of the program are based on operators' servers. Gamers must connect online with the servers in order to play thus the problem with intellectual property infringement is not as severe as other offline products such as CDs, DVDs, or game cassettes which are easy to copy and distribute.
- “Mobile first” era : The changing from PC to smartphones in 2018 makes the online gaming industry grow significantly especially in the Asia Pacific, valued at 2.499 trillion baht, or 52% of the global gaming industry. The growth trend of mobile online games resulted from the entry of Chinese smartphone brands with high specifications and low prices, evidenced from sales of Oppo, Vivo, and Xiaomi with over 500,000 units sold, close to the number of units sold by Samsung. Gamers can access games easily without technology limitation and will cause gamer based to continue growth into the future. The growth of mobile games in 2019 is forecasted to reach 1.365 trillion baht.

### 8.3.2 Overview of Online Game Industry in Thailand, Singapore, Malaysia, Indonesia, Philippines, and Vietnam.

The Company provides online game services in 6 countries : Thailand, Singapore, Malaysia, Indonesia (PT Asiasoft) and the Philippines through our subsidiaries as well as through our partnership with strong local partners like Vietnam (Dzogame) and Indonesia (Wavegame).

The online and mobile game industry in these countries is growing at an exponential rate. In recent years, the region has seen the highest growth in the mobile game market, specifically in Indonesia, Thailand and Malaysia, resulting from the increase of mobile internet usage and smartphone usage. However, the competition in the industry today is increasingly intense due to the entry of foreign developers launching products in our mobile game market.

Thailand continues to be the online gaming market with the highest value in Southeast Asia, followed by Vietnam, Indonesia, Singapore, and Malaysia. Esports trend has increased awareness in the last couple of years resulted from the inclusion of the Esports as one of the competitive sports in the Asian Games, and the government's approval to set up Thailand Esports Federation which creates mass awareness and acceptance from consumers, government and private sectors, leading brands in various industries, even from a leading football club in Thailand to participate and get more involved in the online gaming industry. Unlike in the past, the Esports competition is not limited to the PC platform only. The trend for Esports extends to the mobile platform and it is clearly seen to be moving in the same direction for all countries within this region.

Although E-Sport games dominate the mobile game landscape as well as the definitive genre to gain mass public awareness, its challenge for developers and publishers alike. It's a Winner Takes All segment, due to the inherent nature of these games, that require a large user base, yet offer low pay user ratio and small pay amount per user. Resulting in the need to acquire a large user base in order to make the product profitable. This sharply increases costs of acquisition and combined with high License Fee especially for a product with good IP and track records developer, means much higher risks for developers and publishers alike, as such, there are rarely any of these genres are being developed by reputable studios. There are a handful of potential developers that can create products which can offer competitiveness with products entrenched in the market, namely, Blizzard, Riot, EA, Epic with their famous IPs. These developers are working at chipping away the dominant mobile Esports players in the market.

On the other hand, segments that Asiasoft traditionally been strong in are MMORPG and SLG/RTS which throughout Southeast Asian market are either 2nd or 3rd in terms of revenue generated by each market.

### Market Statistics

Statistics (by Million)	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
Population	269.5	32.5	108.1	5.9	69.3	97.4
Online Population	91	27.6	70.9	5.1	40.1	55.4
Game Enthusiasts	62.6	20.2	46.7	3.6	30.4	39.3
Gamers	55.1	19.1	43.4	3.4	27.8	36.5
Paying Gamers	33.5	10.3	22.6	1.5	16.3	21.4
Games Revenues (USD)	1,404	698	587	321	777	531
Annual Spend/Payer (USD)	41.96	67.97	26.00	211.62	47.60	24.87

\*Reference : Newzoo

### Gamers Per Segment

Gamers (by Million)	Indonesia	Malaysia	Philippines	Singapore	Thailand	Vietnam
Browser PC Games	16.4	9.8	21.7	2	11.7	7.6
Downloaded/Boxed PC Games	23.4	12.1	23	2	14.7	9.8
Smartphone Games	49.5	17.3	38.6	3.1	24.2	34
Tablet Games	10.9	4.3	10.4	0.6	6.3	9.5
Console Games	15.3	7.7	14.3	1.7	10.6	5.3

\*Reference : Newzoo

### Revenue Forecasts Per Segment

Revenue Forecasts (USD M)		Browser PC Games	Downloaded/ Boxed PC Games	Smartphone Games	Tablet Games	Console Games	Total
Indonesia	2018	58	138	674	126	86	<b>1,082</b>
	2019	58	156	948	148	94	<b>1,404</b>
	2020	57	172	1,209	169	104	<b>1,711</b>
Malaysia	2018	30	151	316	53	84	<b>634</b>
	2019	26	163	365	57	87	<b>698</b>
	2020	22	172	486	64	99	<b>843</b>
Philippines	2018	30	90	253	49	38	<b>460</b>
	2019	29	106	353	57	42	<b>587</b>
	2020	27	123	457	62	46	<b>715</b>
Singapore	2018	6	63	156	46	49	<b>320</b>
	2019	4	69	150	47	51	<b>321</b>
	2020	3	75	157	50	54	<b>339</b>
Thailand	2018	41	126	379	63	57	<b>666</b>
	2019	41	141	461	73	61	<b>777</b>
	2020	40	157	555	82	66	<b>900</b>
Vietnam	2018	23	115	274	35	25	<b>472</b>
	2019	23	127	316	39	26	<b>531</b>
	2020	22	138	379	43	27	<b>609</b>

\*Reference : Newzoo



### Personas by Gender

Personas (%)	Indonesia		Malaysia		Philippines		Singapore		Thailand		Vietnam	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Ultimate Gamer	19	17	18	9	11	8	14	6	15	12	19	12
All-Round Enthusiast	7	4	6	7	4	2	9	5	8	5	10	5
Cloud Gamer	16	18	27	19	24	17	22	17	28	22	27	25
Conventional Player	1	1	2	1	2	2	4	3	1	1	1	1
Hardware Enthusiast	10	5	10	7	11	7	10	7	8	7	11	8
Popcorn Gamer	27	26	17	24	28	31	15	14	22	26	19	32
Backseat Viewer	12	12	5	6	8	6	6	4	8	9	8	6
Time Filler	8	17	15	27	12	27	20	44	10	18	5	11

\*Reference : Newzoo

### Industry Trends and Competition in the Online Gaming Market in Thailand

Overall, the online gaming market in Southeast Asia in 2019 has grown with a value at 667 ML US dollars, or 16.6%, and 777 ML US dollars (Reference Newzoo). In 2019, the growth for online PC games remained constant with the growth deriving mostly from the mobile platform. The number of service providers have decreased from 24 agencies in 2018 to 21 agencies in 2019. The number of games have decreased from 61 games in 2018 to 50 games in 2019. There were new 6 PC games launched in 2019.

Major contributing factors to the growth of the online game business in Thailand are as follows :

- Growth of Broadband Internet Service : In the past 3 - 4 years, the high-speed broadband internet service business has been growing rapidly due to intense competition among the service providers due to the improved technology of fiber optics which has better quality with lower prices. Recently, the service of high speed internet was charged at around 599-799 baht per month for 200-1,000 Mbps. As a result, broadband access became widely popular and highly adopted. As online gaming requires speed for downloading data and to make the game experience more enjoyable, the availability of broadband internet service has increased the attachment to online games as well as expansion into an untapped market of customers who are new to online gaming.

- **The Growth of Competitions in the Smartphone Market :** In the smartphone market, the competition is on quality development and technologies, especially phones at prices of 3,000 - 7,000 baht which are expected to offer different functions with high quality. As a result, mobile gaming has become popular.
- **The Growth of Mobile Gaming Market :** In 2019, there were over 300 mobile games launched in Thailand, with a market value at 22,000 million baht. The growth has continuously been climbing up due to different factors. In 2019, there were 92.33 million mobile phone numbers (133%) of the population. 99% of them used 3G/4G services. In a way, online games are much more convenient and easier to access. In addition, there was an increased preference of using internet on smartphones for social media (69%), mobile shopping (74%) and online shopping for products and services (85%).
- **Variety of Available Online Games :** Improved graphics and features of online games increases enjoyment and pleasure of gamers as well as its rapid growth in the market. There have been many new games with high quality graphics and features which significantly attract target gamers' interests to try these games.
- **Continuous Development of Esports :** Esports is part of online gaming ecosystem. Since 2017, the government recognized Esports as an official sport and approved the set up of Thailand Esports Federation (TESF) under the Sports Authority of Thailand. At present, some gamers have become professional and entered competitions, and creating new careers such as voice artists, team / club coaches and managers, competition operators, etc. This has created Esports industry with a market value for moreover billion baht. In 2018, both government and business sectors have gained more interest in taking part in this industry in order to make profits and added values of their products and services to their target customer groups. Accordingly, the industry has become more recognized in the society.

#### Industry Trends and Competition in the Online Gaming Market in Singapore

Singapore serves as the gateway to Southeast Asia and is the regional HQ for a growing number of game developers and publishers. Leveraging on the strong IT Infrastructure and ready access to a global talent pool, Singapore continues to promote the development of digital technologies and innovation.

2019 saw the continued expansion of Chinese game companies into Singapore. Netease and Alibaba Games joined major global game publishers such as Ubisoft and Riot, in establishing regional operations out of Singapore. Major initiatives in gaming, including the formation of the Global Esports Federation (GEF) and the announcement of Gamescom Asia (Singapore- Oct 15 2020) show increasing mainstream adoption.

As one of Southeast Asia's most developed economies, the game sector is similarly more mature in comparison. Singapore's game sector is estimated at USD322M in 2019 (Reference Newzoo), a modest +0.9% growth from 2018. Growth in 2020 is primarily driven by mobile games where increasing 5G network capabilities offer opportunities in higher performance mobile games as well as cloud gaming.

#### PC Online Games :

- All new PC online games published in 2019 were regional or global titles encompassing Singapore's scenes.
- MOBA games continue to dominate, with Valve's DOTA and Riot's LoL taking significant market share.
- MapleStorySEA reaches 14 years of service and retains leading position in the MMORPG category.

#### Mobile Games :

- Singapore ranks 17th globally in mobile revenue (Reference AppAnnie), with USD 232 million generated in 2019.
- Mobile Legends Bang Bang (Moonton), Rise of Kingdoms (Lilith Games) and MapleStory M (Nexon) were the outstanding performers with over USD 6 million each.
- Only 5 of the Top 100 grossing games were released in 2019

#### Industry Trends and Competition in the Online Gaming Market in Malaysia

#### PC Online Games :

- For PC game trends, the major hype is still leading with E-sport title.
- In regards to Esports, in the previous half quarter of the year 2019 it was featured and endorsed by the government of Sports and Education. Following the trend, major colleges have begun to include Esports and tournaments as a valid extracurricular activity. It is also a factor for business opportunities as a means for branding and awareness.
- The Malaysian Government will allocate funds of RM 20 million EACH via MDEC (Malaysia Digital Economy Corporation) to support and develop both the local Esports and digital content industries in 2020.
- The Malaysian Government will also be allocating funds of RM 25 million to promote more digital application pilot projects utilising fibre optic and 5G infrastructure.

#### Mobile Games :

- Foreign publishers dominated the market user base across almost all Southeast Asian countries. The barrier to entry on new competition is clearly explicit but considered low for mobile games.
- The Mobile game market has been dominated by Battle Royale and MOBA games (Esports ). In-line with Global trend.
- Compared to the PC gaming market, the mobile gaming market offers a variety of games in different genres, while Esports accelerates at a pace.
- There was a sudden increase in Q3 for Role Playing Games.
- Music is one of the opportunity genres in the Malaysian market as it still has room to grow.

#### Industry Trends and Competition in the Online Gaming Market in the Philippines

##### PC Online Games :

- Notable MMORPGs like RO closed their country service and merged with Southeast Asian service.
- Garena, GameClub closed local operations and migrated their games to other services.
- FPS, Battle Royale and MOBAs are still the most popular genre of games being played in the country.

##### Mobile Games :

- 2019 estimated smartphone penetration is 48.4% and Average Revenue per User (ARPU) is at USD 18.82. (Reference : statista).
- Estimated Game Revenue for the mobile market approximately exceeds USD 104 Million.
- Android OS has a majority market share at 82.52%, followed by iOS at 17.15%, other OS types (Nokia, Windows, Blackberry, and etc.) at .99%. (Reference : Statista)
- Action and Esports titles took the lead with 25% share.
- The Casual gaming market has dropped on the market share, having been left with 13% of the total share for 2019.
- Arcade and puzzle games hold market shares of 10% and 9% respectively.

#### Industry Trends and Competition in the Online Gaming Market in Indonesia

##### PC Online Games :

- In 2019, Esports is still the popular game. Many local gaming service providers had to close down their business. There were only 4 operators left offering 14 PC games in the market. Apart from that, gaming service operators overseas have taken a major market share.



- FPS, MOBA and Battle Royale games are popular among gamers. Their market shares were at 77 %, improved 10 % from 2017 while MMORPG faced 16 % decline.

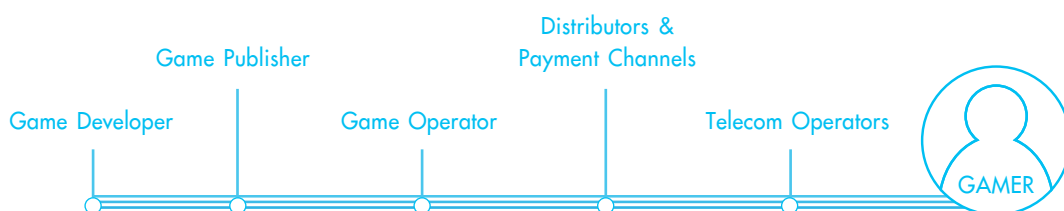
#### Mobile Games :

- There has been a significant growth on mobile gaming market. The most popular games are similar as of games in the PC market which are FPS, MOBA, and Battle Royale. The top 5 games making the most profits are the same games that had been launched before the year 2019.

## 8.4 Product and Service Procurement

### 8.4.1 Procurement Management for Distribution

The online game business comprises approximately five parties as shown in the chart - Starting with the Game Developer who designs and develops the game, then sells the game license or appoints a Game Publisher who finds the markets and sells the rights of game services to Game Operator in each area or country. At present, the Company operates as the Game Developer, Game Operator, and Distributor.

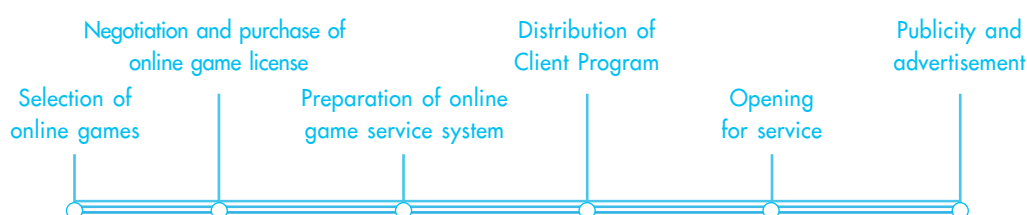


*The overview of parties in the online game business*

The Game Operator prepares server system for serving the areas under license. In collecting fees, the Game Operator sells prepaid cards to gamers via appointed distributors or agents or via a third-party payment method. The Internet Service Providers (ISPs) rent out internet bandwidths to enable communication and storage of game data among the servers of the Game Operator, internet cafes and gamers.

#### 8.4.2 Operating Procedures for Online Game Services

Regarding procedures of online gaming procurement, the Game Management Team of the Company is responsible for procurement and preparation of essential gaming services. The team is divided to take care of an individual game. There are 6 steps in providing online gaming services as follows :



*The Operating Procedures for the Provision of Online Game Services*

##### Selecting Online Games

To start, the team selects potential games from different sources, i.e. games that are popular overseas with the underlying policy on suitability of contents for the groups of customers and culture of the countries. The preliminary selection criteria include :

- Formats and contents that are creative, appropriate for the target customers and contain no extreme violence or sexually explicit contents.
- Interesting online games with contents that are different from contents already available in the market.
- The cost of license for the game is appropriate allowing the Company to profit from providing services.
- Compatibility of the online game system to the target groups' systems.

##### Negotiating and Licensing an Agreement of an Online Game

At this step, prices as well as terms and condition are negotiated and discussed. An agreement is drawn with either a game developer or game licensor.

##### Preparing an Online Gaming Service System

- **Server Infrastructure and Computer Programs :** The Company prepares its server system and computer equipment that meet specifications required by the game developer. In this regard, the number of servers required to support the online game services are estimated by the Company. The Game Developer then installs the online game programs prior to launch.

- Data Security and Connectivity System : the Company prepares and sets up basic setting of data security system of each game. Secured connectivity authorization is managed and set up for gaming only. A test of data security system is proceeded before the services are launched.
- Merging of Basic Systems : The Company prepared basic systems in which merging of the customer's database and game's database is required; for example, customer ID system of the Company to be used in the top-up system of a top-up card, supporting activities developed by the Company, promotion systems to entice purchasing of the Company's games.
- Client Program : The game management team modifies and updates the Client Program for installation in the gamers' computers before playing for the first time. The localization is also done at this stage. Contents are checked for errors and appropriateness and adjusted to suit the social context and gamer groups in each country. The gaming programs must be delivered to customers with full readiness and security.
- Building Websites : The game management team creates websites for online games as a source of information for gamers providing game play instructions, making payments, and servicing customers. The websites also serve as an advertising channel for the Company.
- Social Networking : The Company has created social medias & social networking sites to connect gamers together as well as deliver news, updates and promotions. Gamers are reached through digital marketing.
- Service Management : The game management team sets up a Game Master team system to monitor the gaming experience, facilitate and solve problems for gamers.

#### Client Program Distribution

The Company distributes programs to gamers by offering free downloads via game websites as well as the PlayPark EZ program which is developed in an aim to provide a more convenient channel to play the Company's games on a mobile game platform. For mobile gaming platform, gamers may download via App Store for iOS, and via Google Play for Android.

#### Launching Online Gaming Services

After the preparation has been completed, three phases are conducted at a launching stage.

- Internal Test : The game management team and the Company's staff test the online game from the server. Bugs and other problems are fixed before launch.

- Closed Beta : The game is released to a restricted number of gamers who register to play via the game websites. This free-of-charge game in test phase is used to find bugs and other issues to solve.
- Open Beta and/or Commercial : After the testing phases, the games are launched for gamers with cash item shops.

Three phases for a mobile games are as follows :

- Internal Test : The test is carried out through a test server by the team for further improvement before launching.
- Closed Beta : The game is released and available for interested gamers who register to join in. At the testing stage, the game is free of charge as it is carried out to check the stability of its server system and to gain feedback on the game for further improvement to meet customer needs and expectation.
- Commercial Launch : After the testing phases have been carried out, the games are checked for their quality before launching to official stores including Google Play for Android and App Store for iOS. After a quality check, They will be set for download availability through the official stores. Hereby, the launching processes are completed.

#### Advertising and Public Relations

Advertising and public relations are planned and launched to promote and build customer acknowledgement of online game launches with three stages :

- Pre-marketing : This involves an introduction of the games on game portals, online game. They are promoted through social networking sites and social medias, with a new fan page or group to communicate and engage to potential users before the games are available to public service.
- Launching : This involves advertising on game portals, online game websites, e-newsletters, and digital medias through various platforms to introduce the games.
- Promoting and Maturing : This stage emphasizes on both in-game and out-of-game activities. In-game activities include mini competitions, logging-in activities to get special items, etc. Out-of-game activities include meetings to create gamer engagement and to build good relationship between gamers and the Company's teams. National competitions are organized at premium internet cafes. News and updates are delivered and publicized through different channels include online game websites, social networking and medias, promotions from influences, casters, online advertising, or ad networking on different platforms.

### 8.4.3 Licensing Fees for Online Games

In providing online gaming services, the Company acquires game licenses from several game developers or game licensors to provide services as an exclusive distributor for the games in specific territories at the rates agreed by all parties. In general, a licensing agreement has 2 - 4 year terms counting from the commercial launch date, with an agreement for a renewal at the same rate and under the same conditions. In this regard, the game developers/game publishers shall terminate an agreement in case of a breach of the agreement by the Company and/or the Company faces financial difficulty, insolvency, inability to launch online game services on time. The licensing fee of online games are divided into 4 main types as follows :

- Initial Fee : This refers to a fixed fee paid upon the signing of the agreement or within a specified period.
- Monthly Fee : This refers to a fee charged based on the number of cash used of the games within the month.
- Minimum Guarantee : Some agreements may stipulate a minimum fee for the volume of the services provided in each month.
- Success Fee : The fee is charged based on the revenue reaching the agreed target.

It is noted that the types and amounts of licensing fee payable as well as the payment periods depend upon a negotiation between the Company and the game developer or game licensor.





## 9 RISK FACTORS

### 9.1 Risks from External Factors

#### 9.1.1 Risks from changes in the regulations, laws and government control

At present, the online gaming business is regulated by various governmental agencies. Ministry of Culture oversees online gaming licensing as well as censoring and rating of the game contents before public release. The Department of Intellectual Property, Ministry of Commerce oversees DIP code for CD and DVDs. Ministry of Digital Economy and Society enacted Computer Crime Act B.E. 2550 (2007) and added Computer Crime Act (No. 2) B.E. 2560 (2017) to deal with computer-related crimes. As for other countries : Singapore does not have constraints on the online gaming industry; Malaysia, Indonesia, and the Philippines do not have clear regulations controlling the online gaming and internet services including issuance of licenses, and content review. However, in 2019 China and South Korea have implemented the regulations to restrict the youth gamer, for example, to limit the playing hour and playing time of the gamer age below 18 years old at night time. Although Asian countries still not have this restrict rules and regulations, the Company is under consideration to apply this kind of rules. As a result, the Company deems that the loss of income from applying the restriction rules will not implicate the financial position because almost of the younger gamers are not playing game at night.

#### 9.1.2 Risks from game developers' lower dependency on service operators opting to provide own services

At present, there are many sizable game developers with own online game services. They are highly successful with many gamers from various countries in Southeast Asia. They choose to bypass the general practice of partnering with local online game operators.

However, there are many game developers with limitations in providing own services as having a successful operation requires many factors such as the understanding of local gamers' behavior, marketing and communications, managing gaming community, and direct meeting with customers. In addition, many game developers still want coverage in providing games to countries in Southeast Asia and simultaneously cover every country in the region. To achieve this, they still need to partner with companies that have the knowledge, understanding, experience and expertise in the business with the power to service every country in the region. To these points, Asiasoft stands out strong as there are very few operators who can provide services to as many countries based on the criteria mentioned herein.

## 9.2 Business Risks

### 9.2.1 Risks from market launch failure of the licensed games

In launching any online game, the upfront costs are quite substantial as they primarily consist of license fees, server systems, related computer equipment and marketing expenses. If the Company cannot generate revenue to exceed the amount invested, or in the amount forecasted, impact on the business performance and profitability of the Company in the future is definite. Therefore, if any online game appears to show lower-than-expected sale performance, the Company may consider writing off the license fee in full which in turn will likely have a direct impact on the Company's profit for that accounting period.

To increase the chance of success in providing online and mobile games, it is the Company's policy to consider selecting games with appropriate contents to the market's demand by using experience, the Company's procurement procedures, as well as carefully reviewing the games and gamers' target group before making any investment decision. In addition, the Company has defined a clear policy to diversify its sources of revenue into various online games licensing by launching more than one online game for each country.

During 2019, the Company offers a total 32 online games in 5 countries, 14 games in Thailand, 15 games in Singapore, 22 games in Malaysia, 7 games in Indonesia, and 10 games in the Philippines, with plans to continuously release new online games in the future.

### 9.2.2 Risk of Dependence on Internet and Service & Internet Data Centers providers

At present, Asiasoft's online-gaming affiliated companies rent the Internet Data Center (IDC) for their server and high-speed internet bandwidth operating systems from external ISPs providers as follows :

- Thailand : IDC and bandwidth services from True Internet Data Center Company Limited, 3BB, and AIS
- Singapore : IDC services from 1-Net Mediacorp and bandwidth services from StarHub and SGIX
- Malaysia : IDC and bandwidth services from IPServerONE Hosting
- The Philippines : IDC and bandwidth services from Philippine Long Distance Telephone Company (ePLDT) and Globe Telecom

If these ISPs are unable to provide good quality internet connection or discontinue their services, it could impact the online gaming services of the affiliated companies. Moreover, intermittent internet connectivity could negatively affect customer satisfaction and service experiences resulting in the Company's reputation and business performance in time.

Fortunately, these service providers are leading operators providing high-quality services in their respective countries. They, compared with international standards, have very high performing ISP redundancy and security systems. Additionally, there are more alternatives for such rental services including Cloud services, which provide more backup options for the companies in case of problems.

#### 9.2.3 Risks from not being copyright owners and/or online game developers

In providing online game services, the Company receives the right to distribute the games from various copyright owners, developers or overseas distributors for specified territories for a term of 2 - 3 years, from the date of commercial launch at the agreed rates. The copyright owners support services such as providing updates, creating patch files, and solving technical issues and bugs. The risks may occur from these owners terminating the copyright license agreements in case of breach of contract and/or not renewing the agreement at reasonable prices and conditions, and/or copyright owners' inability to provide technical support that may impact the operation, financial, and the future business performance of the Company.

The Company complies strictly to the copyright license agreement to mitigate risks from termination. It is the Company's policy to procure copyright license agreements from various online game developers or distributors whose reputation is widely recognized with the ability to provide support and service throughout the term of agreement. The renewal clause for online games with continuing popularity contains an option to renew with same prices and conditions. Agreements for MMORPG and Casual Games are customarily set for a period of 2 - 3 years.

#### 9.2.4 Risks from online game copyright infringement

At present, some operators illegally import online games that are rightfully licensed to the Company and install them on their servers using their own network to provide services at lower fees, potentially causing revenue loss for the Company. However, services provided through these illegal operators' servers are of poor quality both in terms of speed and ability to accommodate a large number of players simultaneously. Moreover, players are limited to play the games on the illegal network of servers and cannot access to play on the Company's network, therefore limiting the number of players in the community. In addition, operators infringing copyright cannot solve the bugs or technical problems in the game programs resulting in low acceptance among gamers. As a result, the Company deems that the loss of income from copyright infringement will not implicate the financial position. In order to lessen the risks of encountering these types of problems, the Company has set up a team to investigate and take legal action against operators who infringe copyright.

### 9.3 Risks from Majority Shareholders' Influence on the Policy and Management of the Company

Shares held by Mr. Pramoth Sudjitporn's group equal to 57.28% of the total paid-up capital (as of 31 December 2019) enabling the group to control the votes in the passing almost all of the resolutions at a general shareholders meeting, with the exception of special resolutions which, according to the law, require a passing of three fourths in number of shares held by those present and eligible to vote. Shareholders may not be able to gather enough votes to countercheck and offset matters proposed by majority shareholders. Moreover, majority shareholders have the controlling power with three out of six directors holding management positions in the Company. As such, the Company has appointed three independent directors who are outsiders to oversee the management and to look after the interest of the minority shareholders.

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# GENERAL INFORMATION

(As of 31 December 2019)

Company Name	Asiasoft Corporation Public Company Limited
Type of Business	Providing online entertainment services as an online game and mobile game operator in Thailand.
Head Office	9, UM Tower, 28 <sup>th</sup> Floor, Room 9/283-5, Ramkhamhaeng Road, Suanluang, Bangkok, 10250
Registered Number	0107550000050
Telephone	66 2769 8888
Facsimile	66 2717 4250
Website	www.asiasoft.net
Registered Capital	THB 532,840,120 divided into 532,840,120 ordinary shares with a par value of THB 1 each.
Paid-up Capital	THB 409,877,016 divided into 409,877,016 ordinary shares with a par value of THB 1 each.

## Companies in which the Company hold 10% or more of shares

(As of 31 December 2019)

Company Name	A Capital Company Limited
Type of Business	Investment Arm (Holding Company).
Head Office	9, UM Tower, 28 <sup>th</sup> Floor, Room 9/283-5, Ramkhamhaeng Road, Suanluang, Bangkok, 10250
Telephone	66 2769 8888
Facsimile	66 2717 4250
Registered Capital	THB 20,000,000 divided into 200,000 ordinary shares with a par value of THB 100 each. All shares have been issued and fully paid up.
Shareholding Status	99.99% of registered capital.



Company Name	Playpark Company Limited (Former name was Funbox Company Limited)
Type of Business	Online game business services.
Head Office	9, UM Tower, 28 <sup>th</sup> Floor, Room 9/283-5, Ramkhamhaeng Road, Suanluang, Bangkok, 10250
Telephone	66 2769 8888
Facsimile	66 2717 4250
Website	www.playpark.com
Registered Capital	THB 150,000,000 divided into 1,500,000 ordinary shares with a par value of THB 100 each. All shares have been issued and fully paid up.
Shareholding Status	99.99% of registered capital.
Note	This company was changed the name to Playpark Company Limited since 12 May 2014.

Company Name	Thaiware Communication Company Limited
Type of Business	Providing information and distributing software and IT service, including software download on the website www.thaiware.com
Head Office	69/6 Tung Hua Pug Building, B Tower, 4 <sup>th</sup> Floor, Room 3, Soi Suksa Wittaya, Silom Road, Silom Sub-district, Bang Rak District, Bangkok
Telephone	66 2635 0744
Facsimile	66 2635 0745
Website	www.thaiware.com
Registered Capital	THB 1,500,000 divided into 150,000 ordinary shares with a par value of THB 100 each. All shares have been issued and fully paid up.
Shareholding Status	40% of registered capital held by A Capital Company Limited.

Company Name	Skynet Systems Company Limited
Type of Business	Developing stock and security market trading platform application.
Head Office	9/283-285, UM Tower, Ramkhamhaeng Road, Suanluang, Bangkok, 10250
Telephone	66 2769 8888
Facsimile	66 2717 4250
Website	www.skynetsystems.co.th
Registered Capital	THB 6,136,400 divided into 61,364 ordinary shares with a par value of THB 100 each. All shares have been issued and fully paid up.
Shareholding Status	57.04% of registered capital held by A Capital Company Limited.

Company Name	Asiasoft International Company Limited
Type of Business	Investment Arm (Holding Company).
Head Office	9, UM Tower, 28 <sup>th</sup> Floor, Room 9/283-5, Ramkhamhaeng Road, Suanluang, Bangkok, 10250
Telephone	66 2769 8888
Facsimile	66 2717 4250
Registered Capital	THB 102,000,000 divided into 1,020,000 ordinary shares with a par value of THB 100 each. All shares have been issued and fully paid up.
Shareholding Status	99.99% of registered capital.
Note	Under liquidation.

Company Name	Playcybergames Company Limited
Type of Business	Online game business services.
Head Office	9, UM Tower, 28 <sup>th</sup> Floor, Room 9/283-5, Ramkhamhaeng Road, Suanluang, Bangkok, 10250
Telephone	66 2769 8888
Facsimile	66 2717 4250
Registered Capital	THB 20,000,000 divided into 2,000,000 ordinary shares with a par value of THB 10 each. All shares have been issued and fully paid up.
Shareholding Status	99.99% of registered capital.
Note	Under liquidation.

Company Name	Miryn Innovation Company Limited
Type of Business	Manufacturing and distributing as well as developing and operating the mobile application, mobile game, and computer software.
Head Office	140, One Pacific Place, 10 <sup>th</sup> floor, Room 1005-06, Sukhumvit Road, Khlong Toei, Bangkok, 10110
Telephone	66 2653 0330
Registered Capital	THB 20,000,000 divided into 2,000,000 ordinary shares with a par value of THB 10 each. All shares have been issued and fully paid up.
Shareholding Status	64.99% of registered capital.
Note	Under liquidation.

Company Name	Playpark Pte. Ltd. (former name Asiasoft Online Pte. Ltd.)
Type of Business	Online PC and mobile game business services in Singapore.
Head Office	3 Kim Chuan Lane #08-02/03, Goodland Group Building, Singapore 537069
Telephone	65 6291 6129
Website	www.asiasoft.net
Registered Capital	SGD 5,000,000, all shares have been issued and fully paid up.
Shareholding Status	100% of registered capital.

Company Name	PT. Asiasoft
Type of Business	Online game business services in Indonesia.
Head Office	Grand Slipi Tower 9 <sup>th</sup> Fl. Unit G No. 105, RT/RW 001/004, Province DKI Jakarta, City West Jakarta, District Palmerah, Sub District Palmerah, 11480
Telephone	621 8066 0900
Facsimile	621 8066 0901
Website	www.asiasoft.net
Registered Capital	IDR 31,744,520,000, all shares have been issued and fully paid up.
Shareholding Status	99.90% of paid-up capital.

Company Name	Playpark Inc.
Type of Business	Online game business services in Philippines.
Head Office	OPL Building, 6 <sup>th</sup> Floor, 100C Palanca St., cor Dela Rosa St., Legaspi Village, Makati City, Philippines
Telephone	63 2751 9600
Facsimile	63 2813 8966
Registered Capital	PHP 4,000,000
Shareholding Status	40% of paid-up capital.

Company Name	CIB Development Sdn. Bhd.
<b>Type of Business</b>	Online PC and mobile game business services in Malaysia.
<b>Head Office</b>	Suite C-06-01, 02, 03 & 3A, Level 6, Block C, Sky Park One City, Jalan USJ 25/1, 47650, Subang Jaya, Selangor Darul Ehsan, Malaysia
<b>Telephone</b>	603 5022 3020
<b>Facsimile</b>	603 5022 3028
<b>Website</b>	www.cib.com.my
<b>Registered Capital</b>	MYR 1,000,000, all shares have been issued and fully paid up.
<b>Shareholding Status</b>	61.68% of registered capital.

Company Name	CIB Net Sdn. Bhd.
<b>Type of Business</b>	Online PC and mobile game business services in Malaysia.
<b>Head Office</b>	Suite C-06-01, 02, 03 & 3A, Level 6, Block C, Sky Park One City, Jalan USJ 25/1, 47650, Subang Jaya, Selangor Darul Ehsan, Malaysia
<b>Telephone</b>	603 5022 3020
<b>Facsimile</b>	603 5022 3028
<b>Website</b>	www.cib.com.my
<b>Registered Capital</b>	MYR 1,000,000, all shares have been issued and fully paid up.
<b>Shareholding Status</b>	100% of registered capital held by CIB Development Sdn. Bhd.

## Reference Persons

### Registrar

#### **Thailand Securities Depository Company Limited**

The Stock Exchange of Thailand Building,  
93, Ratchadaphisek Road, Dindaeng,  
Bangkok, 10400, Thailand

Telephone 66 2009 9000

Facsimile 66 2009 9991

### Auditors

**Mr. Sompop Pholprasarn**

**CPA License No. 6941 and/or**

**Ms. Wannawat Hemachayart**

**CPA License No. 7049**

#### **MAZARS LIMITED**

1, Empire Tower, 12<sup>th</sup> floor,  
Room 1202-6, 1209-6, 1209-12  
South Sathorn Road,  
Bangkok, 10120, Thailand

Telephone 66 2670 1100

Facsimile 66 2670 1101

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# 11 INFORMATION OF SECURITIES AND SHAREHOLDERS

## 11.1 Company's Securities

As of 31 December 2019, the Company's registered capital was 532,840,120 baht, divided into 409,877,016 ordinary shares, and 122,963,104 warrants with a par value of baht 1.00 each, of which 409,877,016 baht is paid-up capital, divided into 409,877,016 ordinary shares with a par value of baht 1.00 each.

## 11.2 Company's Shareholders

Top Ten Company's shareholders were as follows :

Names of Shareholders	Number of Shares (as of the latest book closing date on 10 March 2020)	% Holding
1. Mr. Pramoth Sudjitporn <sup>(1)</sup>	189,197,907	46.160
2. Miss Saowalak Jitsamrit <sup>(1)</sup>	41,397,656	10.100
3. Mr. Taweechat Chulangkul	39,999,200	9.759
4. Mr. Tan Tgow Lim <sup>(2)</sup>	30,423,300	7.423
5. Mr. Lertchai Kanpai	10,777,800	2.630
6. Miss Seet Jing Huan, Jennifer <sup>(2)</sup>	6,000,000	1.464
7. Miss Toi Wa Dora Sung	4,100,000	1.000
8. Miss Poh Li Ang	4,100,000	1.000
9. Mr. Boonrat Panyawisitkul	3,636,700	0.887
10. Mr. Nutchatpong Peeradechapan	3,399,900	0.829

### Remarks :

(1) Mr. Pramoth Sudjitporn is a spouse with Miss Saowalak Jitsamrit.

(2) Mr. Tan Tgow Lim is a spouse with Miss Seet Jing Huan, Jennifer.

**List of major shareholders who, according to their conducts, were able to assert their influences towards the management policy and operation procedure of the Company with ulterior motives** (Shareholding groups or shareholders who owned over 10% and holding position as the Company's director or sending representative as the Company's director), is Mr. Pramoth Sudjitporn's Group.

### 11.3 Dividend Payment Policy

In general, if the Company has no funding requirement for additional investment or business expansion and has sufficient cash flow, the Company has a policy to pay dividend to shareholders of the Company and its subsidiaries of at least 30.0% of net profit of each company (according to each company's financial statements) after deducting corporate income tax, legal reserves and other necessary reserves on a half basis. The first dividend payment shall be paid as an interim dividend and the second dividend payment shall be paid as an annual dividend. Nevertheless, this dividend payment rate may be changed depending on the necessity and appropriateness, given that this change must provide the highest benefit to the shareholders. A resolution of the Company's Board of Directors regarding the dividend payment must be proposed to the Shareholder Meeting for approval, except for an interim dividend payment, which the Board of Directors may approve and then report to the next Shareholder Meeting.



## 12

# MANAGEMENT STRUCTURE

## 12.1 Board of Directors

As of 31 December 2019, the Company's Board of Directors had 6 members, all of whom have attended the Thai Institute of Directors' training programs, as follows :

Name	Position	At the Meeting During 2019
1. Mr. Tan Tgow Lim	Chairman of the Board	4/4
2. Mr. Pramoth Sudjitporn	Vice Chairman of the Board	4/4
3. Mr. Lertchai Kunpai	Director	4/4
4. Mr. Chalermphong Jitkuntivong	Independent Director and Chairman of the Audit Committee	4/4
5. Mrs. Monluedee Sookpantararat	Independent Director and the Audit Committee Member	4/4
6. Pol.Col. Yanaphon Youngyuen	Independent Director and the Audit Committee Member	4/4

Mrs. Monluedee Sookpantararat, the Audit Committee Member, has adequate expertise and experience to review credibility of the financial reports.

Ms. Chonthicha Sombatmongkol is the Secretary to the Board.

### Authorized Directors to bind the Company pursuant to its Certificate of Incorporation

Mr. Pramoth Sudjitporn, Mr. Lertchai Kunpai, Mr. Tan Tgow Lim, 2 of these 3 directors together sign and affix the Company seal.

### The principal power, duties and responsibilities of the Board of Directors

1. Overseeing, monitoring and managing the Company's operations to ensure that they are carried out pursuant to the law, the Company's objectives and the Company Charter and are in line with resolutions adopted at shareholder meetings on the basis of good corporate governance principles, and ensuring that action taken is in line with the rules and regulations prescribed by the SET and the SEC.

2. Determining or revising the list of authorized directors to bind the Company.
3. Setting policies, strategies and direction for the Company's operations and supervising the management to ensure effective and efficient implementation of the designated policies to create highest economic benefits to its shareholders and for the Company's sustained development.
4. Making decisions on important matters such as business plans, budgets, major investment projects, management authority and any other matters prescribed by law.
5. Appointing any sub-committee(s) or individual(s) e.g. Executive Committee, Audit Committee and Managing Director, to help in the monitoring, follow-up and supervision of the Company's management on matters which are substantial within the Board's jurisdiction. This includes evaluation of performance and determination of remuneration for the members of those sub-committee(s) or individual(s), or delegation of authority of any duration as is deemed expedient. Such authority may, however, be terminated, revoked, modified or revised by the Board.
6. Taking action to ensure that there is an efficient and effective system in place for internal control/internal audit and risk management and monitoring and following up those issues on a regular basis.
7. Preparing the Board's Annual Report(s) and taking charge of preparing and disclosing financial statements to give its shareholders information on the Company's financial status and its performance in the preceding year.

However, delegation of authority to the above sub-committee(s) or individual(s) shall not include any delegation of authority which will empower any of them to authorise a transaction between the Company or any of its subsidiaries and the above sub-committee(s) or individual, or their authorised representative with a possible conflict of interest of any kind. In addition, the Company is required to ask for prior approval from the Company's shareholders regarding the Company's entering into a connected party transaction and acquisition or disposal of its material assets in accordance with the SET applicable regulations. If any director or individual may have a conflict of interest (as stipulated in Notification(s) of the SEC and/or the SET), that director(s) or individual(s) shall not have a right to vote or be authorized to approve that transaction in any way.

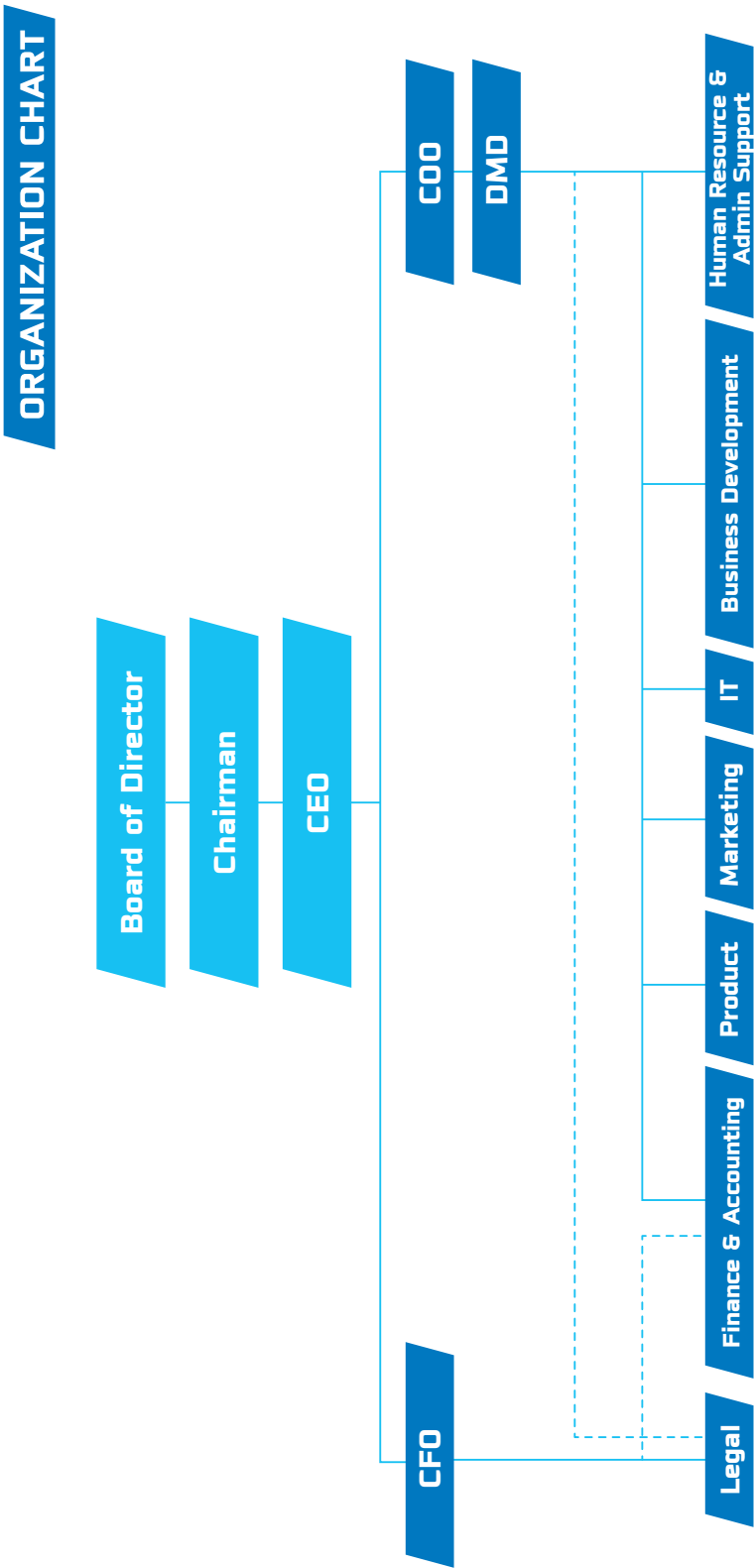
Moreover, the Board has delegated authority to any of the above sub-committee(s) or individual(s) to execute transactions concerning the Company's operations and investment in its normal course of businesses in which the scope of authority and financial limits, at each level, are clearly defined. Such delegation of authority may not be made without setting a financial limit.

## 12.2 Management (according to the definition of the SEC and the SET)

As of 31 December 2019, the Company's Management consisted of 4 executives as follows :

Name	Position
1. Mr. Pramoth Sudjitporn	Chief Executive Officer
2. Mr. Ung Chek Wai, Gerry	Chief Financial Officer
3. Mr. Quach Dong Quang	Chief Operation Officer
4. Mr. Kittipong Prucksa-aroon	Deputy Managing Director





### The principal power, duties and responsibilities of Chief Executive Officer

1. Supervising, monitoring and approving transactions/matters pertaining to the normal course of the Company's business and that of its subsidiaries to ensure that they remain in line with the Board's policies and decisions. It is also authorised to delegate authority, as considered appropriate, to the Managing Director, executives or one or several individuals in the Company and its subsidiaries to take any action relating to the Company's regular and daily operations and those of its subsidiaries.

2. Taking action and managing operations/activities involving the administration of the Company and its subsidiaries.

3. Taking any action in the normal course of the Company's business or that of its subsidiaries such as the purchase of goods and licenses, and investment in properties which does not exceed 20 million baht per each contract, and delegating authority for payments to personnel at executive levels in the Company and its subsidiaries to purchases, contractual hire/employment for properties and services for the benefit of the Company and its subsidiaries.

4. Delegating authority to the Managing Director, employees at the executive level or one or several individuals in the Company and its subsidiaries to take any action considered appropriate on behalf of the Chief Executive Officer (the CEO), discharging specific duties (such as purchases, employment, payment) under the CEO's supervision and within the timeframe the CEO sets. Such delegation of authority may be terminated, revoked, revised or modified by the CEO.

5. Taking action on behalf of and representing the Company and its subsidiaries to third parties in matters relating and beneficial to the Company and its subsidiaries.

6. Appointing advisors in various areas necessary for the operations of the Company and its subsidiaries within the budgetary framework authorised each year by the Board.

7. Carrying out any other duties which may be assigned to them from time to time by the Board or the Executive Committee.

The CEO will report directly to the Executive Committee. He or she must act in accordance with the guidelines and policies set by the Executive Committee.

Moreover, the CEO will have no authority to take any action or be involved in any transaction or matter between the Company or any of its subsidiaries and the CEO or his/her authorised representative with a possible conflict of interest of any kind. However, this rule may be waived if the authorisation involves a transaction which is to be undertaken on an arm's' length basis in the normal course of the

Company's business within the scope of his/her powers and/or financial limit set by the Board subject to the criteria, terms and procedure under the Company's articles of association and the applicable rules of the SEC.

The principal power, duties and responsibilities of the Managing Director

1. Supervising, monitoring and authorising matters pertaining to the normal course of the Company's operations to ensure they remain in line with the policies set by the CEO. The Managing Director is also authorised to delegate authority to executives or one or several individuals to take any action involving the Company's regular operations as he or she sees fit.

2. Undertaking action and managing operations/activities involving the general administration of the Company's affairs.

3. Employing, appointing, relocating, dismissing and terminating Company employees below the executive level as well as determining and adjusting their remuneration and bonuses, together with appointing individual(s) to represent the Employer on the Company's Provident Funds Committee.

4. Authorising action in the normal course of the Company's operations such as the purchase of goods and licenses, and investment in properties which does not exceed 10 million baht per each contract, and delegating the authority for payments to Company's executives to purchases, contractual hire/employment for property and services for the benefit of the Company.

5. Delegating authority to employees at the executive level or to one or several individuals to take any action considered appropriate on behalf of the Managing Director in order to discharge specific duties on his or her behalf (such as purchases, employment, payment) under his or her supervision and within the timeframe that he or she sets. Such delegation of authority may be terminated, revoked, revised or modified by the Managing Director.

6. Issuing orders, rules, announcements and memoranda to ensure that work is carried out pursuant to the Company's policies and in its interests and for the sake of maintaining order within the organisation.

7. Taking action on behalf of and representing the Company to third parties in matters relating and beneficial to the Company.

8. Carrying out any other duties which may be assigned from time to time by the CEO.

The Managing Director will come under the CEO's jurisdiction and will report directly to him or her. The Managing Director will act in accordance with guidelines and policies set by the CEO. Moreover, the Managing Director will have no authority to take any action in or relating to transactions or matters between the Company or any of its subsidiaries and the Managing Director or their authorised representative with a possible conflict of interest of any kind. However, this rule may be waived if the authorisation involves a transaction which is undertaken on an arm's length basis in the normal course of the Company's business and is within the scope of its powers and/or the financial limit set by the CEO, subject to the criteria, terms and procedure under the Company's articles of association and the applicable rules of the SEC.

### 12.3 Company Secretary

The Board of Directors' Meeting No. 5/2008 held on 13 August 2008 has the resolution to appoint Mr. Chalermchai Duphatsakul as the Company Secretary. He resigned from the Company on 1 October 2015. The Board of Directors' Meeting No. 5/2015 held on 11 November 2015 has the resolution to appoint Mr. Parinya Kaewmanee as the Company Secretary. He resigned from the Company on 15 February 2016. The Board of Directors' Meeting No. 1/2016 held on 26 February 2016 has the resolution to appoint Mrs. Ratana Manomongkolkul as the Company Secretary. She resigned from being a Company Secretary, which was effective on 31 May 2017. The Board of Directors' Meeting No. 2/2017 held on 12 May 2017 has the resolution to appoint Ms. Chonthicha Sombatmongkol as the Company Secretary, which was effective on 1 June 2017 and has the rights, duties and responsibilities in accordance with the laws as summarized following :

1. Prepare and keep the following documents :
  - a register of directors
  - a notice for calling director meeting, a minute of meeting of the board of directors and an annual report of the Company
  - a notice for calling shareholder meeting and a minute of shareholders' meeting
2. Keep reports of conflict of interest which are reported by a director or management.
3. Perform any other acts as specified in the notification of the Capital Market Supervisory Board.
4. Provide an advice on the related Laws, Regulations, and any Corporate Governance to all Director(s).
5. Conduct the Board of Meeting and Annual General Meeting.

6. Contact with the Regulator(s) such as, Office of Securities and Exchange Commission and The Stock Exchange of Thailand, and to comply with the Laws and Regulations, be responsible for disclosing and reporting information to the Regulator(s) and Public.

Ms. Chonthicha Sombatmongkol graduated Bachelor of Law from Thammasat University; Master of Law in International and Comparative Law from Chicago-Kent College of Law, Illinois Institute of Technology, USA; and Master of Law in Intellectual Property Law from Queensland University of Technology, Australia.

## 12.4 Directors and Management Remuneration

Directors' Monetary Remuneration in 2019 :

Director	Remuneration (Baht)	Meeting Allowance (Baht)
1. Mr. Tan Tgow Lim	396,000.00	-
2. Mr. Pramoth Sudjitporn	264,000.00	-
3. Mr. Lertchai Kanpai	264,000.00	-
4. Mr. Chalermphong Jitkuntivong	264,000.00	220,000.00
5. Mrs. Monluedee Sookpantararat	264,000.00	165,000.00
6. Pol.Col. Yanaphon Youngyuen	264,000.00	132,000.00
<b>Total</b>	<b>1,716,000.00</b>	<b>517,000.00</b>

Management's Monetary Remuneration in 2019 :

Position	Persons	Remuneration <sup>a</sup> (Baht)
Executives <sup>b</sup>	8	9,776,297.50 <sup>c</sup>

### Remarks :

<sup>a</sup> Comprising salaries, bonus, contributions to Social Security Funds and Provident Funds, overtime payments, and welfare benefits.

<sup>b</sup> As defined by the SEC and the SET, and includes Mr. Pramoth Sudjitporn, as the CEO.

<sup>c</sup> Remuneration were calculated by the actually work days, some management has resigned from the Company during the year.

■ ■ ■ ■



# CORPORATE GOVERNANCE

## 13.1 Corporate Governance Policy

The Board is aware of its role, duties, and responsibilities towards the Company and its shareholders, and has already approved written policies pertaining to supervision and monitoring of its operations. Criteria and operating guidelines have been set, in line with Principles of Good Corporate Governance of the SET to support the Good Corporate Governance in practice. Moreover, the Company must comply with the various rules and regulations prescribed by the SEC and the SET in every respect, and review its governance policies and evaluate the result pursuant to those policies at least once a year.

On 20 June 2007, the Board of Directors Meeting No.1/2007 resolved to create policies on the supervision of its operations, which will be used as guidelines. They can be divided into 5 sections, as follows :

### 1. The Rights of Shareholders

The rights of shareholders covers a variety of rights such as the right to purchase, sell, or transfer shares, the right to share in the Company's profits, the right to attend shareholder meetings, and the right to express an opinion and to participate in making important decisions in the Company. Such decisions include the selection of directors, approval of major transactions with a potential impact on the Company's direction, and revisions of the Company's Memorandum and Articles of Association.

It is the Company's policy to promote and facilitate the shareholders' exercise of their various rights, by such means as follows :

- Distribute information concerning shareholder meetings on the Company's website before sending out paper documents, and elaborating on the rights of shareholders in attending the meeting and voting.
- Where a shareholder cannot attend the meeting in person, he or she is given the opportunity to appoint an independent director or any individual as his or her proxy at the meeting by using any of the forms of proxy sent by the Company together with the convening notice for the meeting.
- Before a scheduled meeting date, shareholders are given the opportunity to send their opinions, recommendations and questions by e-mail to the Investment Relations Officer or the Board Secretary.

- The Company will arrange an appropriate time-slot for shareholders to make their comments and recommendation or raise questions freely on any agenda item before a resolution is adopted on that item. Adequate information has already been provided to shareholders for these meetings and the Company will arrange to have available staff who are well informed in each area under question, under the Board's supervision, to respond to any questions or doubts raised from the floor.
- All directors will attend the meeting so that shareholders may ask for further details or information on any relevant issues.

## 2. Equitable Treatment of Shareholders

It is the Company's policy to treat all shareholders equally and protect their rights in the interest of strengthening equitable treatment particularly for minority shareholders. For instance :

- Shareholders will be given equal opportunities and facilities. No action will be taken that will limit, violate or diminish their rights.
- The right to vote at meetings will be determined by the number of shares held by each shareholder at the rate of one vote for one share.
- Independent directors are assigned to take care of minority shareholders who may make recommendations, comments or complaints to them. These independent directors will give appropriate consideration to each issue. For example, in the case of complaints, they will establish the facts and decide a suitable remedy. In the case that the independent directors consider that the recommendation has significant impact on those with vested interests or on the Company's operations in general, that issue will then be submitted to the shareholder meeting for the shareholders' consideration.
- Shareholders will be encouraged to exercise their rights. For example, minority shareholders will be given the opportunity to add agenda items before the scheduled meeting date or to nominate directors. The agenda, however, may not be expanded without prior notice to shareholders.
- The Board has taken measures against insider trading by relevant parties including directors, executives, employees and employees of the Company involved with that information (including the spouses and non sui juris children of those individuals).

### 3. Role towards Stakeholders

The Company takes seriously the rights of all stakeholders such as customers, suppliers, employees or shareholders as well as the public and society overall. They will be treated by the Board in accordance with their rights, conditions, legal requirements and various related rules and regulations. Action will also be taken for co-operation between these various stakeholders according to their roles and duties to ensure smooth operations with stability and equitable returns for all parties.

To ensure that stakeholders receive their due, the Company has established an operating guideline in its Code of Conduct for Employees. The Code of Conduct has been distributed on the Company's website and internal communications media such as the Intranet and the PR Board. The directors, executives and employees at every level must adhere closely to the Code of Conduct in their work. In addition, channels have been opened for stakeholders to communicate with, and comment or provide information to the Board through independent directors.

- Shareholders : In its determination to achieve good performance, stable growth and competitiveness for the Company in the face of current and future risks, and to create added value for its shareholders in the long-term, it is the Company's duty to disclose information for the sake of equity and transparency such that it will endeavour to protect the Company's property and to preserve its good reputation to the best of its ability.
- The Company's Board of Directors : The Board is aware of the rights of all stakeholders and the action to be taken to treat all fairly and equitably.
- Employees : Employees are a valuable asset of the Company. Therefore the Company recruits people with the relevant skills and experience to ensure the Company's growth and satisfy its requirements. Human resource development is ongoing to ensure that staff competencies are maintained at a high level and that staff are appropriately and competitively compensated vis-a-vis leading companies. Moreover, the Company is focused on building up and reinforcing a good working culture and environment and treating its employees fairly on an equal basis. The Company looks after employees' security and welfare through its Provident Funds and its provision of loans to employees, arrangements for fire-drills, provision of safety/security systems etc.
- Customers : The Company focuses on customer satisfaction with its workforce of quality staff and excellent service together with its readiness to meet their demands. Customers are treated respectfully and responsibly and care is taken to keep information from them confidential. Customer feedback is encouraged with staff specifically assigned to receive complaints.

- Suppliers : The Company takes care to treat its suppliers in line with commercial terms and contractual obligations. Action is taken within a framework of fair competition avoiding cheating behavior.
- Competitors : The Company functions within a framework of fair competition and has always avoided dishonest measures that try to eliminate competitors.
- Communities, Society and the Environment : The Company fully cognizant of its role as a part of society with a commitment for its well-being, public activities is supported in the interest of developing communities and the Environment. Our online game services are provided with a serious commitment to Society as it is the Company's policy to provide games with suitable content without violence and with appropriate warnings in its games and advertisements. Seminars are arranged to encourage players to spend their time appropriately and to play their games properly. The Company is the first online games operators in Thailand to provide an age-classification for each game in accordance with the State's age-classification policy. It also makes a Game Master available for each game in order to check and monitor gamers' various activities in the games and to ensure that no violence, gambling or other inappropriate activity is involved. Moreover, its online games services help to build gamers' computer skills and expand the internet usage and internet network infrastructure, enabling the public to easily access data and various information. In addition, online games developed by the Company have contributed to the development of Thailand's R&D in software and animation.

#### 4. Disclosure and Transparency

Besides making complete and timely financial disclosure or disclosure of other information to the public via various channels in strict compliance with the law, the Company shall also make the following disclosures to show the transparency of its operations :

- Disclosure of information concerning performance by various sub-committees such as the frequency of their meetings.
- Disclosure of guidelines in recruiting directors, relevant evaluation guidelines and evaluation of the Board's performance.
- Disclosure of remuneration policies for directors and high-level executives as well as the form, manner and amount of remuneration received by each member of the various sub-committees.
- Disclosure of policies created for protection of the environment and in support of society, and the results of their implementation.

- Report on policies of corporate governance and their implementation.
- Opportunity for the public to raise any concern/query via the Investment Relations Officer.

## 5. Responsibilities of the Board, its Structure and Various Sub-committees

### The Board's Structure

The vision outlined by the Company is that : “We are determined to maintain our leadership in Online Entertainment Services involving online games in the Southeast Asian region, with a focus on providing efficient services, developing our personnel to support the services and expanding investment to other high potential countries in the region, under a transparent and accountable management pursuant to the principles of Good Corporate Governance”. To realize this vision, the Board strives to maintain the highest ethical standards within the framework of the law, the Company’s objectives and its Charter as well as resolutions adopted at shareholder meetings with commitment, honesty, integrity and prudence in line with good operating practice so as to deliver highest economic value to the Company and maximum stability to shareholders.

The Company’s Board of Directors comprises of people who have knowledge, skills and experience drawn from a variety of professions in the areas of PC games, online business, finance, marketing, law, management, IT and other fields beneficial to the Company’s work. The Board is free to decide in the best interests of the Company and its shareholders overall. This Board has played a part in determining (or approving) the Company’s Vision, Mission, Strategies, Targets, Business Plans and Budgets as well as supervising the performance of its management to ensure effective implementation of the Business Plans and Budgets for the greatest economic benefit for the Company and maximum stability for the shareholders. Action has also been taken to ensure that there is a process for regular evaluation of the adequacy of internal control, internal audit, risk management, financial reporting and follow-up of performance.

Currently, the Company’s Board of Directors comprises of 6 members, 3 of whom are executive and 3 are non-executive. Three members of the Board are independent directors which, therefore, exceeds one-third of the Board thereby giving an appropriate balance vis-a-vis executive directors. The Board has set up 2 sub-committees to help supervise operations of the Company, i.e. the Executive Committee and the Audit Committee which consists of 3 independent directors with a term of office of up to 3 years. The duties and responsibilities of those Committees have been expressly defined at previous shareholder meetings.

The Company has clearly separated the duties and responsibilities of its Board and senior executives. While the Board’s duty is to establish policies and supervise performance of high level

executives pursuant to those policies, it is the duty of high-level executives to administer the Company's affairs in various areas to ensure that these policies are implemented appropriately. The Chairman of the Board and the Chief Executive Officer must be two different individuals to ensure that there is a clear separation between the determining of supervisory policies and the administration of regular affairs. However, both of them will be representatives of majority shareholder groups, albeit different groups, which together constitute the Company's founders.

#### Remuneration for Directors and Executives

The Company has a policy of determining remuneration for its directors, both in monetary and non-monetary terms, openly and transparently. The remuneration shall be submitted for approval to the annual general meeting of shareholders. Criteria governing remuneration of directors are as follows :

- Appropriate and commensurate with the duties and responsibilities of each director.
- At a level capable of attracting and retaining quality directors with suitable ability and knowledge.
- Clear, transparent and easily comprehensible.
- Comparable to the remuneration of directors in the same or similar industry(ies).

The remuneration for executives will be determined by the Board, both in monetary and non-monetary terms, in line with the Company's performance and each executive's performance. They will be set at such rates as are adequately attractive to retain quality senior executives and shall be comparable to rates of other companies in the same grade or operating in the same line of business.

#### Board Meetings

Board meetings will be convened and conducted pursuant to the Company's Charter, the laws governing public companies and the rules and regulations of the SET with special meetings to be convened, where necessary. The Chairman of the Board, as chairman of the meeting, will support the exercise of prudent discretion and will allow enough time for the meeting to ensure that major problems may be submitted and discussed by management with due diligence. An invitation to the meeting, together with the agenda items and supporting documents, will be sent to the Board at least 7 days before the meeting. All directors will be required to attend every Board meeting except in the case of an emergency. Minutes of the meeting will be properly and correctly recorded by the Company and will be accessible by shareholders for verification.



### Report from the Board of Directors

The Board will be responsible for preparing the Company's financial statements including the Consolidated Financial Statements for the Company and its subsidiaries and the Financial Information to be presented in the Annual Report. Those financial statements will be prepared pursuant to the accounting standard generally accepted in Thailand based on appropriate, acceptable and consistent accounting policies. Discretion and care will be exercised to ensure that the Notes to the Financial Statements disclose adequate vital information.

### Self-evaluation by the Board/Committee Members

To enhance the efficiency of performance by its various Committees, arrangements are made by the Company to have members of each Committee evaluate their own overall performance so that they can together appraise and look at their performance and problems. Following this evaluation, the Board will analyse their performance and determine measures which will improve the Committees' efficacy.

### Development of Directors and Executives

The Company will support the attendance of its Board and senior executives at training courses which will be beneficial to their performance and will enable them to exchange opinions, on a regular basis, with Board members and senior executives of other organisations. Such courses include those arranged by the Company's employee training unit, units under the State's jurisdiction and independent entities such as Thai Institution of Directors. It is an SEC requirement that directors of listed companies attend at least one of these courses, e.g. Director Certification Program (DCP), Director Accreditation Program (DAP) and Audit Committee Program (ACP) so that knowledge and experience gained can be used for the Company's further development.

### Investor Relations

The Board takes care that adequate information is disclosed to its shareholders, investors and other relevant parties. That disclosure must be correct, complete, transparent, comprehensive and on-time pursuant to Good Corporate Governance principles. It must include financial reports, operating results and other related information as well as information which may have an impact on the pricing of its securities. Information and various newsletters will be distributed, through channels set up by the SET and the SEC including the Company's own website ([www.asiasoft.net](http://www.asiasoft.net)) and will help ensure that investors, shareholders and related parties can use the information in their investment decisions. The Company plans to set up an Investor Relations Unit to monitor and provide information and newsletters, and to answer queries raised by shareholders, investors, analysts and the public in general.

## 13.2 Committees

### Audit Committee

As of 31 December 2019, the Audit Committee had 3 members as follows :

Name	Position	At the Meeting During 2018
1. Mr. Chalermphong Jitkuntivong	Independent Director and Chairman of the Audit Committee	5/5
2. Mrs. Monluedee Sookpantarat	Independent Director and the Audit Committee Member	5/5
3. Pol.Col. Yanaphon Youngyuen	Independent Director and the Audit Committee Member	4/5

Ms. Chonthicha Sombatmongkol is Secretary to the Audit Committee which was effective from 1 January 2019.

### The Principal Power, Duties and Responsibilities of the Audit Committee

1. To review the Company's financial reporting process to ensure that it is accurate and adequate.
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 chief 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 non-management meeting with an auditor at least once a year.
5. To review the Connected 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's report which must be signed by the audit committee's chairman and consist of at least the following information :

- An opinion on the accuracy, completeness and creditability of the Company's financial report.
- An opinion on the adequacy of the Company's internal control system.
- An opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the Company's business.
- An opinion on the suitability of an auditor.
- An opinion on the transactions that may lead to conflicts of interests.
- The number of the audit committee meetings, and the attendance of such meetings by each committee member.
- An opinion or overview comment received by the audit committee from its performance of duties in accordance with the charter.
- Other transactions which, according to the audit committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors.

7. To perform any other act as assigned by the Company's board of directors, with the approval of the audit committee.

#### Executive Committee

As of 31 December 2019, the Executive Committee had 3 members as follows :

Name	Position	At the Meeting During 2019
1. Mr. Pramoth Sudjitporn	Chairman of the Executive Committee	6/6
2. Mr. Lertchai Kanpai	Executive Committee Member	6/6
3. Mr. Ung Chek Wai, Gerry	Executive Committee Member	6/6

#### The Principal Power, Duties and Responsibilities of the Executive Committee

1. Planning and determining policies, direction and strategies for the Company's operations to keep them in line with the targets set by the Board for further submission to the Board for approval.

2. Determining business plans, budgets and principles governing the operations to keep them in line with the targets set by the Board. It is also authorised to supervise and monitor the Company's operations to ensure that they are in line with the policies, business plans and business strategies approved by the Board, subject to the laws, any conditions, the relevant rules and regulations and the Company's Charter.

3. Determining the Company's organizational structure, management authority, remuneration policy and salary structure, as well as appointing, employing, relocating, terminating, and determining salaries, remuneration and bonus for employees at executive levels.

4. Taking any action in the normal course of the Company's business such as the purchase of goods or licenses or investment in properties which exceed 20 million baht but not exceeding 40 million baht per each contract.

5. Undertaking financial transactions with banks/financial institutions pertaining to the opening of accounts, lending and borrowing, procurement of credit lines, pledges, mortgages, provision of collateral/security including the purchase/sale and registration of title over land in the normal course of its operations, as considered appropriate, which does not exceeding 40 million baht.

6. Considering the Company's profits and loss so as to recommend to the Board whether an interim or annual dividend should be declared.

7. Delegating authority to one or several individuals to act on its behalf on any matter, as considered appropriate, under the supervision of the Executive Committee and for such period as it deems fit. Such authority may, however, be terminated, revoked, modified or revised by the Executive Committee.

8. Carrying out other duties as may be assigned from time to time by the Board.

In no circumstance will the above authorisation empower the Executive Committee or its authorised representative to authorise any transaction between the Company or any of its subsidiaries and the Executive Committee or their authorised representative with a possible conflict of interest of any kind. However, this rule may be waived if the authorisation involves a transaction which is entered into on an arm's length basis in the normal course of the Company's business and is within the specified scope of the Executive Committee's power and/or its authorised financial limit, subject to the criteria, terms and procedure under the Company's articles of association and the applicable rules of the SEC.

Moreover, the Board may revise, where necessary or appropriate, any of the Executive Committee's duties and responsibilities.

### **13.3 Recruitment of Directors and Top Executives**

Currently, the Company has no Nominating Committee for selecting directors. This matter is therefore left to the Board, which will select individuals and propose them to the shareholders based on a variety of factors such as their educational background, competencies and business experience. They must also be qualified under the Public Limited Companies Act, B.E. 2535, Notification of the

SEC and other relevant laws. Director selection will be made by majority vote at shareholder meetings in accordance with the following criteria and procedure :

1. A shareholder will be entitled to one vote for each share.
2. The vote to select directors will be done on an individual basis.
3. The person with the most votes will be selected as a director. If there is more than one vacancy, the persons with the most votes in descending order will be selected as directors. Where there is a tie, the Chair of the shareholder meeting has a casting vote.

Directors will be in office for a term of 3 years. At each Annual General Shareholders Meeting, one-third of the Board will retire with those who have been longest in office retiring first. A retiring director may be reappointed for another term.

For selection of Top Executives, the Board will consider and nominate the Top Executives by considering based on a variety of factors such as their educational background, competencies, business experience and their work responsibilities.

#### **13.4 Subsidiaries and Affiliates Governance**

The Company has sent the representatives to be director in subsidiaries and affiliates according to the proportion of shareholding of the Company. Such representatives have the rights to control the material transaction that is any material agreement or contract of subsidiaries or affiliates shall sign by director who is the representative of the Company. The representative of the Company who is nominated to be directors of subsidiaries or affiliates has the duty to do for the best benefit of such subsidiaries or affiliates.

In addition, in case is the subsidiaries, the representatives of the Company who is nominated to be director of subsidiaries shall manage subsidiaries to keep the information and accounting records in order to the Company can verify and collecting such information to prepare the consolidated financial statements in time.

#### **13.5 Monitoring the Use of Inside Information**

The Company has introduced a policy and measures to prevent the use of inside information which has not yet been disclosed to the public, for personal gain and securities trading :

1. Directors, executives, employees and workers within the Company must keep Company information and other inside information confidential.
2. Directors, executives, employees and employees within the Company may not disclose any confidential information or other inside information about the Company, or use it for their own gains

or those of others, whether directly or indirectly, and whether or not it is for compensation.

3. Directors, executives, employees and workers within the Company may not buy or sell, transfer or accept the transfer of the Company's securities through the use of confidential or inside information about the Company, or take any other action using that confidential or inside information which would cause the Company to suffer a loss, whether directly or indirectly.

Directors, executives, employees and workers of the Company who work in a unit which has acquired inside information should avoid buying or selling the Company's securities for 1 month before disclosure of its financial statements to the public.

This provision includes the spouses and non sui juris children of directors, employees and workers of the Company. It is a serious offence to breach this provision.

4. Directors and executives are required to report to the SEC any change in their holding of securities or that of their spouses and non sui juris children.

The Company will take disciplinary action against any of its directors, executives, employees and workers who breaches or fails to comply with the Company policy. The disciplinary action begins with a written notice and is followed by salary cut(s), unpaid temporary suspension from work and dismissal from employment, depending on the severity of the offence and the provisions in the Company's Charter informing all directors, executives, employees and workers of the disciplinary action.

Moreover, each director and executive has acknowledged in writing his or her duty to report his or her holding of the Company's securities and those held by his or her spouses and non sui juris children, and to report any change in such holdings to the SEC and the SET pursuant to section 59 and the penalty prescribed by section 275 of the Securities and Exchange Act, B.E. 2535.

On the subject of providing supporting data to its affiliates, the Company has prescribed procedures to prevent information leaking, such as requesting a signed Confidentiality Agreement and a ban against photocopying of documents without authorization.

### **13.6 The Auditor's Remuneration**

In 2018, Mazars Ltd. was the external auditor for the Company and subsidiaries both local and oversea (excluding five subsidiaries in Thailand which were audited by PYS Audit Co., Ltd. with the expense of 0.24 million baht; and a subsidiary in Indonesia, PT Asiasoft, which was audited by Jimmy Budhi & Rekan Registered Public Accountants, Indonesia, with the expense of 0.06 million baht; and a subsidiary in Malaysia, AS Online Sdn. Bhd., which was audited by Ari & Co. (AF 1351), Malaysia, with the expense of 0.01 million baht.)



In 2019, Mazars Ltd. was the external auditor for the Company and subsidiaries both local and oversea (excluding five subsidiaries in Thailand which were audited by PYS Audit Co., Ltd. with the expense of 0.10 million baht; and a subsidiary in Indonesia, PT Asiasoft, which was audited by Jimmy Budhi & Rekan Registered Public Accountants, Indonesia, with the expense of 0.06 million baht; and a subsidiary in Malaysia, AS Online Sdn. Bhd., which was audited by Ari & Co. (AF 1351), Malaysia, with the expense of 0.01 million baht.)

The following table shows the auditing expenses.

Expense Types	2019			2018		
	The Company	Subsidiaries (4)	Total	The Company	Subsidiaries (4)	Total
<b>Audit Fees (Baht)</b>						
- Statutory Financial Statement	1,952,500.00	1,222,243.84	3,174,743.84	1,775,000.00	2,805,723.35	4,580,723.35
- Review of Interim Financial Statement (3 Quarters)	660,000.00	1,296,091.91	1,956,091.91	600,000.00	-	600,000.00
<b>Total Audit Fees</b>	<b>2,612,500.00</b>	<b>2,518,335.75</b>	<b>5,130,835.75</b>	<b>2,375,000.00</b>	<b>2,805,723.35</b>	<b>5,180,723.35</b>
<b>Other Fees (Baht)</b>						
- Mazars Ltd.	53,530.00	71,510.03	125,040.03	167,680.20	83,344.40	251,024.60
<b>Total Other Fees</b>	<b>53,530.00</b>	<b>71,510.03</b>	<b>125,040.03</b>	<b>167,680.20</b>	<b>83,344.40</b>	<b>251,024.60</b>
<b>Total Fees</b>	<b>2,666,030.00</b>	<b>2,589,845.78</b>	<b>5,255,875.78</b>	<b>2,542,680.20</b>	<b>2,889,067.75</b>	<b>5,431,747.95</b>

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# CORPORATE SOCIAL RESPONSIBILITY

## CORPORATE SOCIAL RESPONSIBILITY

The mission of Asiasoft is “to inspire endless moments of FUN and excitement through virtual and live experiences”. To accomplish this mission, customer service is the heartbeat of our business. We highly aim to deliver professional and high-quality customer service with integrity and reliability. Hence, the Company is committed to improving and promoting quality customer service to ensure that our customers in the region get their online entertainment products and services with their fullest satisfaction. Aside from customer satisfaction, the company pays attention to principles of sustainable development and considers CSR as a critical role in integrating our company’s economic, social and ecological concerns into our business services and activities.

### 14.1 Economic Aspect

In driving the business, Asiasoft upholds a principle of Corporate Governance. Our organizational structure and operational processes were established based on this principle. It helps facilitates the Company towards our direction and operation in creating the highest value and promotes the company’s stability. The company’s corporate governance policies are set out as follows.

- Shareholder’s rights : shareholders are granted the right to ownership and the right to exercise control by appointing a board of directors as their representatives to supervise the Company for their best interest. Shareholders hold the right to decide important changes and matters in the Company. The Company encourages shareholders to exercise their rights.
- Equitable treatment of shareholders : each and every shareholder, management executives, non-management executive shareholders including foreign shareholders shall be treated equitably and fairly. Minority shareholders whose rights are violated shall receive compensation.
- Stakeholders’ roles : stakeholders shall receive equitable and appropriate treatment under relevant laws. It is the responsibility of the board of directors to set a process to promote cooperation between the Company and its stakeholders in building prosperity, financial stability and business sustainability of the Company.
- Information disclosure and transparency : the company’s Board of Directors shall recognize the importance of the disclosure of both financial and general information which is deemed material that the information shall be correct, transparency and on timely basis through fair & trustworthy easy-to-access channels.

- Board responsibilities : the Board of the Directors plays an important role in good governance for the best interests of the Company. The board is directly accountable to the Company's shareholders and independent of management.

Asiasoft is again listed in a “Good” recognition level (with an average score of 70 - 79) in the Corporate Governance Report of Thai Listed Companies (CGR) 2019 published by Thailand Institute of Director (IOD). The Institute assesses the corporate governance practices of companies with 241 assessment criteria classifying into the 5 abovementioned categories.

In 2019, the Company was selected one of the listed companies and achieved a score of 93% from the evaluation of the quality of Annual General Meetings of Shareholders for the year 2019 conducted by the Thai Investors Association. The score was better than of the last year. The average score of the evaluation of listed companies in 2019 was at 93.70%. In 2018, the Company gained a score of 89% while the average score of that year was at 92.42%.

Groups of stakeholders that are directly and indirectly related to Asiasoft business can be classified as follows.

Major Stakeholders	Policies and Strategies	Methods and Channels
Customers : Gamers	<ul style="list-style-type: none"> <li>• Select high-quality games and services that match their needs and preferences.</li> <li>• Keep updating products and services.</li> <li>• Take full responsibility in protecting data of customers with highest security.</li> </ul>	<ul style="list-style-type: none"> <li>• Conduct a customer satisfaction survey.</li> <li>• Provide services through a call center, live chat and via website contact.</li> <li>• Work under the ISO 27001:2005 framework with a 24-hour maintenance for service readiness.</li> </ul>
Staff	<ul style="list-style-type: none"> <li>• Consider staff as the company's family members.</li> <li>• Provide good welfare and benefits.</li> <li>• Create a nice working environment.</li> <li>• Always have office equipment maintenance for work readiness.</li> <li>• Provide equitable treatment with no deprivation or partial treatment.</li> <li>• support their career advancement</li> </ul>	<ul style="list-style-type: none"> <li>• Provide different internal communication channels to foster correct understanding.</li> <li>• Create activities to build good relationship among staff members.</li> <li>• Set the “Town Hall Meeting” to promote regular meetings between management teams and staff members.</li> <li>• Conduct a staff survey to check their satisfaction on welfare and activities provided.</li> <li>• Consider internal staff promotions before recruiting an external employee.</li> <li>• Provide a training to promote and improve staff's skills and competency.</li> </ul>

		<ul style="list-style-type: none"> <li>● Provide a staff recreation area</li> <li>● Organize different health-promotion activities.</li> </ul>
Internet Cafe Business owners	<ul style="list-style-type: none"> <li>● Create a good community for gamers.</li> <li>● Build good relationship with internet cafe owners.</li> <li>● Support internet cafes to run activities.</li> </ul>	<ul style="list-style-type: none"> <li>● Organize a competition of the Company's games and services.</li> <li>● Advertise, promote and give information on games that the Company offers and will launch.</li> <li>● Build and maintain good relationships with internet cafes.</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>● Run the business for utmost benefit.</li> <li>● Uphold good corporate governance and code of conduct.</li> <li>● Actively follow compliance with laws.</li> <li>● Have solid regulatory compliance.</li> </ul>	<ul style="list-style-type: none"> <li>● Provide communication channels via investor relations team.</li> <li>● Provide them transparent and accurate information with fairness and impartiality.</li> </ul>
Partners and Alliances	<ul style="list-style-type: none"> <li>● Conduct honesty, integrity and transparency in all dealings</li> </ul>	<ul style="list-style-type: none"> <li>● Have a good coordination and make a proper solution and agreements upon request.</li> <li>● Pay attention to problems and have discussion to find a proper solution and agreement.</li> </ul>
Community and Society	<ul style="list-style-type: none"> <li>● Promote understanding of impacts of the Company's products and services among people in communities and society.</li> <li>● Support the White Game Cafe Project run by the Ministry of Culture.</li> <li>● Support and promote the educational standard for Thai youth.</li> </ul>	<ul style="list-style-type: none"> <li>● Have a meeting and discussion to get proper resolutions and recommendations.</li> <li>● Consider opinions and feedback from people in a community for the company's improvement.</li> <li>● Consider requests for assistance and create activities in promoting and developing sustainable education.</li> </ul>
Environment	<ul style="list-style-type: none"> <li>● Promote energy saving and efficiency policies to help decrease environmental problems.</li> </ul>	<ul style="list-style-type: none"> <li>● Survey the company's energy consumption.</li> <li>● Set a goal for energy saving and efficiency.</li> </ul>
Government and Audit Agencies	<ul style="list-style-type: none"> <li>● Follow all regulations and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>● Take part in meetings to exchange ideas and opinions.</li> <li>● Join in relevant activities.</li> </ul>

Transparency management and operation is an important policy of the Company. New employees are required to take an orientation to gain an understanding on anti-corruption awareness and policy. All employees are expected to work strictly under our anti-corruption policy framework established by the Company. The Company, subsidiaries, and associate companies are expected to uphold this policy, refuse to make any frauds and corruptions and be aware that bribing and corruptions cause huge damage against economic development, social, and stability of the country. Details of the Company's anti-corruption policy can be found on <https://investor.asiasoft.net> under the Corporate Governance Section.

#### For Enquiries and Complaints

The Company has put in place a communication system in accordance with corporate governance policy. The Company provides channels for all stakeholders to report, complain, recommend, or give information about any case of non-compliance or misconduct (whistleblowing) as follows.

- Mail Address : Asiasoft Corporation Public Company Limited, 9, UM Tower, Room 9/283-5, 28<sup>th</sup> Floor, Ramkhamhaeng Road, Suanluang, Bangkok, 10250
- Telephone : 66 2769 8888
- Fax : 66 2717 4250
- Website : <https://investor.asiasoft.net>
- E-mail : [corporate@asiasoft.net](mailto:corporate@asiasoft.net)

#### Protection of Whistleblowers

To ensure trustworthiness and confidence for whistleblowers, the Company realizes the importance of information and filing confidentiality and security. A well-defined protection measures and compliance have been prescribed to assure that whistleblowers will be protected in good faith. Employees who report or complain about a case of non-compliance, wrongdoings or violations can be assured that they will be protected and safeguarded without being put in danger or having an impact on their work. If there is an adverse action that is considered retaliation, that person will get processed or possible prosecution. Information on protection of a whistleblower / anyone who provides information is exhibited in the Company's website : <https://investor.asiasoft.net> under Corporate Governance section.

#### Customer Service

Customer service is the first priority in Asiasoft. We have provided our customers different communication channels for their convenience and preferences including the Call Centre and Live Chat, service time available from 09:00 - 23:00 daily. Customers can report problems or complaints online



through the Company's website at the "E-Support" or "Form Tool" page with 24/7 service. Other channels for customers to send their questions or enquiries include "PlayPark Facebook Fanpage" and other online fanpages created by PlayPark online gaming, service available from 11:00 - 20:00 daily.

Communication channels preferred by customers to contact customer service in 2019 are Live Chat (63.5%), Call Center (9.0%) and Form Tool (27.5%), with 107,641 cases altogether. Most of the cases were related to reports on gaming problems such as bugs or characters and information enquiries on promotions offered.

The Company's customer satisfaction survey is regularly conducted three times a year. The 2019 survey results are as follows.

**Survey 1** : Data collecting period : during 22 April - 22 May 2019

Respondents : 1,022 customers

Average rating : 3.14 (62.71%)

**Survey 2** : Data collecting period : during 15 August - 16 September 2019

Respondents : 1,317 customers

Average rating : 3.01 (60.18%)

**Survey 3** : Data collecting period : during 22 November - 21 December 2019

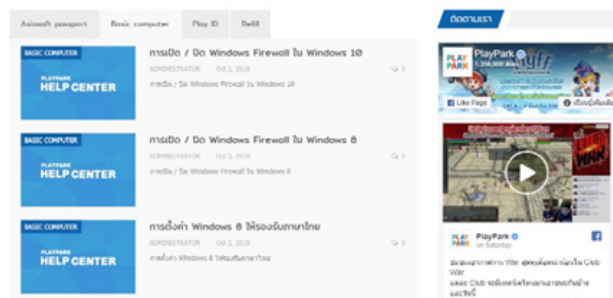
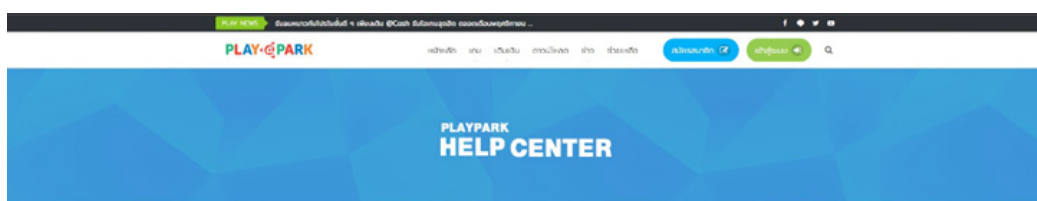
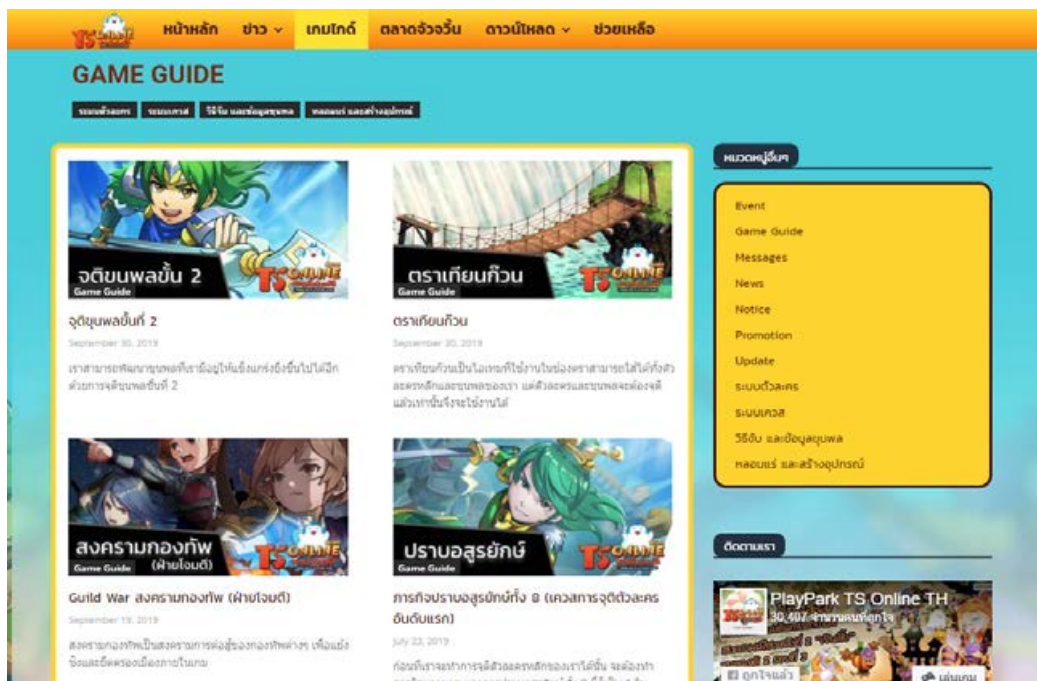
Respondents : 463 customers

Average rating : 3.35 (67.05%)

An overall customer satisfaction in 2019 is 63.31%.

Looking into the world of games, Asiasoft has continuously been putting an effort on promoting "Fair Game," or playing a game without hacking or cheating, to prevent gamers from gaining unfair advantages. This year, through monitoring, 12,413 gamer IDs were found using game hack applications when playing a game. These gamers got a penalty and were banned from playing.

The Knowledge Base system or a resource for gaming and computer knowledge has regularly updated and improved to make the system easier to be used. The system can be found via a game's website at the Game and Guide page or [www.playpark.com/th-th/help/center](http://www.playpark.com/th-th/help/center). The data in the system has been collected and created by the Company's game supervision team and gamers who were willing to share their knowledge and experience.



## 14.2 Social Aspect

In growing the business, Asiasoft believes in people's value. In delivering great enjoyment in online entertainment products and services to customers and people in the society, Asiasoft's top priority is the company's human capital as they drive the organization towards success. At Asiasoft, we work together and treat each other like family members as we believe that if our employees work with happiness, they would then feel happy and enthusiastic to deliver enjoyment to customers. At present, there are 161 employees at Asiasoft.

In 2019, Asiasoft recruited 28 new staff members, 2 new employees a month in average. It can be clearly seen that Asiasoft has opened doors to careers in the gaming industry. Careers offered by Asiasoft include jobs in different sections such as accounting, IT, and marketing as well as jobs that require skills and expertise such as game planning, game supports and game projects. These jobs need people who are into games and can apply their skills to work and bring benefits to the Company.

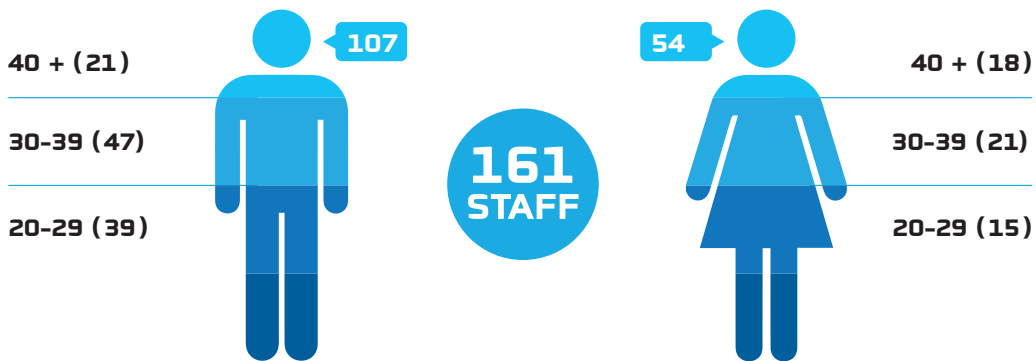
Asiasoft is an organization that aims to create and deliver enjoyment in online entertainment to the society. Clearly, our staff are new-generation employees who understand customers' needs. As we value human capital, the Company has no gender discrimination in employment and recruitment. We welcome all to be our member in creating online entertainment to people in the society.

The competency development of employees in all levels has been greatly supported by the Company's administrators as they believe that learning is important for staff to improve their technology skills and gain more knowledge that enhance their out-of-the-box thinking skills. Hereby, in 2019, different trainings and seminars were organized for a number of employees.

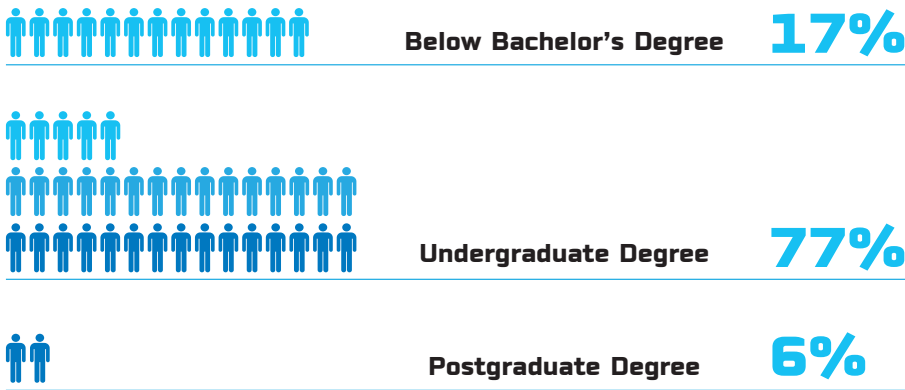
Asiasoft organizes a training for not only staff in Thailand but also in SEA. Thailand is the Company's main training base in running a regional meeting. We offer both online and workshop trainings for developing skills and potential for staff in all levels, from division heads to operational staff.

In 2019, 10 employees have got a job promotion. A promotion was considered based on their proficiency and knowledge and ability to handle higher-level responsibilities. It is a policy of the Company to support the employment advancement of the staff.

# Asiasoft Staff in 2019

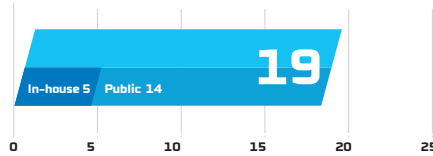


## Education Level

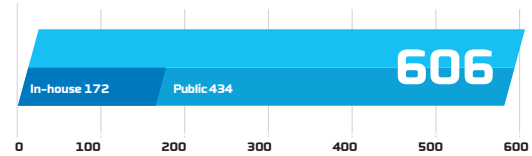


## Knowledge Training and Seminar in 2019

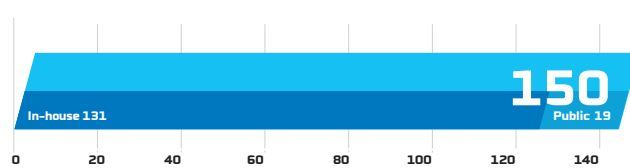
### Total courses



### Total training hours



### Total trainees



Department	In-House Training		Public Training		Total Hours
	Participants	Hours	Participants	Hours	
Management	9	24	2	42	66
Business Development	4	6	0	0	6
Accounting	2	12	1	6	18
Customer Service Team	19	14	0	0	14
Finance	5	12	1	6	18
Human Resources	6	30	0	0	30
IT Services	2	6	2	48	54
IT Support	0	0	1	28	28
Legal	2	12	2	80	92
Marketing	35	12	2	9	21
Network & System Management	0	0	1	18	18
Operation Center	0	0	3	188	188
Project - PC Games Team	38	20	4	9	29
Purchasing & Admin	4	12	0	0	12
Project Coordinator Team	3	6	0	0	6
Software Development	2	6	0	0	6
<b>Total</b>	<b>131</b>	<b>172</b>	<b>19</b>	<b>434</b>	<b>606</b>

Asiasoft emphasizes on employee caring in all aspects including basic welfare such as salary, social security, travelling allowance, and accommodation expenses as well as pension plans such as a provident fund for employees to have some savings set aside for when they resign or retire. Asiasoft has made a group insurance that covers health, accident, illness, and life coverage for all staff members in all levels. Besides, there is also an annual health check-up provided. Considering staff's health promotion, the Company has set up a badminton club, and supported staff to exercise and play sports after work.

As we are an online gaming organization, there was no work accident found in 2019.

Asiasoft creates awareness in social responsibility among staff. It is vital for the company to not only create and develop online gaming but also walk along with the society with sustainable growth and success. We open an opportunity for everyone to experience enjoyment in both real and online world. That is why we have run many activities and supported everyone to join in to share their happiness and experiences. The activities managed and run by the Company are as follows.

**Exercise equipment donation to Bangkok Youth Center (Thai-Japan) :** Asiasoft donated 2 exercise equipment (an elliptical bike and a spin bike) to Bangkok Youth Center (Thai-Japan) to promote people's health promotion.





**Used computer donation to schools in need :** Asiasoft donated 30 used computers and notebooks for educational purposes to 1) Bamroongwit School, Nonthaburi, 2) Ban Kwoun School, Nonghong, Nakhon Si Thammarat and 3) Ban Houi Kien School, Phayao.



**“Pan-Gun” Project to help children :** Asiasoft invited staff to donate their things that are no longer used but are still in a good condition to Pan Gun shop so that the shop can sell those things and spend the income as grants for children in Yuvabadhana Foundation.



**Charity for flood victims in Ubon Ratchathani :** Asiasoft donated drinking water and basic necessities at Phra Khanong Post Office to help people who suffered from a severe flood after the Podul and Kajiki storm in Ubon Ratchathani and nearby provinces.



**“Won” Project - Protecting the Earth :** The Company invited staff to donate clean plastic items for recycling to help reduce plastic wastes that causes pollution to the environment. At the end of the activity, 400 plastic items were gathered and delivered to Won Project.





**Milk-carton Recycling :** The Company went to give away 286 used milk cartons to Friends in Need (of “PA”) Volunteers Foundation, Thai Red Cross, at its donation point at Big C Supercenter (Rajadhamri branch) as a part of the Green Roof project in which recycled milk cartons were used to produce roof sheets and these products would be given to communities in need.



**Yulgang's Turtle Conservation Project :** The Yulgang game team launched a special activity to give back to the society by opening an auction of a special item - sacred sea turtles. The auction gained 18,000 baht in total. On 5 October 2019, the Yulgang team traveled with more than 20 Yulgang gamer representatives to donate the auction money to the Sea Turtle Conservation Center in Sattahip. They also had a CSR activity collecting wastes at Sattahip beach area.



**Audition FAM Outing :** The Audition game team invited Audition gamers to do CSR activity under the Audition FAM Outing Ep.6 project. There were 50 participants including representatives from 5 FAMs. They went to do an activity with children in a children foundation.



**Asiasoft staff party :** The party for Asiasoft staff was held on 24 May 2019 at Bar in Town restaurant on the purpose of building strong relationship among staff and administrators.





**Annual health check :** An annual health check at a leading hospital is provided to all staff every year to ensure good health condition of the staff in which would bring work effectiveness to the Company.



**AS Morning Bread :** Fresh breads were made and provided for staff every Monday morning. These fresh breads were baked by people with moving disorder hired by the Company.



**New Fitness Zone :** The area of the fitness zone has been expanded with more exercise tools and facilities in order to improve its quality and capacity to meet an increased frequency of service use.



**Badminton Club :** Asiasoft set up a badminton club as a way to promote exercising and health promotion activities for staff to join after work.





### 14.3 Environmental Aspect

The company has been taking into account environmental care and concern. We embrace an importance of preventing and reducing pollution and other environmental damages. We support everyone to take an action such as promoting energy saving and efficiency, making signs to promote clean environment in the fitness zone and karaoke room. We ran exercising activities after work. Aroma air conditioners were also set up for staff's relaxation as of the Company's policy to promote an employee work retention.

In 2019, The Paying Attention to your Surroundings (PAS) Project was initiated in an aim to control the expenses and reduce a usage of energy, paper and other tools. The project was accomplished and a usage level was decreased. The details are as follows.

#### Energy Saving Project :

- Switching off lights in an area that staff do not work in and during lunch break.
- Making signs to show light switches.
- Changing to LED lights (in some areas).
- Checking electrical tools and equipment during lunch break and after work.
- Holding a competition for the area that can make the best energy saving and efficiency.

The winner got cash and 20% discount for the electricity bill in that month.

With the abovementioned activities, 12% of the electricity expense was reduced comparing the 2018 expenses. The Company set a goal to keep going these activities in the year 2020 as energy saving is very vital in CSR.

**Water Saving Project :** in 2019, the Company made a campaign to promote water saving and educate people to use a toilet appropriately. The water expense was reduced up to 10% comparing to the 2019 expense.

**Paper saving Project :** Since 2017 the Company has launched a campaign to minimize use of paper by using more electronic documents in document filing and making a disbursement approval. The Company also encouraged everyone to use recycled paper and materials. These activities greatly helped minimize use of paper.

**A Big Cleaning Day Project :** there is an office clean-up day with the 5S system every three months. The workspace and all equipment would be cleaned, sanitized, tidied, and organized. Documents, papers, equipment that are no longer used or needed would be gotten rid of.

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# INTERNAL CONTROL AND RISK MANAGEMENT

The Company's Board of Directors and Audit Committee assessed the Company's internal control systems by following the internal control system adequacy assessment form. They concluded that the Company's internal control system is adequate and proper for the Company's business, free from any material defect and can prevent the Company's or the subsidiaries' properties from misuse or unauthorized use of the management. The Board of Directors and the Audit Committee also highlighted the Company's improvement in the practice of good corporate governance in accordance with the SET's 2006 good corporate governance principles for listed companies. Moving forward, the Company will have to strengthen the risk management report to Management

## 15.1 Internal Control

The Company has strongly emphasized on the efficiency of its internal control systems at both the management and the operational levels with the aim to prevent or reduce possible risks. In this regard, the Company prepared a compliance manual to specify the duties, responsibilities and powers of staff and management, and to clearly separate the duties of operators, controllers and assessors from one another so as to create a proper system of checks and balances. Additionally, the Company hire Outsourcing Internal Audit to audit and assess the Company's internal control systems and to ensure that the Company's major activities and significant financial activities are performed in accordance with the stipulated rules with maximum efficiency and to check the Company's compliance with related laws and regulations (Compliance Control). To ensure that the Outsourced Internal Audit are independent and able to perform its supervisory duty, the Board of Directors requires that the Outsourced Internal Audit report the audit results directly to the Audit Committee and that the Outsourcing Internal Audit must be assessed its performance by the Audit Committee.

In the Meeting of the Company's Board of Directors No. 2/2019 held on 22 February 2019, attended by all members of the Audit Committee, the Board considered and evaluated the internal control system and approved the Company's internal control system adequacy assessment form that was prepared by Management. After assessing the Company's internal control system in 5 areas which are divided into 17 principles, namely (1) Control Environment which consists of 5 principles, (2) Risk Assessment which consists of 4 principles, (3) Control Activities which consists of 3 principles, (4) Information and Communication which consists of 3 principles, and (5) Monitoring Activities which

consists of 2 principles, the Board was informed that the Audit Committee was of the same opinion as the outsourced internal auditor. Both parties have stated that the Company's internal control systems are adequate and proper for its business. So far, the Company has not found any crucial defects in the internal control systems which could materially affect the Company's financial condition or the auditor's opinion of the financial statements. The Company has also designed its internal control systems to conform with those suggested by the SET and with the international internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission or COSO. Summarized details of the Company's internal control system are set out below.

1. Control Environment : The Company has set up control systems for the work of the finance and accounts, operations, organization, and personnel departments based on the good corporate governance principles and policies.

2. Risk Assessment : The Company always takes into consideration the risk factors that are now encountered or expected to be encountered for analyzing and estimating impacts and chances of those risks as well as formulating countermeasures to prevent and manage those risks. The Company then prepares risk management reports to its management and follows up regularly.

3. Control Activities : The Company provides supervisory tools to its management through its development of various systems e.g. management information systems security (ISO: 27001). This supervisory tools emphasis on information reliability, the protection of Company's properties and compliance with internal and external rules and regulations as well as information security.

4. Information and Communication : The Company emphasizes on information systems and communication channels both inside and outside the Company by providing an intranet system and a website to serve all-level communication.

5. Monitoring Activities : The Company assesses staff performance twice a year. It also informs its operating results on a quarterly basis at an executive meeting and staff meeting.

## 15.2 Internal Audit

The Outsourced Internal Audit have been established to bolster the Audit Committee's confidence in the supervision and review of the accuracy of the financial reports, the adequacy of information disclosure, the transparency of information, internal control and risk management. It focuses on having a preventive and creative audit policy and adheres to audit guidelines of international standard and good corporate governance principles. The audit system is developed in consistence with the fast pace environment of the Company's business in order for the Company to have a transparent, auditable and reliable image.

Year 2019, the Audit Committee considers, elects and nominates Constantino and Partners, Philippines, trading as Baker Tilly as the outsourced internal audit for PlayPark, Inc., a subsidiary company in the Philippines. Constantino and Partners, Philippines has assigned Ms. Annalyn B. Artuz, Partner, to be the Project Leader and responsible for the performing of the Company's internal audit in the part of General, Financial Reporting, Cash Management, Revenue and Payments and Procurements.

For year 2020, the Audit Committee is on the process of selection the outsourced internal audit for Asiasoft Corporation Public Company Limited. The appointment of outsourced internal audit shall be approved by the Audit Committee.

■ ■ ■ ■

# CONNECTED TRANSACTIONS

## Procedure for Approval of Connected Transactions of the Company and Subsidiaries

The Company has set up a procedure in accordance with the relevant SEC notifications to control the Connected Transactions between the Company or its subsidiaries and interested person in the present or in the future. The procedure requires the Audit Committee to comment on the necessity of the transaction and the appropriateness of the transaction price, taking into account that all the conditions must be considered in the ordinary course of business and comparing the price with that offered by third parties. However, if the Audit Committee does not have expertise in the subject matter of the transaction, the Company must provide a comment of independent expert or the Company's auditor on the transaction to support the decision of the Company's Board of Directors, Audit Committee or shareholders, as the case may be. The interested person shall have no right to vote on the transaction. Additionally, the Company shall disclose information on the Connected Transactions and the acquisition or disposal of major assets of the Company and its subsidiaries, in accordance with the rules prescribed by the SEC and SET, including the accounting standard prescribed by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King.

The Company and its subsidiaries associated had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company, subsidiaries associated and those related parties. The Company has disclosed the Related party transactions.

**Intercompany or Related Transaction and Transaction  
that may have Conflict of Interest in 2018 and 2019 (Unit : Baht Million)**

Company or Individual / Type of Business	Nature of Relationship	Transaction Description	Transaction Value according to Consolidated Final Statement		Rationale for Transaction
			31 Dec 2018	31 Dec 2019	
<b>Asiasoft International Co., Ltd. (ASI)</b> Holding Company (Under liquidation)	A subsidiary in which 100% of the shares	<ul style="list-style-type: none"> <li>Revenues from services</li> <li>Dividend Income</li> </ul>	0.009	-	<ul style="list-style-type: none"> <li>ASC charged for the accounting service fee</li> </ul>
			-	-	
<b>Playpark Pte. Ltd. (PPP)</b> (Former name Asiasoft Online Pte. Ltd.) Online game service provider in Singapore and Malaysia	A subsidiary in which 100% of the shares	<ul style="list-style-type: none"> <li>Revenue from distribution income of @Cash card</li> </ul>	-	-	<ul style="list-style-type: none"> <li>The Company sold the products to ASO for use in its business</li> </ul>
		<ul style="list-style-type: none"> <li>License and service fee</li> </ul>	3.15	3.98	<ul style="list-style-type: none"> <li>The revenue from license fee, management, IT service</li> </ul>
		<ul style="list-style-type: none"> <li>Inter Business Develop (IBD) cost and promotion expenses</li> </ul>	23.21	20.08	<ul style="list-style-type: none"> <li>ASO charged IBD cost and other expenses to ASC</li> </ul>
		<ul style="list-style-type: none"> <li>Revenue from online games</li> </ul>	0.43	1.84	<ul style="list-style-type: none"> <li>ASC charged @Cash</li> </ul>
		<ul style="list-style-type: none"> <li>Transfer of license fees</li> </ul>	-	-	
		<ul style="list-style-type: none"> <li>Interest income</li> </ul>	-	-	
		<ul style="list-style-type: none"> <li>Accounts receivable</li> </ul>	0.81	-	
		<ul style="list-style-type: none"> <li>Other receivable from related parties</li> </ul>	0.03	0.05	
		<ul style="list-style-type: none"> <li>Long-term loan to a related company</li> </ul>	0.84	1.16	
		<ul style="list-style-type: none"> <li>Interest income</li> </ul>	-	-	
<b>CIB Development Sdn. Bhd. (CIB)</b> Online game service provider in Malaysia	A subsidiary in which 61.68% of the shares are held by the Company and has common directors	<ul style="list-style-type: none"> <li>Accounts payable</li> </ul>	2.10	1.91	
		<ul style="list-style-type: none"> <li>Loan from ASC's Director</li> </ul>	-	-	
		<ul style="list-style-type: none"> <li>License Fee and service fee</li> </ul>	2.26	2.79	<ul style="list-style-type: none"> <li>The revenue from license and management fee</li> </ul>
		<ul style="list-style-type: none"> <li>Revenue from distribution</li> </ul>	0.01	0.01	<ul style="list-style-type: none"> <li>The Company sold the products to CIB for use in its business</li> </ul>
		<ul style="list-style-type: none"> <li>Revenue from online games</li> </ul>	3.19	0.33	<ul style="list-style-type: none"> <li>ASC charged @Cash to CIB</li> </ul>
		<ul style="list-style-type: none"> <li>Inter Business Develop (IBD) cost and promotion expenses</li> </ul>	0.04	-	<ul style="list-style-type: none"> <li>CIB charged IBD cost and other expenses to ASC</li> </ul>
		<ul style="list-style-type: none"> <li>Accounts payable</li> </ul>	0.01	0.01	
		<ul style="list-style-type: none"> <li>Other receivable from related parties</li> </ul>	0.53	0.74	
		<ul style="list-style-type: none"> <li>Accounts receivable</li> </ul>	0.01	0.03	



<b>AS Online Sdn. Bhd. (ASM)</b> Distributor in Malaysia (Under liquidation)	A subsidiary in which 100% of the shares	<ul style="list-style-type: none"> <li>● Revenue game online</li> <li>● Licence and service fee</li> <li>● Other receivable from related parties</li> <li>● Accounts payable</li> </ul>	- - - -	- - - -	
<b>A Capital Co., Ltd.</b> Holding Company	A subsidiary in which 99.99% of the shares	● Revenue from services	0.012	0.012	● ASC charged for the accounting service fee
<b>Playpark Co., Ltd.</b> Online game service provider	A subsidiary in which 99.99% of the shares	● Revenue from distribution income of @Card card	0.01	-	● The distribution income for @Cash card to PlayPark
		● Revenue from advertising and service	0.07	-	● ASC charged to PlayPark for advertising and service
		● Interest income	0.41	0.03	
		● Promotion expenses	-	-	
		● Accounts receivable	9.15	-	
		● Other accounts receivable from related parties	11.90	-	
		● Long-term loan to a related company	8.38	-	● The Company has provided a loan to PlayPark for operations
		● Accrued interest receivable	5.68	-	
		● Accounts payable	0.00	-	
<b>PlayPark Inc. (PPI)</b> Online game service provider	An associate in which 40% of the shares	● Revenue from online games	26.99	-	● Online game service income CB(PH)
		● Revenue from distribution income of @Cash card	0.01	0.04	● The distribution income for @Cash card to PPI
		● Revenue from advertising and service	1.90	6.62	● ASC charged management fee, IT Service income
		● Promotion expenses	11.93	-	● PPI charged marketing cost to ASC
		● Accounts receivable	31.66	4.58	
		● Other accounts receivable from related parties	2.35	9.19	
		● Accounts payable	0.29	0.09	

<b>PT. Asiasoft (ASID)</b> Online game service provider in Indonesia	A subsidiary in which 99.90% of the shares	<ul style="list-style-type: none"> <li>● Interest income</li> <li>● Other receivable from related parties</li> <li>● Accounts receivable</li> <li>● Long-term loan to a related company</li> <li>● Accrued interest receivable</li> <li>● Accounts payable</li> </ul>	0.01 0.08 - 0.50 0.01 -	- - - 0.50 0.02 -	<ul style="list-style-type: none"> <li>● ASC reimburse of advance payment</li> <li>● The company granted loan to ASID for working capital purpose</li> </ul>
<b>Playcybergames Co., Ltd. (PCG)</b> Online game service provider (Under liquidation)	A subsidiary in which 59.99% of the shares are held by the Company and has common directors	<ul style="list-style-type: none"> <li>● Revenue from service</li> <li>● Transfer of license fee</li> <li>● Interest income</li> <li>● Accounts receivable</li> <li>● Other accounts receivable from related parties</li> <li>● Accrued interest receivable</li> <li>● Accounts payable</li> </ul>	0.02 - 0.01 - - - -	- - - - - - -	<ul style="list-style-type: none"> <li>● ASC charged for the accounting service fee</li> </ul>
<b>Miryn Innovation Co., Ltd. (MYN)</b> Mobile game application (Under liquidation)	A subsidiary in which 65% of the shares are held by the Company and has common directors	<ul style="list-style-type: none"> <li>● Revenue from service</li> <li>● Other accounts receivable from related parties</li> <li>● Income Interest</li> <li>● License and service</li> <li>● Accounts payable</li> <li>● Accrued interest receivable</li> <li>● Short-term loan to a related company</li> <li>● Loan from director Surapong who held 35% shares</li> </ul>	0.01 - 0.01 - - - - -	- - - - - - - -	<ul style="list-style-type: none"> <li>● ASC charged for the accounting service fee</li> <li>● ASC reimburse of advance payment</li> <li>● The Company has provided a loan to MYN for operations</li> </ul>
<b>Skynet Systems Co., Ltd.</b> Mobile application	An associate in which 57.04% of the shares are held by the company through A Capital	<ul style="list-style-type: none"> <li>● Revenue from service</li> <li>● Other accounts receivable from related parties</li> </ul>	0.31 0.03	0.26 -	<ul style="list-style-type: none"> <li>● ASC charged for the accounting service fee</li> </ul>

**Remarks :** Asiasoft Group has a regional purchasing policy. The Company is responsible for purchasing all properties, including online game licenses enabling the Company to purchase at better prices and on better condition than separate purchases by each company.

## 17 STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL REPORTING

The Board of Directors of Asiasoft Corporation Public Company Limited has managed to prepare consolidated and separate financial statements to present the financial positions and operating results of the Company and its subsidiaries, as well as financial information contained in the Company's Annual Report of 2019, which are true and reasonable in accordance with all relevant regulations and legislations.

Directors have their accountability and responsibility on behalf of directors of listed companies for governance and ensuring that the Company's financial reporting present fairly, accuracy, completely, transparency and sufficiency for maintaining the Company's assets and for determining the weak points and material issues. There will also be sufficient disclosures of significant information in notes to financial statements, complied with proper and consistency of accounting policies, as well as reasonable and prudent judgment and estimation in accordance with generally accepted accounting standards.

In order for the governance of financial reporting to be efficient, the Company's Board of Directors have set up the Audit Committee, with three independent directors who do not hold any positions on the Executive Board, responsible for supervising the quality of financial reporting and the internal control systems. The Audit Committee is also in charge with overseeing preparations for the mandated adoption of International Financial Reporting Standards (IFRS). The opinions on the aforementioned matters are detailed in the Company's Annual Report.

The Company's Board of Directors' opinion, the consolidated financial statements and the separate financial statements of Asiasoft Corporation Public Company Limited and its subsidiaries of Asiasoft Corporation Public Company Limited, which the Audit Committee has reviewed jointly with the Company's executives and external auditors, Mazars Ltd., present fairly in all material respects and operational results in accordance with generally accepted accounting standards, proper and consistency of accounting policies, sufficient information disclosures and compliance with relevant legislations and regulations, along with prudent and cautious considerations.



Mr. Tan Tgow Lim  
Chairman

On behalf of the Board of Directors

# FINANCIAL HIGHLIGHT

## Statement of Financial Position of Company and Subsidiaries

as at 31 December 2017 - 2019

Balance Sheet (Million Baht)	2019	2018	2017
Cash and Cash equivalents	145.37	63.60	135.15
Current Investments	-	-	-
Trade and Other Receivables	63.28	64.92	88.29
Inventories	-	-	-
Prepaid License Fees	9.90	3.47	6.96
Other Current Assets	37.13	37.06	49.11
Total Current Assets	255.68	169.05	279.51
Total Non-Current Assets	150.69	156.65	129.45
<b>Total Asset</b>	<b>406.37</b>	<b>325.70</b>	<b>408.97</b>
Total Current Liabilities	229.33	163.18	277.66
Total Non-Current Liabilities	35.31	17.06	8.67
<b>Total Liabilities</b>	<b>264.64</b>	<b>180.24</b>	<b>286.33</b>
Registered	532.84	512.35	512.35
Issued and Fully Paid-Up	409.88	409.88	409.88
Share Premium	-	-	-
Retained Earnings	(256.52)	(259.14)	(274.45)
Equity Attributable to Owners of Company	126.76	125.22	129.79
Non-controlling Interests of Subsidiaries	14.97	20.24	(7.15)
<b>Total Shareholder's Equity</b>	<b>141.73</b>	<b>145.46</b>	<b>122.64</b>

### Statement of Comprehensive Income of Company and Subsidiaries

end of 31 December 2017 - 2019

Profit and Loss (Million Baht)	2019	2018	2017
Revenue from Sales and Services	762.44	601.13	835.57
Other Income	5.18	41.22	13.86
<b>Total Revenues</b>	<b>767.62</b>	<b>642.35</b>	<b>849.44</b>
Cost of Sales and Services*	385.87	355.27	514.47
Selling and Administrative Expenses*	377.38	268.59	316.19
<b>Total Expense</b>	<b>763.26</b>	<b>623.86</b>	<b>830.66</b>
Profit (Loss)	4.35	14.01	12.64
Basic Earning Per Shares	0.01	0.03	0.03

**Remark :** \*including one-time items

### Statement of Cash Flows of Company and Subsidiaries

end of 31 December 2017 - 2019

Cash Flow Statements (Million Baht)	2019	2018	2017
Cash Flows from Operating Activities	105.92	(11.47)	3.43
Cash Flows from Investing Activities	(21.24)	(57.27)	(69.63)
Cash Flows from Financing Activities	(3.10)	(3.60)	(14.28)
Net Increase (Decrease) in Cash and Cash Equivalents	80.99	(71.61)	(88.84)
Cash and Cash Equivalents at End of Year	145.37	63.60	135.15

### Financial Ratio

Financial Ratio	Financial Statement		
	2019	2018	2017
Current Ratio (Time)	1.11	1.04	1.01
Gross Profit Margin (%)*	49.39	40.90	38.42
Net Profit Margin (%)	0.57	2.33	1.51
ROE (%)	3.45	10.98	10.44
ROA (%)	1.18	3.81	2.55
Total Asset Turnover (Time)	2.08	1.64	1.69
DE (Time)	2.09	1.44	2.21

**Remark :** \*including one-time items

# MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL STATUS AND OPERATING RESULTS

## 19.1 Financial Status and Operating Results

### Overview of Past Operating Results

#### *Business Structure 2019*

The Group has a core business on online revenue both PC and mobile game whereas PC game still be a core revenue, distribution and payment channels in Thailand, Singapore, Malaysia, Indonesia and the Philippines.

#### *Group Operating Result*

Asiasoft Corporation Public Company Limited, a regional online entertainment service provider in Southeast Asia with a dominating market share in the 5 countries covering Thailand, Singapore, Malaysia, Indonesia and the Philippines.

In 2019, the Company has total revenue 762.4 million baht, increased by 26.8% from year 2018 which was 601.1 million baht, contributed mainly by new game launches in second-half of 2019.

Although with a very competitive market environment and strong competition, the Company has been working hard on reinventing the company and the improvement of profitability levels to reach our target in 2019 from new mobile game launch, especially in the Thailand domestic market. As a result, in the three years up to the fiscal year FY 2019, Asiasoft achieved its initial goal for revenue growth and operating profit and strengthen our cash flow position. This is a testament to having a deeper understanding of the behaviors and needs of gamers as well as local knowledge of the mobile games market.



### Overview of Performance for 2019

The Total Revenue of the Company comprise of a proportion of online game, distribution, advertisement and other income as follows :

Business	Revenue					
	2019		2018		2017	
	THB M	%	THB M	%	THB M	%
Online Game Service	741.8	97.3	552.1	91.8	760.3	91.0
Distribution	14.2	1.9	36.9	6.1	18.9	2.3
Advertisement	-	-	-	-	26.2	3.1
Others	6.4	0.8	12.1	2.0	30.2	3.6
<b>Total</b>	<b>762.4</b>	<b>100</b>	<b>601.1</b>	<b>100</b>	<b>835.6</b>	<b>100</b>

**Remark :** The above revenue is already eliminated the related parties transactions.

1. Online game service: In 2019, online revenue was 741.8 million baht, versus 552.1 million baht for 2018 and 760.3 million baht for 2017 respectively. New mobile games launched in 2019 resulted in total revenue increased by 26.8% as compared to 2018, but still slightly lower than 2017 by 7.6%. The Company has sharpened strategic focus on new game to be launched and expect to have revenue growth for 2020 and beyond.

2. Distribution : Revenue on payment channel in 2019 of 14.2 million baht, versus 36.9 million baht and 18.9 million baht in 2018 and 2017 respectively, an effective deceased of 61.5% and 24.9% from change of business model and payment channels.

3. Others : It comprised of sponsoring, licensing and social network advertising management. In 2019 the revenue was 6.4 million baht, decreased from 2018 and 2017 mainly due to the change of business model and the withdrawal of investment in one of subsidiary resulting this subsidiary was not included in the Group of Company since 2018.

Geographic	Revenue (THB M)		
	2019	2018	2017
Thailand	410.9	255.4	476.3
Overseas	351.5	345.8	359.2
<b>Total</b>	<b>762.4</b>	<b>601.1</b>	<b>835.6</b>
<b>% Change</b>	<b>26.8</b>	<b>(28.1)</b>	<b>(13.6)</b>

The proportion of Company revenue for domestic and overseas in 2019 was 54:46 increased from 2018 which had 42:58 ratio, while reduced from 2017 which had 57:43. This was mainly due to new mobile game launches in 2019, especially in the Thailand domestic market.

#### Costs, Expenses, Finance Costs and Income Tax

In 2019, the Company's Costs, Expenses, Finance costs and Income tax was at 764.6 million baht, increased by 22.0% from 2018 which was 626.6 million baht and decreased by 8.6% from 2017 which was 833.7 million baht; however, the Company was able to achieve very effective and efficient cost management.

List	Consolidated (THB M)		
	2019	2018	2017
Costs of Sales and Services	(385.9)	(380.3)	(476.7)
Selling Expenses	(149.5)	(106.5)	(149.9)
Administrative Expenses	(172.8)	(162.1)	(166.3)
Loss on Impairment and Write-off of Intangible and Prepaid License Fee	-	25.0	(37.7)
Expense under litigation	(55.1)	-	-
Total Operation Cost	(763.3)	(623.9)	(830.6)
Finance Costs	(1.1)	(0.9)	(1.2)
Income Tax Income (Expense)	(0.2)	(1.8)	(1.9)
<b>Total</b>	<b>(764.6)</b>	<b>(626.6)</b>	<b>(833.7)</b>
<b>% Change</b>		<b>(22.0)</b>	<b>(8.6)</b>

Cost of sales in 2019 increased by 1.5% from 2018 and decreased by 19.0% when compared to 2017 mainly due to the decreased of royalty fee varied with revenue.

Selling expense increased 40.4% from 2018 mainly due to increase in the channeling service fees and advertising expenses in line with increasing in revenues from sales and services.

Administration expenses increased 6.6% and 3.9% from 2018 and 2017, respectively mainly due to the increment of employee cost and allowance for doubtful accounts of account receivables from the Philippines by 7.4 million baht and 11.3 million baht, respectively while consulting fee decreased by 20.7 million baht.

Expense under litigation of 55.1 million baht which the Arbitration rendered the award in favor of the game licenser and developer.

Net Profit (Loss)

In 2019, the Company ended with profit 4.3 million baht, decreased by 69.3% and 65.9% from year 2018 and 2017 respectively due to in 2018 and 2017 the profit was from gain on sales of investment in subsidiaries and recognized the reversal of loss on impairment and write-off of intangible and prepaid license fee.

Net Profit (Loss) (THB M)	2019	2018	2017
	4.3	14.0	12.6
% Change		(69.3)	(65.9)

Balance SheetAssets

Total assets as of 31 December 2019 was 406.4 million baht versus total assets as of 2018 at 325.7 million baht, increased 80.7 million baht or 24.8% as follows :

1. Current assets increased 86.6 million baht or 51.2% from 2018 due to these changes :

- Cash and cash equivalent increased 81.8 million baht from net cash generated from operating activities of 105.9 million baht.
- Account receivables and other receivables reduced 1.6 million baht as to a collection on due date, and a decline on revenue.

The following table is the analyst of Aged Receivables - Third Parties :

Receivables	2019	% of net A/R	2018	% of net A/R	2017	% of net A/R
Current	23	58	24	52	37	65
Less Than 3 Months	15	38	15	33	14	25
3 - 6 Months	1	3	-	-	1	2
6 - 12 Months	-	-	-	-	-	-
Over 12 Months	1	3	7	15	5	8
<b>Total</b>	<b>40</b>	<b>100</b>	<b>46</b>	<b>100</b>	<b>57</b>	<b>100</b>
Less Allowance for Doubtful Accounts	(1)	(3)	(2)	(4)	(5)	(9)
<b>Trade Accounts Receivable</b>	<b>39</b>	<b>97</b>	<b>44</b>	<b>96</b>	<b>52</b>	<b>91</b>

In 2019, the Company had current account receivables-3rd and overdue less than 6 months at 39 million baht. The Company has no significant concentrations of credit risk arising from trade receivables as a large number of trade receivables and experience from previous collection. The Company had revised the policy of allowance for doubtful in 2018, therefore, management believes that the doubtful allowance is sufficient.

2. Non-Current Asset decreased 6.0 million baht or 3.8% from last year mainly due to the following :

- Decreased of restricted bank deposit 9.9 million baht.
- Decreased of intangible asset 1.3 million baht from reducing in game license fee investment.
- Increase of prepaid license fee 3.4 million baht from new prepaid license fee which will be launched in 2020.

### *Liabilities*

As of 31 December 2019, the Company had total liabilities 264.6 million baht versus total liabilities for year 2018 at 180.2 million baht, decreased by 46.8% due to the following :

1. Current Liabilities increased 66.2 million baht or 40.5% due mainly to the following :

- Increased of Trade Account Payables and Other Account Payables 15.8 million baht from increasing in royalty fee.
- Increased of Deferred revenue 11.1 million baht because of increase in refill but not use.
- Increased of current portion of liability under litigation and other current liabilities by 21.1 million baht and 16 million baht, respectively.

2. Non-Current Liabilities increased 18.3 million baht or 107.0% from last year due mainly to the increase of liabilities under finance lease agreement, employee benefit obligations and expense under litigation of 5.8 million baht, 6.0 million baht and 5.5 million baht, respectively.

### *Equities*

Due to a slow and challenging economy, the rapid and continuous change of technology and the change of gamers' behavior had impacted a loss to the Company. Nonetheless the Company was able to turnaround to generate profit in year 2019, 2018 and 2017 and reduced the deficit in retained earnings. Equity attributable to owners of the parent as of 31 December 2019 was 126.8 million baht versus 125.2 million baht in 2018 and versus 129.8 million baht in 2017 which is less than 50% of paid up capital.

Due to a new rule from SET on “C” (Caution) sign on securities of listed company which has equity ratio less than 50% of paid up capital, the Company was posted with “C” (Caution) sign from 10 August 2018. Therefore the Company had convened a meeting to provide information and a progress to deal with this event with shareholders, investors and concerned parties on 7 March, 22 May, 20 August and 25 November 2019, respectively.

#### Profitability

In 2019, the Company and subsidiaries had gross profit margin 49.4% of net revenue (including the one-time items) comparing to 2018 and 2017 which had 40.9% and 38.4% respectively. This reflected a good sign on improvement with positive profitability for 3 consecutive years from 2017.

#### Asset Management Ability

In 2019, the Company and subsidiaries had Return on Assets (ROA) 0.7% comparing to 4.6% of 2018 and 2.5% of 2017. Total Assets Turnover for 2019 is 2.1 times while 2018 and 2017 are the same with 1.6 times reflected the good asset management.

#### Liquidity and Capital Adequacy

In 2019, the Company and subsidiaries had liquidity ratio 1.1 improved from 2018 and 2017 which had 1.0 times equally because of current asset higher than current liabilities.

Debt to Equity ratio in 2019 was 1.9 improved from 2018 which was 1.2 times. This improvement in D/E ratio resulted in lower exposure for the Company.

### **19.2 Factors that Affect Financial Position Significantly in the Future, Both Internal and External**

The following factors may affect the overall performances, financial position and/or operations of the Company :

1. Risk of Product’s Hit Factors : Online game industry in Southeast Asia has become more and more competitive where gamers have become more selective in terms of which games they will spend their time and money. Hence, the Company is committed to publish hit games and top-notch services that will appeal to our market and will result into positive financial performance for the Company.

2. Operation Schedules : Timing is key in online game industry whether for launching new titles, new game updates, new types of services, gaming events, etc. The Company is carefully scheduling key activities based on consumer’s behavior and trend, such as school terms, holiday seasons, key sports events, or competitor’s products schedules to ensure optimum timing for any product activities.

3. Changes in Technology and Platforms : Consumer behaviors have changed drastically, due to changes in technology and the games are easier to access and more prevalent. In the last several years, smartphone penetration has grown significantly in Thailand, so game application or mobile game became popular. However, the many online game service providers are entering this business by launching mobile games which have been developed by themselves or with a partner for Thailand's market. Furthermore, the Company strives to look out for oncoming changes in behaviour and the Company will constantly adapt business plan to move into mobile gaming market. The Company will continue to focus on PC games with the strategy that let the players access the games easier and faster. The Company will also be launching new co-publishing business model, and developing new and enhanced systems for both games and other services to serve internet users in Southeast Asia.

4. Privacy Protection : One of the Company's strengths is our massive amount of users from all across Southeast Asia and beyond. Hence, any leak of consumer's data by and to third parties may negatively affect our relationship with our users and our revenue. However, the Company has implemented security system to store and to protect our user database.

5. Diversifying Channel Partners : the Company has been maintaining good relationship with the channel partners (e.g. for payment, sales, distribution) such as mobile service providers, cyber cafes, convenient shops, gaming shops, and online gaming news portals. Our channel partners have significant influence over the products and services that we offer on their platforms. As such, the Company will maintain to provide agreement that beneficial to our channel partners.

6. Talents in Online Game Industry in Southeast Asia : the Company believes in keeping and nurturing talents as integral part in the Company's overall growth. As game industry in the region has grown significantly in the past decade, the demand for and quality of talents in game industry has increased too. The Company will stay competitive in terms of remuneration and advances in job environment, as well as maintaining the effort to draw top talents into the Company.

7. Risk in Expanding Business Abroad : the Company has expanded its investment in Southeast Asia since 2012. However, if the Company does not have an efficient analyzing system, internal control, and monitoring system, and if the Company cannot develop its own employees, the operating result might be affected. Work are in progress to ensure that systems and processes improved are implemented across the region.

8. Risk in Copyright Amortization : the Company has a risk from copyright cost for obsolete game which will be considered to terminated or estimated reserves for impairment which may affect the operation results. However, the Company has tried to revise the terms of contract and negotiate with the manufacturers or game developers to reduce the risk.





# FINANCIAL STATEMENT

# FINANCIAL STATEMENT

## Independent Auditor's Report

To the shareholders and the Board of Directors of Asiasoft Corporation Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Asiasoft Corporation Public Company Limited and its subsidiaries ("the Group"), and separate financial statements of Asiasoft Corporation Public Company Limited ("the Company"). These comprise the consolidated and separate statements of financial position as at 31 December 2019, and the related consolidated and separate statements of comprehensive income, and the related consolidated and separate statement of changes in shareholders' equity, and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and the separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and of the Company as at 31 December 2019, and its consolidated and separate financial performance and its consolidated and separate 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 consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p><b>Going Concern Assessment</b></p> <p>Referring to Note 1 General information, which describes the shareholders' equity and paid-up share capital ratio of the Group, shareholders' equity is less than 50 percent of paid-up share capital. This financial ratio has meant that the Stock Exchange of Thailand (SET) has posted a C (Caution) sign on securities of the Company.</p> <p>In their evaluation of going concern, Management has prepared a cash flow projection of games which are categorised as continuous operations and also games in the process of development and which are expected to be published within the next financial year.</p> <p>From the above reason, I considered going concern as a key audit matter.</p>	<p>Key audit procedures included :</p> <ul style="list-style-type: none"> <li>Evaluated the reasonableness of assumptions for the period used by the Management for providing the cash flow projection of the Group.</li> <li>Evaluated the reasonableness of cash flow projections provided by Management, and assessed the suitability of the essential assumptions of games which are categorised as continuous operations and also games in the process of development, on a sample basis, by comparing with historical cash flow generated and future market plans.</li> <li>Evaluated the reasonableness of the assumptions about the possibility of unusual events that may affect to decrease future cash flows projections.</li> </ul>
Key audit matter	How my audit addressed the key audit matter
<p><b>Revenue recognition from online game services</b></p> <p>Referring to Note 2.17 Revenue recognition, and Note 6 Operating segments.</p> <p>The Group has primary income from online game services. The amount received in advance when gamers paid via refill channels is presented as deferred revenue in the statement of financial position. When gamers purchased an item in a game, it was recognised as revenue in the consolidated and separate statements of comprehensive income. For the year ended 31 December 2019, online game service revenue</p>	<p>Key audit procedures included :</p> <ul style="list-style-type: none"> <li>Obtained an understanding of and evaluated the design effectiveness of the information technology and key controls related to revenue recognition.</li> <li>Tested the information technology general controls over the system relating to online game revenue.</li> <li>Tested key internal controls over the revenue cycle for online game services, on a sample basis.</li> <li>Tested, on a sample basis, the information technology system relating to online game revenue of key online games to check the accuracy of processing</li> </ul>

for the Group and the Company was Baht 742 million and Baht 407 million, respectively.

I considered revenue recognition from online game services as a key audit matter due to the high volume of transactions, the financial magnitude of this revenue stream to the financial statements, and the complexity of information technology systems relating to online game revenue.

and reporting information relating to cash refilled and cash used in a game.

- Recalculated the monthly reconciliations of cash receipts from gamers and cash used in games. For the cash receipts from gamers, I tested a sample of receipt transactions as deferred revenues. For the cash used in game, I agreed with the reports generated by the system relating to online game revenue.
- Sent out confirmation letters to selected game developers to confirm the accuracy and completeness of the balances of cash refilled and used in a game by gamers of key online games.
- On a sample basis, tested the recording of transactions with the underlying documents related to revenue and deferred revenue.

Key audit matter	How my audit addressed the key audit matter
<p><b><i>Impairment of game licenses</i></b></p> <p>Referring to Note 2.10 Accounting policies - Impairment of assets and Note 13 Intangible assets.</p> <p>The value of game licenses, of which the majority relates to intangible assets, is supported by the value-in-use calculations, which are based on future cash flow forecasts (i.e. 'recoverable amount').</p> <p>I considered this as a key audit matter because the impairment assessments of these assets are dependent on complex and subjective judgments by Management.</p>	<p>Key audit procedures included :</p> <ul style="list-style-type: none"> <li>• Tested Management's impairment review of game licenses and also examined the future cash flow projections prepared by Management for each game.</li> <li>• Tested the mathematical accuracy of the cash flow projection.</li> <li>• Inspected the inputs and assumptions on revenue growth rates and discount rates used by Management in the model. These inputs and assumptions were agreed to supporting documents or based on reasonable sources such as historical information or future market plan.</li> <li>• Compared the current year actual revenue results of each game to the budget and challenged Management to assess the appropriateness of assumptions used.</li> <li>• Evaluated the scenarios of cash flow projections prepared by Management and considered whether the chosen scenario appropriately reflected the circumstances of each game.</li> </ul>

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

## Responsibilities of the directors for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company'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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

## Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 does 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company'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 consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.



**Sompop Pholprasarn**

Certified Public Accountant (Thailand) No. 6941

**Mazars Limited**

Bangkok

21 February 2020

**Asiasoft Corporation Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	145,368,108	63,598,231	116,383,564	23,333,518
Trade and other receivables	8	63,276,402	64,918,008	45,811,377	58,464,397
Short-term loans to related parties	27 (d)	-	-	-	500,000
Prepaid royalty fees - current		9,904,216	3,474,946	749,418	2,834,257
Other current assets	9	37,137,392	37,056,030	15,189,132	16,611,981
<b>Total current assets</b>		<b>255,686,118</b>	<b>169,047,215</b>	<b>178,133,491</b>	<b>101,744,153</b>
<b>Non-current assets</b>					
Restricted bank deposits	10	15,760,647	25,733,547	15,760,647	25,733,547
Investments in subsidiaries	11 (a)	-	-	18,007,573	18,007,573
Investments in associates	11 (b)	10,118,608	10,934,056	-	-
Equipment	12	23,315,988	22,736,709	13,841,800	9,706,874
Intangible assets	13	90,216,554	91,499,999	57,594,238	67,060,538
Deferred tax assets	19	2,230,335	114,830	-	-
Other non-current assets		9,044,959	5,632,030	4,713,802	5,367,633
<b>Total non-current assets</b>		<b>150,687,091</b>	<b>156,651,171</b>	<b>109,918,060</b>	<b>125,876,165</b>
<b>Total assets</b>		<b>406,373,209</b>	<b>325,698,386</b>	<b>288,051,551</b>	<b>227,620,318</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

## Asiasoft Corporation Public Company Limited

## Statement of Financial Position (Cont'd)

As at 31 December 2019

		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Notes		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from					
financial institution	14	14,625,971	15,235,603	14,625,971	15,235,603
Trade and other payables	15	76,590,557	60,734,155	50,533,672	30,773,855
Short-term loan from director	27 (f)	477,945	-	-	-
Deferred revenue and license fees	16	83,080,322	71,988,002	37,859,642	35,516,034
Current portion of liabilities					
under finance lease agreement	17, 30	2,864,432	646,496	1,913,824	646,496
Current portion of liability under litigation	18	21,077,430	-	21,077,430	-
Other current liabilities	30	30,613,400	14,576,752	2,162,352	715,958
Total current liabilities		229,330,057	163,181,008	128,172,891	82,887,946
Non-current liabilities					
Finance lease liabilities	17	7,206,076	1,380,566	5,965,261	1,380,566
Deferred tax liabilities	19	5,194,160	4,273,691	-	-
Liability under litigation	18	5,536,948	-	5,536,948	-
Employee benefit obligations	20, 30	17,375,176	11,403,131	11,324,627	10,028,914
Total non-current liabilities		35,312,360	17,057,388	22,826,836	11,409,480
Total liabilities		264,642,417	180,238,396	150,999,727	94,297,426
Shareholders' equity					
Share capital					
Authorised share capital					
532,840,120 ordinary shares					
of par Baht 1 each	21	532,840,120	512,346,270	532,840,120	512,346,270
Issued and paid-up share capital					
409,877,016 ordinary shares					
of par Baht 1 each		409,877,016	409,877,016	409,877,016	409,877,016
Premium on share capital		-	-	-	-
Retained earnings (deficits)					
Appropriated - legal reserve		-	-	-	-
Unappropriated		(256,519,763)	(259,142,988)	(272,825,192)	(276,554,124)
Other components of shareholders' equity		(26,596,497)	(25,514,199)	-	-
Equity attributable to owners of the parent		126,760,756	125,219,829	137,051,824	133,322,892
Non-controlling interests		14,970,036	20,240,161	-	-
Total shareholders' equity		141,730,792	145,459,990	137,051,824	133,322,892
Total liabilities and shareholders' equity		406,373,209	325,698,386	288,051,551	227,620,318

The accompanying notes are an integral part of these consolidated and separate financial statements.

**Asiasoft Corporation Public Company Limited**  
**Statement of Comprehensive Income**  
**For the year ended 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenues from sales and services	6	762,437,695	601,130,550	410,507,072	255,080,276
Cost of sales and services		(385,872,370)	(380,292,043)	(183,970,857)	(165,620,313)
<b>Gross profit</b>		<b>376,565,325</b>	<b>220,838,507</b>	<b>226,536,215</b>	<b>89,459,963</b>
Other income	22	5,183,610	41,224,230	14,484,687	16,973,950
Selling expenses		(149,482,821)	(106,464,038)	(86,788,846)	(37,510,657)
Administrative expenses		(172,831,603)	(162,123,710)	(94,375,882)	(105,642,128)
Expense under litigation		(55,069,110)	-	(55,069,110)	-
Loss on impairment and write off of prepaid royalty fee		-	(714,953)	-	(710,429)
Reversal of impairment and write off of intangible assets		-	25,737,328	-	25,661,364
Loss on impairment of investments in subsidiaries		-	-	-	(118,015,448)
Reversal of impairment of other receivable		-	-	-	17,154,721
Reversal of impairment of short-term loans to subsidiaries		-	-	-	128,651,758
Reversal of impairment of long-term loans to subsidiaries		-	-	-	260,000
Finance costs		(1,147,618)	(929,137)	(1,058,132)	(975,780)
Share of (loss) profit from investment in associates	11 (b)	(415,468)	1,095,423	-	-
<b>Profit before income tax expense</b>		<b>2,802,315</b>	<b>18,663,650</b>	<b>3,728,932</b>	<b>15,307,314</b>
Income tax expense	24	(160,888)	(1,807,440)	-	-
<b>Profit for the year</b>		<b>2,641,427</b>	<b>16,856,210</b>	<b>3,728,932</b>	<b>15,307,314</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Remeasurements of post-employment benefit obligations	20	(4,319,430)	1,302,652	-	1,302,652
Income tax on items that will not be reclassified subsequently to profit or loss		-	-	-	-
Total items that will not be reclassified subsequently to profit or loss		(4,319,430)	1,302,652	-	1,302,652

The accompanying notes are an integral part of these consolidated and separate financial statements.

**Asiasoft Corporation Public Company Limited**  
**Statement of Comprehensive Income (Cont'd)**  
**For the year ended 31 December 2019**

		Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
Note		Baht	Baht	Baht	Baht
<b>Other comprehensive income: (Cont'd)</b>					
<b>Items that will be reclassified subsequently to profit or loss:</b>					
Exchange differences on translation of financial statements in foreign currencies		(2,051,195)	(4,172,490)	-	-
Total items that will be reclassified subsequently to profit or loss		(2,051,195)	(4,172,490)	-	-
<b>Other comprehensive income for the year, net of tax</b>					
		(6,370,625)	(2,869,838)	-	1,302,652
<b>Total comprehensive income (expense) for the year</b>					
		(3,729,198)	13,986,372	3,728,932	16,609,966
<b>Profit (loss) attributable to:</b>					
Owners of the parent		4,350,998	14,007,626	3,728,932	15,307,314
Non-controlling interests		(1,709,571)	2,848,584	-	-
		2,641,427	16,856,210	3,728,932	15,307,314
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		1,540,927	13,136,200	3,728,932	16,609,966
Non-controlling interests		(5,270,125)	850,172	-	-
		(3,729,198)	13,986,372	3,728,932	16,609,966
<b>Earnings per share</b>					
Basic earnings per share	25	0.01	0.03	0.01	0.04
Diluted earnings per share	25	0.01	0.03	0.01	0.04

The accompanying notes are an integral part of these consolidated and separate financial statements.

Asiasoft Corporation Public Company Limited  
Statement of Changes in Shareholders' Equity  
For the year ended 31 December 2019

	Consolidated financial statements												
	Attributable to owners of the parent						Other components of shareholders' equity						
	Issued and paid-up share capital	Retained earnings (Deficits)		Exchange differences on translation of financial statements in foreign currencies		Change in parent's ownership interests in subsidiaries		Total other components of shareholders' equity		Total owners of the parent	Non-controlling interests	Total shareholders' equity	
		Premium on share capital	Appropriated - Legal reserve	Unappropriated	Baht	Baht	Baht	Baht	Baht				Baht
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
Opening balance as at 1 January 2018	409,877,016	-	-	(274,453,266)	-	(5,026,940)	(611,618)	(5,638,558)	129,785,192	(7,150,082)	122,635,110		
Proceeds from ordinary share issued	-	-	-	-	-	-	-	-	-	5,450,160	5,450,160		
Business combination	-	-	-	-	-	-	(10,977,701)	(10,977,701)	(10,977,701)	16,926,407	5,948,706		
Change in parent's ownership interests in subsidiaries	-	-	-	-	-	(6,723,862)	-	(6,723,862)	(6,723,862)	4,163,504	(2,560,358)		
Total comprehensive income (expenses) for the year	-	-	-	15,310,278	-	(2,174,078)	-	(2,174,078)	13,136,200	850,172	13,986,372		
Closing balance as at 31 December 2018	409,877,016	-	-	(259,142,988)	-	(13,924,880)	(11,589,319)	(25,514,199)	125,219,829	20,240,161	145,459,990		
Opening balance as at 1 January 2019	409,877,016	-	-	(259,142,988)	-	(13,924,880)	(11,589,319)	(25,514,199)	125,219,829	20,240,161	145,459,990		
Total comprehensive income (expenses) for the year	-	-	-	2,623,225	-	(1,082,298)	-	(1,082,298)	1,540,927	(5,270,125)	(3,729,198)		
Closing balance as at 31 December 2019	409,877,016	-	-	(256,519,763)	-	(15,007,178)	(11,589,319)	(26,596,497)	126,760,756	14,970,036	141,730,792		

The accompanying notes are an integral part of these consolidated and separate financial statements.



Asiasoft Corporation Public Company Limited  
Statement of Changes in Shareholders' Equity (Cont'd)  
For the year ended 31 December 2019

	Separate financial statements				
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings (Deficits)		Total shareholders' equity Baht
			Appropriated - Legal reserve Baht	Unappropriated Baht	
<b>Opening balance as at 1 January 2018</b>	409,877,016	-	-	(293,164,090)	116,712,926
Total comprehensive expenses for the year	-	-	-	16,609,966	16,609,966
<b>Closing balance as at 31 December 2018</b>	<u>409,877,016</u>	<u>-</u>	<u>-</u>	<u>(276,554,124)</u>	<u>133,322,892</u>
<b>Opening balance as at 1 January 2019</b>	409,877,016	-	-	(276,554,124)	133,322,892
Total comprehensive income for the year	-	-	-	3,728,932	3,728,932
<b>Closing balance as at 31 December 2019</b>	<u>409,877,016</u>	<u>-</u>	<u>-</u>	<u>(272,825,192)</u>	<u>137,051,824</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

**Asiasoft Corporation Public Company Limited**
**Statement of Cash Flows**
**For the year ended 31 December 2019**

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Cash flows from operating activities</b>					
Profit (Loss) before income tax expense		2,802,315	18,663,650	3,728,932	15,307,315
Adjustments for:					
Depreciation and amortisation	12, 13	44,854,513	53,645,498	29,453,456	35,819,805
Increase (Decrease) in doubtful accounts		(726,045)	2,475,191	451,546	(17,154,721)
Loss on (reversal of) impairment of short-term loans to subsidiaries		-	-	500,000	(128,651,758)
Reversal of impairment of long-term loans to subsidiaries		-	-	-	(260,000)
Excess of acquisition cost under net book value		-	5,948,673	-	-
Disposal of investment in the subsidiary for NCI		-	(5,962,822)	-	-
Share of loss (profit) from investments in associated company	11 (b)	415,468	(1,095,423)	-	-
Write off of long-term loans to subsidiary company		-	-	-	455,000
Loss on write off of investment in associate		21,956	79,837	-	-
Loss on impairment of investments in subsidiaries		-	-	-	118,015,479
Loss on impairment and write-off of prepaid royalty fees		1,248,038	714,953	1,240,538	710,429
Reversal of (loss on) impairment and write-off of intangible assets		241,267	(25,737,328)	-	(25,661,364)
Gain from disposals of equipment		(786,715)	(1,106,591)	(472,313)	(1,966,524)
Gain from debt forgiveness of short-term loan from director		-	(1,065,000)	-	-
Unrealised loss (gain) on exchange rate		1,616,967	(40,533)	1,242,182	(79,877)
Dividend income		-	-	-	(3,540,000)
Loss from litigation		25,430,453	-	25,430,453	-
Employee benefit expenses		1,700,052	3,732,334	1,295,713	3,732,334
Finance costs		1,113,637	957,423	1,058,132	975,780
Cash flows before changes in operating assets and liabilities		77,931,906	51,209,862	63,928,639	(2,298,102)
Changes in operating assets and liabilities:					
Trade and other receivables		2,073,838	19,475,705	11,588,186	10,921,514
Prepaid royalty fees		(7,619,605)	5,195,745	902,004	4,182,514
Other current assets		(634,654)	14,584,116	3,993,343	653,462
Other non-current assets		(3,412,928)	(9,670)	653,831	(81,000)
Trade and other payables		11,436,995	(65,898,693)	16,118,258	(16,244,776)
Deferred revenue and license fees		11,092,320	(42,958,035)	2,343,608	(38,193,375)
Other current liabilities		16,036,647	6,813,643	1,446,394	(318,841)
Provisions for employee benefits		-	(600,000)	-	(600,000)
Cash generated from (used in) operations		106,904,519	(12,187,327)	100,974,263	(41,978,604)
Interest income received		471,628	1,415,991	435,475	2,360,308
Interest paid		(653,399)	(614,922)	(597,894)	(883,757)
Income tax paid		(802,633)	(86,574)	(2,570,494)	(1,853,319)
<b>Net cash generated from (used in) operating activities</b>		<b>105,920,115</b>	<b>(11,472,832)</b>	<b>98,241,350</b>	<b>(42,355,372)</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

## Asiasoft Corporation Public Company Limited

## Statement of Cash Flows (Cont'd)

For the year ended 31 December 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Increase (Decrease) in restricted bank deposits, net		9,972,900	(232,883)	9,972,900	(232,883)
Cash paid for short-term loans to subsidiaries		-	-	-	(1,100,000)
Cash received from short-term loans to subsidiaries		-	-	-	12,968,650
Cash paid for long-term loans to subsidiaries		-	-	-	(195,000)
Dividends received from associated company		-	400,200	-	-
Cash paid for investment in subsidiaries		-	(399,980)	-	260,636
Cash received from decrease in investment in related parties		378,024	-	-	6,000,000
Cash paid for purchase of equipment		(5,465,084)	(15,027,441)	(2,651,052)	(4,026,943)
Cash paid for purchase of intangible assets		(27,238,162)	(43,921,411)	(10,938,897)	(19,940,823)
Cash received from disposals of equipment		829,416	1,907,133	486,021	2,096,657
Cash received from disposals of intangible assets		284,586	-	-	-
Dividends received from subsidairies		-	-	-	3,540,000
<b>Net cash used in investing activities</b>		<b>(21,238,320)</b>	<b>(57,274,382)</b>	<b>(3,131,028)</b>	<b>(629,706)</b>
<b>Cash flows from financing activities</b>					
Cash received from short-term loan from director	27 (f)	477,945	35,000	-	-
Cash received from increase share capital from NCI		-	5,450,160	-	-
Decrease from short-term borrowings					
from financial institution, net	14	(609,632)	(8,268,457)	(609,632)	(8,268,457)
Payment of finance lease liabilities		(2,964,952)	(813,124)	(2,224,715)	(813,124)
<b>Net cash used in financing activities</b>		<b>(3,096,639)</b>	<b>(3,596,421)</b>	<b>(2,834,347)</b>	<b>(9,081,581)</b>
<b>Translation adjustment of cash and cash equivalents</b>		<b>(589,350)</b>	<b>734,719</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>80,995,806</b>	<b>(71,608,916)</b>	<b>92,275,975</b>	<b>(52,066,659)</b>
Cash and cash equivalents at the beginning of the year		63,598,231	135,153,402	23,333,518	75,307,732
Unrealised exchange gain on cash and cash equivalents		774,071	53,745	774,071	92,445
<b>Cash and cash equivalents at the end of the year</b>		<b>145,368,108</b>	<b>63,598,231</b>	<b>116,383,564</b>	<b>23,333,518</b>
<b>Non-cash transactions</b>					
Acquisitions of vehicle assets under financial lease agreements		8,789,333	2,000,000	8,789,333	2,000,000
Increase in intangible assets by other payables	15	7,279,512	4,056,800	7,279,512	4,056,800
Decrease in short-term loan from director		-	1,065,000	-	-

The accompanying notes are an integral part of these consolidated and separate financial statements.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**1 General information**

Asiasoft Corporation Public Company Limited (“the Company”) is a public company limited incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

9/283-5, 28th floor, UM Tower Building, Ramkhamhaeng Road, Suanluang, Suanluang, Bangkok.

The Company’s ordinary shares are listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The Group is principally engaged in the distributor and provider of online game services.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 21 February 2020.

**Equity and paid-up share capital ratio**

The consolidated financial statement as at 31 December 2019 shows that the equity is equal to 31 percent of the paid-up share capital. This financial ratio is less than 50 percent which means that the Stock Exchange of Thailand (SET) has posted a C (Caution) sign on securities of the listed company continuously from the date of the announcement a C sign on 10 August 2018 in accordance with the Regulation of the SET: Measure in case of Events that may affect the Listed Companies’ Financial Condition and Business Operation B.E. 2561 (2018). The Company convened a meeting to provide information and decided on a plan and progress to deal with this event with shareholders, investors and concerned parties on 7 March 2019, 22 May 2019, 20 August 2019 and 25 November 2019, respectively.

**2 Accounting policies**

The principal accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

**2.1 Basis of preparation**

The consolidated and separate financial statements have been prepared in accordance with Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention, except as disclosed otherwise in the accounting policies.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019****2 Accounting policies (cont'd)****2.1 Basis of preparation (cont'd)**

The preparation of consolidated and separate financial statements in conformity with Thai Generally Accepted Accounting Principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the consolidated and separate financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language consolidated and separate financial statements shall prevail.

**2.2 Revised financial reporting standards and related interpretations**

2.2.1 The following revised financial reporting standards and related interpretations are effective in the current year.

During the year, the Company and its subsidiaries have adopted the new financial reporting standards and interpretations (revised 2018) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarification disclosures in the note to financial statements.

TFRS 15	Revenue from contracts with customers
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TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 13 (revised 2017)	Customer loyalty programmes
TFRIC 15 (revised 2017)	Agreements for the construction of real estate
TFRIC 18 (revised 2017)	Transfers of assets from customers
TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**2 Accounting policies (cont'd)****2.2 Revised financial reporting standards and related interpretations (cont'd)**

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group has adopted TFRS 15 “Revenue from Contracts with Customers”. The adoption of these Thai Financial Reporting Standards does not have any significant impact on the financial statements.

**2.2.2 Financial reporting standards related to financial instruments that will become effective for fiscal years beginning on or after 1 January 2020**

During the current year, the Federation of Accounting Professions issued a set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TAS 32	Financial Instruments: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

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



**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019****2 Accounting policies (cont'd)****2.2 Revised financial reporting standards and related interpretations (cont'd)**

2.2.3 TFRS 16 Leases establishes principles that will become effective for fiscal years beginning on or after 1 January 2020

TFRS 16 Leases establishes principles for the recognition, measurement, presentation and disclosure of leases, requiring lessees to recognise assets and liabilities for all leases which the lease term is over 12 months, unless the underlying asset is low value.

There are substantially unchanged to lessor accounting from its predecessor, lessors continue to classify leases as operating or finance similar principles to those used under TAS 17.

TAS 17	Leases
TSIC 15	Operating Leases-Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TFRIC 4	Determining whether an Arrangement contains a Lease

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

**2.3 Group Accounting - Investments in subsidiaries and associates****2.3 (a) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquirer's net assets.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**2 Accounting policies (cont'd)****2.3 Group Accounting - Investments in subsidiaries and associates (cont'd)****2.3 (a) Subsidiaries**

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

**2.3 (b) Transactions with non-controlling interests**

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**2 Accounting policies (cont'd)****2.3 Group Accounting - Investments in subsidiaries and associates (cont'd)****2.3 (c) Disposal of subsidiaries**

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

**2.3 (d) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit or loss of associates in profit or loss.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**2 Accounting policies (cont'd)****2.3 Group Accounting - Investments in subsidiaries and associates (cont'd)****2.3 (d) Associates (cont'd)**

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the separated financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

**2.4 Foreign currency translation****2.4 (a) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

**2.4 (b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit or loss in the statement of comprehensive income, any exchange component of that gain or loss is recognised in profit or loss.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**2 Accounting policies (cont'd)****2.4 Foreign currency translation****2.4 (c) Group companies**

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

**2.5 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less from the date of acquisition and are not pledged as collateral and bank overdrafts. Bank overdrafts are presented as current liabilities in the statement of financial position.

**2.6 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**2 Accounting policies (cont'd)****2.7 Investments**

Investments other than investments in subsidiaries and associates are classified into the following three categories: (1) trading investments; (2) held-to-maturity investments; and (3) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

1. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
2. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
3. Investments in non-marketable equity securities are classified as general investments.

All three categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand and association of investment management companies. The unrealised gains and losses of trading investments are recognised as profit or loss in the statement of comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less allowance for impairment.

General investments are carried at cost less allowance for impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.



**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019****2 Accounting policies (cont'd)****2.8 Equipment**

Equipment is stated at cost less accumulated depreciation and allowance for impairment of assets (if any). Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation of equipment is calculated to write down the cost of equipment to their residual values on the straight-line basis over estimated useful lives are as follows:

Building improvements	5 years
Server	5 years
Furniture & fixture and equipment	3 and 5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.9 Intangible assets****Game licenses**

Purchased game licenses are carried at cost less accumulated amortisation. Amortisation is calculated using straight-line basis over their estimated useful lives of 2 - 4 years.

**Computer software**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using straight-line basis over their estimated useful lives of 3 and 5 years. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the criteria are met.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**2 Accounting policies (cont'd)****2.9 Intangible assets (cont'd)****Right for use of golf club**

Right for use of golf club are carried at cost less allowance for impairment (if any). Right for use of golf club is not amortised as it deems to have indefinite useful life.

**Customer relationship**

Customer relationship acquired in a business combination are recognised at fair value at the acquisition date. Customer relationship have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using straight-line basis over their estimated useful lives of 3 - 13 years.

**Trademark**

Trademark acquired in a business combination are recognised at fair value at the acquisition date. Trademark has a finite useful life and are carried at cost less accumulated amortisation and allowance for impairment. Amortisation is calculated using straight-line basis over its estimated useful life of 20 years.

**2.10 Impairment of assets**

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**2 Accounting policies (cont'd)****2.11 Leases - where the Group is the lessees**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain equipment. Leases of equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

**2.12 Borrowings**

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**2 Accounting policies (cont'd)****2.13 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019****2 Accounting policies (cont'd)****2.14 Employee benefits****Defined contribution plan**

A defined contribution plan is a post employment plan which the Group pays fixed contributions into a separate entity and management by fund manager. The fund has received contributions from employees and the Group.

The contributions are recognised as employee benefit expense in statements of comprehensive income when they are due.

**Post employment benefit obligations**

The Group provides for post employment benefits to or retirement indemnity employees under the labor laws applicable in Thailand depends on basis of salary and service year of staff until the future last working day. The Group has recorded the liabilities in respect of employee benefits which are the present value of the defined benefit obligations calculated by an independent actuary in accordance with the actuarial technique, and discounted benefit by the projected unit credit method. The present value of the defined benefit obligations are determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality, length of service and other. The Group recorded provision of employee benefit as non-current liabilities. Actuarial gains and losses arising from experience adjustments or changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in profit or loss.

**2.15 Provisions**

Provisions, which exclude the provision relating to employee benefits, are recognised when the Group have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expect a provision to be reimbursed, the reimbursement is recognised as a separate assets but only when the reimbursement is virtually certain.

**2.16 Share capital**

Ordinary shares are classified as equity. Other shares including mandatory redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**2 Accounting policies (cont'd)****2.17 Revenue recognition**

Revenue comprises the fair value of the standalone selling price of each performance obligation in contracts of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts, and after eliminating sales within the Group. Sales of goods are recognised when control is passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances. Revenue from online game services is recognised when gamers use the services. The amount paid in advance by gamers via the refill channels is presented as deferred revenue in the statement of financial position, and is recognised as revenue in the statement of comprehensive income when the gamers purchased an item in game. Revenue from licensing game services to game shops is recognised on the straight-line method over the license period.

Interest income and other income are recognised on an accrual basis, except if collectability is in doubt.

Dividend income is recognised when the right to receive payment is established.

**2.18 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders and Board of Director's approval for interim dividend payment.

**2.19 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

**3 Financial risk management****3.1 Financial risk factors**

The principal financial risks faced by the Group are market risk (including currency risk and interest rate risk), credit risk and liquidity risk. Risk management is carried out by Group management. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.



**Asiasoft Corporation Public Company Limited**

**Notes to the Consolidated and Separate Financial Statements**

**For the year ended 31 December 2019**

**3 Financial risk management (cont'd)**

**3.1.1 Foreign exchange risk**

The associates and subsidiaries of the Group operate internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to USD, MYR, SGD and PHP. However, the Group believes that foreign exchange risk will have no material effect to their operational results and they therefore do not use derivative financial instruments to hedge this risk.

**3.1.2 Interest rate risk**

The Group's interest rate risk arises from finance lease liabilities and amounts due to related parties. Finance lease liabilities issued at variable rates and amounts due to related parties issued at fixed rate. Management considers that interest rate risk is not significant.

**3.1.3 Credit risk**

Most of the Group's revenues, being online revenue, are normally paid by clients in advance. Therefore, the Group has never experienced significant difficulties in debt collection. In addition, the Group is exposed to credit risk with respect to amounts due from related parties and loans to the related parties without collateral. However, the management assesses and considers the abilities to make the payments of the related parties regularly.

**3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to manage market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

**3.2 Fair value estimation**

As at 31 December 2019, the Group had no assets or liabilities measured at fair value. Disclosures of fair value measurements by level are as below:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**4 Critical accounting estimates, assumptions, and judgements**

Estimates, assumptions, and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Estimated impairment of goodwill, intangible assets and prepaid royalty fees

The Group tests annually whether goodwill has suffered any impairment and considers impairment of intangible assets and prepaid royalty fees when indicators of impairment exist, which are in accordance with the accounting policy stated in Note 2.10. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(b) Equipment and intangible assets

Management determines the estimated useful lives and residual values for the plant, equipment and intangible assets of which are mainly considered by technical ability and economic useful lives. The management will revise the depreciation charge where useful lives and residual values are significantly different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

(c) Allowance for doubtful accounts

The Group maintains an allowance for doubtful accounts to reflect impairment of trade receivables and loans including interest receivables relating to estimated losses resulting from the default or inability of customers to make required payments. The allowance is based on consideration of historical collection experience, known and aging of outstanding debt of each customer. The management will fully set up allowance for long outstanding amounts and without any collateral.

(d) Employee benefit obligations

The present value of the employee benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the pensions include the discount rate. Any changes in these assumptions will have an impact on the carrying amount of employee benefit obligations.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019****4 Critical accounting estimates, assumptions, and judgements (Cont'd)****(d) Employee benefit obligations (Cont'd)**

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related employee benefit liability.

Other key assumptions for employee benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 20.

**5 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**6 Operating segments**

Board of Directors is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by Board of Directors for the purposes of allocating resources and assessing performance.

Board of Directors considers the business from both a geographic and product and service perspective. Geographically, management considers the performance in Thailand, Singapore, Malaysia, Philippines and other countries. From a product and service perspective, management separately considers the online game services and distribution activities in these geographies. The Group derives their revenue primarily from the online game services.

Board of Directors assesses the performance of the operating segments based on a measure of adjusted EBIT. This measurement basis excludes discontinued operations and the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. The measure also excludes the effects of equity-settled share-based payments and unrealised gains/losses on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**6 Operating segments (Cont'd)**

Sales between segments are carried out at arm's length. The revenue from external parties reported to Board of Directors is measured in a manner consistent with that in profit or loss.

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 decision about the allocation of resource to the segment and assess its performance. The chief operating decision maker has been identified as the Board of Directors.

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

- The online game segment is a business segment which provides online game services through internet using servers of the Group; and
- The distribution segment is a business which distributes game products and provides payment channel services.

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 information.

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

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December 2019

## 6 Operating segments (Cont'd)

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2019 and 2018.

	Unit: Thousand Baht					
	For the years ended 31 December					
	Online game segment <sup>1)</sup>		Distribution segment <sup>2)</sup>		Others	
	2019	2018	2019	2018	2019	2018
Revenue from sales and services						
from external customers	741,837	552,098	14,227	36,895	6,374	12,138
Segment profit	361,646	208,720	9,008	189	5,911	11,930
Loss on write-off and impairment of prepaid royalty fees	-	(715)	-	-	-	-
Reversal of write-off and impairment of intangible assets	-	25,737	-	-	-	-
Unallocated income (expenses):						
Interest income					534	2,774
Other income					4,650	38,450
Selling and administrative expenses					(377,384)	(268,587)
Finance costs					(1,148)	(929)
Share of profit (loss) from investments in associates					(415)	1,095
Income tax expense					(161)	(1,807)
Non-controlling interests					1,710	(2,849)
Gain attributable to owners of the parent for the year					4,351	14,008

<sup>1)</sup> The online game segment is a business segment which provides online game services through the server of the Group.

<sup>2)</sup> The distribution segment is a business segment which distributes game products and provides payment channel services.

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 6 Operating segments (Cont'd)

## Geographic information

Revenue from external customers for the years ended 31 December 2019 and 2018 based on locations of the Company and subsidiaries, are made up as follows:

	Consolidated	
	financial statements	
	2019	2018
	Thousand Baht	Thousand Baht
Thailand	410,927	255,356
Singapore	123,601	145,047
Malaysia	100,790	76,586
Philippines	127,120	124,142
Total	762,438	601,131

## 7 Cash and cash equivalents

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash on hand	205	352	36	46
Deposit held at call with banks	145,163	63,246	116,348	23,288
Total cash and cash equivalents	145,368	63,598	116,384	23,334

As at 31 December 2019, deposits held at call with banks bore interests at rates from 0.125% to 1.300% per annum. (2018: from 0.375% to 1.150% per annum).

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 8 Trade and other receivables

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Trade accounts receivable				
- third parties	40,064	46,268	29,418	24,015
<u>Less</u> Allowance for doubtful accounts	(936)	(2,507)	-	(2,136)
Trade accounts receivable, net	39,128	43,761	29,418	21,879
Trade accounts receivable				
- related parties (Note 27)	20,030	19,400	24,691	60,263
<u>Less</u> Allowance for doubtful accounts (Note 27)	(19,400)	(19,400)	(19,400)	(28,569)
Trade accounts receivable, net	630	-	5,291	31,694
Trade accounts receivable, net	39,758	43,761	34,709	53,573
Amounts due from related parties (Note 27)	-	718	11,102	15,725
Interest receivable - related parties (Note 27)	-	-	15	5,689
<u>Less</u> Allowance for doubtful accounts				
- related parties (Note 27)	-	-	(15)	(17,118)
Accrued income from third parties	-	60	-	-
Other receivables from third parties	24,362	20,379	-	595
<u>Less</u> Allowance for doubtful accounts				
- third parties	(844)	-	-	-
Trade and other receivables, net	63,276	64,918	45,811	58,464



**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2019**
**8 Trade and other receivables (Cont'd)**

Outstanding trade accounts receivable can be analysed as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Third parties</b>				
Trade accounts receivable				
Current	23,529	23,878	17,963	8,376
Overdue less than 3 months	15,211	14,762	11,455	13,503
3 - 6 months	728	66	-	-
6 - 12 months	-	71	-	-
Over 12 months	596	7,491	-	2,136
Total	40,064	46,268	29,418	24,015
<u>Less</u> Allowance for doubtful accounts	(936)	(2,507)	-	(2,136)
Trade accounts receivable - third parties, net	39,128	43,761	29,418	21,879
<b>Related parties</b>				
Trade accounts receivable				
Current	630	-	716	40
Overdue less than 3 months	-	-	25	649
3 - 6 months	-	-	19	3,773
6 - 12 months	-	-	12	27,524
Over 12 months	19,400	19,400	23,919	28,277
Total	20,030	19,400	24,691	60,263
<u>Less</u> Allowance for doubtful accounts	(19,400)	(19,400)	(19,400)	(28,569)
Trade accounts receivable - related parties, net	630	-	5,291	31,694

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

**9 Other current assets**

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Account receivable				
- Revenue department	2,972	4,408	-	435
Withholding taxes refundable	7,442	11,199	6,153	6,072
Prepaid expenses	19,558	16,057	8,283	9,457
Undue input vat	4,260	1,778	195	156
Others	2,905	3,614	558	492
Total other current assets	37,137	37,056	15,189	16,612

**10 Restricted bank deposits**

The Group pledged the fixed deposits with the banks to secure credit facilities amount of Baht 15.76 million. (As at 31 December 2018: Baht 25.73 million).

## Asiasoft Corporation Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 11 Investments in subsidiaries and associates

### 11 (a) Investment in subsidiaries

The Group had the following subsidiaries as at 31 December 2019

Country of incorporation and place of business	Nature of business	Proportion of ordinary shares directly held by parent (%)		Proportion of ordinary shares held by the Group (%)		Proportion of shares held by non-controlling interests (%)	
		2019	2018	2019	2018	2019	2018
Direct							
Subsidiaries which held by Asiasoft Corporation Public Company Limited							
	Thailand	Investment	100.00	100.00	100.00	-	-
	Thailand	Investment	100.00	100.00	100.00	-	-
	Thailand	Publisher of online games	99.99	99.99	99.99	0.01	0.01
	Malaysia	Publisher of online games	61.68	61.68	61.68	38.32	38.32
	Thailand	Developer of game application on mobile phone	65.00	65.00	65.00	35.00	35.00
	Thailand	Publisher of online games	99.99	99.99	99.99	0.01	0.01
	Singapore	Publisher of online games	100.00	100.00	100.00	-	-
	Malaysia	Publisher of online games	100.00	100.00	100.00	-	-
	Indonesia	Publisher of online games	99.99	99.99	99.99	0.01	0.01
	Philippines	Publisher of online games	40.00	40.00	40.00	60.00	60.00
Indirect							
Subsidiaries which held by A Capital Company Limited							
	Thailand	Developer of mobile applications	-	-	57.04	57.04	42.96
Subsidiaries which held by CIB Development Sdn. Bhd.							
	Malaysia	Publisher of online games	-	-	100.00	100.00	-

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company does not have any shareholdings in the preference shares of subsidiary undertaking included in the Group.

**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2019**
**11 Investments in subsidiaries and associates (Cont'd)**
**11 (a) Investment in subsidiaries (Cont'd)**

Movements of investment in subsidiaries can be analysed as follows:

For the year ended 31 December	Separate financial statements	
	2019	2018
	Thousand Baht	Thousand Baht
Opening net book amount	18,008	18,769
Acquisitions	-	130,254
Disposals - Cost	-	(149,346)
- Allowance for impairment	-	136,346
Loss on impairment	-	(118,015)
Closing net book amount	18,008	18,008
<b>As at 31 December</b>		
Cost	681,734	681,734
Less Allowance for impairment	(663,726)	(663,726)
Net book amount	18,008	18,008

**Liquidation of subsidiaries**

Asiasoft International Co., Ltd., Playcybergames Co., Ltd., Miryn Innovation Co., Ltd. and AS Online Sdn. Bhd. registered for liquidation with the Ministry of Commerce and is under the liquidation process on 14 September 2018, 14 June 2018, 14 December 2018 and 9 May 2019, respectively. The management believes that there will be no material impact from this liquidation to the group.

# Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

### 11 Investments in subsidiaries and associates (Cont'd)

#### 11 (a) Investment in subsidiaries (Cont'd)

#### Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amount disclosed for each subsidiary are before inter-company eliminations.

#### Summarised statement of financial position

	CIB Development Sdn. Bhd.		PT. Asiasoft		Skynet system Co.,Ltd.		Playpark Inc.		Total	
	As at 31 December		As at 31 December		As at 31 December		As at 31 December		As at 31 December	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Current</b>										
Assets	19,454	22,174	83	1,784	325	1,856	50,569	61,089	70,431	86,903
Liabilities	(30,352)	(32,317)	(2,039)	(2,386)	(2,302)	(207)	(54,423)	(58,427)	(89,116)	(93,337)
Total current net assets	(10,898)	(10,143)	(1,956)	(602)	(1,977)	1,649	(3,854)	2,662	(18,685)	(6,434)
<b>Non-current</b>										
Assets	5,784	2,703	3	19	7,290	4,735	21,745	22,551	34,822	30,008
Liabilities	-	-	-	-	-	-	(11,245)	(4,274)	(11,245)	(4,274)
Total non-current net assets	5,784	2,703	3	19	7,290	4,735	10,500	18,277	23,577	25,734
Net assets (liabilities)	(5,114)	(7,440)	(1,953)	(583)	5,313	6,384	6,646	20,939	4,892	19,300
Accumulated NCI	1,333	628	(54)	(54)	5,320	5,662	8,359	13,992	14,958	20,228

11 Investments in subsidiaries and associates (Cont'd)

11 (a) Investment in subsidiaries (Cont'd)

Summarised financial information on subsidiaries with material non-controlling interests (Cont'd)

Summarised statement of comprehensive income

	CTB Development Sdn. Bhd.		PT. Asiasoft		Skynet system Co., Ltd.		Playpark Inc.		Total	
	For the years ended		For the years ended		For the years ended		For the years ended		For the years ended	
	31 December		31 December		31 December		31 December		31 December	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue	100,790	76,621	-	-	460	237	127,080	124,961	228,330	201,819
Profit (Loss) before income tax	2,423	(15,463)	(449)	926	(1,070)	(1,923)	(9,626)	12,395	(8,722)	(4,065)
Income tax expense	(518)	(405)	-	-	-	-	357	(1,402)	(161)	(1,807)
Post-tax profit (loss) from continuing Operations	1,905	(15,868)	(449)	926	(1,070)	(1,923)	(9,269)	10,993	(8,883)	(5,872)
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income (expense)	1,905	(15,868)	(449)	926	(1,070)	(1,923)	(9,269)	10,993	(8,883)	(5,872)
Profit (Loss) allocated to non-controlling interests	544	(5,663)	1	2	(342)	(347)	(1,911)	8,354	(1,708)	2,346
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December 2019

## 11 Investments in subsidiaries and associates (Cont'd)

## 11 (a) Investment in subsidiaries (Cont'd)

## Summarised financial information on subsidiaries with material non-controlling interests (Cont'd)

## Summarised statement of cash flows

	CIB Development Sdn. Bhd.		PT. Asiasoft		Skynet system Co.,Ltd.		Playpark Inc.		Total	
	For the years ended 31 December		For the years ended 31 December		For the years ended 31 December		For the years ended 31 December		For the years ended 31 December	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Cash flow from operating activities</b>										
Cash (used in) generated from operations	2,089	(6,264)	1,138	1,011	(319)	(2,071)	(1,637)	16,243	1,271	8,919
Interest paid	-	-	-	-	-	-	-	-	-	-
Income tax paid	(518)	(305)	-	-	-	-	(838)	(1,716)	(1,356)	(2,021)
Net cash (used in) generated from operating activities	1,571	(6,569)	1,138	1,011	(319)	(2,071)	(2,475)	14,527	(85)	6,898
Net cash used in investing activities	(6,519)	(1,391)	(500)	-	(3,113)	(4,613)	(3,416)	(12,554)	(13,548)	(18,558)
Net cash generated from financing activities	-	-	-	-	1,950	6,500	-	2,138	1,950	8,638
Net (decrease) increase in cash and cash equivalents	(4,948)	(7,960)	638	1,011	(1,482)	(184)	(5,891)	4,111	(11,683)	(3,022)
Cash and cash equivalents at beginning of year	11,131	23,068	294	266	1,711	1,895	12,732	7,861	25,868	33,090
Exchange (loss) gain on cash and cash equivalents	589	(3,977)	(920)	(983)	-	-	139	760	(192)	(4,200)
Cash and cash equivalents at end of year	6,772	11,131	12	294	229	1,711	6,980	12,732	13,993	25,868



## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 11 Investments in subsidiaries and associates (Cont'd)

## 11 (b) Investment in associates

## Investments accounted for using equity method

The amounts recognised in the statement of financial position are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
At 31 December	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Associates	10,119	10,934	-	-
	10,119	10,934	-	-

The amounts recognised in profit or loss are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
For the years ended 31 December	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Associates	(415)	1,095	-	-
	(415)	1,095	-	-

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 11 Investments in subsidiaries and associates (Cont'd)

## 11 (b) Investment in associates (Cont'd)

Nature of investment in associates the year 2019 and 2018:

	Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of the relationship	Measurement method	Cost method		Equity method		Dividend	
			2019	2018			2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2018 Thousand Baht
Indirect												
	Thaiware Communication Company Limited	Thailand	40.00	40.00	Services on website	Equity	4,327	4,327	10,119	10,534	-	400
	Triple S Social Trade Company Limited	Thailand	-	40.00	Develop and provide software solution and IT equipment	Equity	-	400	-	400	-	-
Total							4,327	4,727	10,119	10,934	-	400
Less Provision for impairment of investment in associates												
Total investments in associates, net							4,327	4,727	10,119	10,934	-	400

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 11 Investments in subsidiaries and associates (Cont'd)

## 11 (b) Investment in associates (Cont'd)

Movements of investment in associates can be analysed as follows:

	Consolidated financial statements Thousand Baht	Separate financial statements Thousand Baht
<b>For the year ended 31 December 2019</b>		
Opening net book amount	10,934	-
Share of profit	(415)	-
Liquidation of an associate	(400)	-
Closing net book amount	10,119	-
<b>As at 31 December 2019</b>		
Cost	10,119	-
Less Allowance for impairment	-	-
Net book amount	10,119	-

Set out below is the associate of the Group, which is material to the Group, in the opinion of the directors. The associate as listed below has share capital consisting solely of ordinary shares, which is held directly by parent.

**Liquidation of an associate**

Triple S Social Trade (Thailand) Co.,Ltd. (owned by Skynet system Co., Ltd.) registered for liquidation with the Ministry of Commerce and is under the liquidation process on 4 July 2019. The management believes that there will be no material impact from this liquidation to the group.

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 11 Investments in subsidiaries and associates (Cont'd)

## 11 (b) Investment in associates (Cont'd)

## Summarised financial information for associates

Set out below are the summarised financial information for Thaiware Communication Company Limited which is accounted for using the equity method.

## Summarised statement of financial position

As at 31 December	2019	2018
	Thousand Baht	Thousand Baht
<b>Current assets</b>		
Cash and cash equivalents	7,607	6,831
Other current assets (excluding cash)	10,993	11,499
Total current assets	18,600	18,330
Non-current Assets	4,694	3,070
	23,294	21,400
<b>Current liabilities</b>		
Other current liabilities (including trade payables)	(4,964)	(2,034)
Total current liabilities	(4,964)	(2,034)
Net assets	18,330	19,366

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 11 Investments in subsidiaries and associates (Cont'd)

## 11 (b) Investment in associates (Cont'd)

## Summarised statement of comprehensive income

For the years ended 31 December	2019	2018
	Thousand Baht	Thousand Baht
Revenues	83,769	73,603
Cost of sales	(55,128)	(29,323)
Selling and administrative expenses	(29,194)	(41,111)
Depreciation and amortisation	(483)	(430)
Total comprehensive income	(1,036)	2,739
Dividends received from associates	-	400

The statement of financial position and statement of comprehensive income (unaudited) of Thaiware Communication Company Limited are prepared by management. However, the management has considered that the impact is not material to the consolidated financial statements.

The information above reflects the amounts presented in the financial statements of the associates (not the Group's share of those amounts) and adjusted for differences in accounting policies between the Group and the associates.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019**

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**11 Investments in subsidiaries and associates (Cont'd)****11 (b) Investment in associates (Cont'd)****Summarised financial information for associates (Cont'd)****Reconciliation of summarised financial information**

Reconciliation of the summarised financial information presented to the carrying amount of its interest in associates:

**Summarised financial information**

	<b>As at 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Opening net assets 1 January	19,366	17,628
Profit (Loss) for the year	(1,036)	2,739
Dividend paid	-	(1,001)
Closing net assets	18,330	19,366
Interest in associates (40.00%)	7,332	7,747
Goodwill	2,787	2,787
Carrying value	10,119	10,534

There are no contingent liabilities relating to the Group's interest in the associates.

**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2019**
**12 Equipment**

	Consolidated financial statements				
	Building	Server	Furniture & fixture and equipment	Vehicles	Total
	improvements				
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>At 1 January 2018</b>					
Cost	19,893	418,485	161,031	11,174	610,583
<u>Less</u> Accumulated					
Depreciation	(17,964)	(399,914)	(155,994)	(11,048)	(584,920)
Net book amount	1,929	18,571	5,037	126	25,663
<b>For the year ended</b>					
<b>31 December 2018</b>					
Opening net book amount	1,929	18,571	5,037	126	25,663
Exchange differences	(30)	(2,096)	1,644	(3)	(485)
Additions	780	4,660	8,418	3,211	17,069
Disposal/write off, net	-	(167)	(422)	-	(589)
Depreciation charge	(1,357)	(11,962)	(5,338)	(264)	(18,921)
Closing net book amount	1,322	9,006	9,339	3,070	22,737
<b>At 31 December 2018</b>					
Cost	20,623	216,876	109,331	10,341	357,171
<u>Less</u> Accumulated					
depreciation	(19,301)	(207,870)	(99,992)	(7,271)	(334,434)
Net book amount	1,322	9,006	9,339	3,070	22,737
<b>For the year ended</b>					
<b>31 December 2019</b>					
Opening net book amount	1,322	9,006	9,339	3,070	22,737
Exchange differences	(30)	(312)	(120)	(8)	(470)
Additions	255	13,651	1,437	-	15,343
Disposal/write off, net	-	-	(4,274)	-	(4,274)
Depreciation charge	(650)	(6,283)	(2,336)	(751)	(10,020)
Closing net book amount	897	16,062	4,046	2,311	23,316
<b>At 31 December 2019</b>					
Cost	20,787	208,309	99,130	9,583	337,809
<u>Less</u> Accumulated					
depreciation	(19,890)	(192,247)	(95,084)	(7,272)	(314,493)
Net book amount	897	16,062	4,046	2,311	23,316



**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2019**
**12 Equipment (Cont'd)**

	Separate financial statements				
	Furniture &				Total
	Building	Server	equipment	Vehicles	
	improvements				
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>At 1 January 2018</b>					
Cost	18,304	116,295	43,706	7,481	185,786
<u>Less</u> Accumulated					
depreciation	(17,300)	(110,199)	(40,491)	(7,475)	(175,465)
Net book amount	1,004	6,096	3,215	6	10,321
<b>For the year ended</b>					
<b>31 December 2018</b>					
Opening net book amount	1,004	6,096	3,215	6	10,321
Additions	780	1,070	1,603	3,211	6,664
Disposals/write off, net	-	(69)	(61)	-	(130)
Depreciation charge	(965)	(4,192)	(1,727)	(264)	(7,148)
Closing net book amount	819	2,905	3,030	2,953	9,707
<b>At 31 December 2018</b>					
Cost	19,084	90,535	74,387	7,279	191,285
<u>Less</u> Accumulated					
depreciation	(18,265)	(87,630)	(71,357)	(4,326)	(181,578)
Net book amount	819	2,905	3,030	2,953	9,707
<b>For the year ended</b>					
<b>31 December 2019</b>					
Opening net book amount	819	2,905	3,030	2,953	9,707
Additions	255	8,436	918	-	9,609
Disposals/write off, net	-	-	(25)	-	(25)
Depreciation charge	(341)	(2,984)	(1,482)	(642)	(5,449)
Closing net book amount	733	8,357	2,441	2,311	13,842
<b>At 31 December 2019</b>					
Cost	19,339	93,504	73,031	6,711	192,585
<u>Less</u> Accumulated					
depreciation	(18,606)	(85,147)	(70,590)	(4,400)	(178,743)
Net book amount	733	8,357	2,441	2,311	13,842

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 13 Intangible assets

	Consolidated financial statements					
	Game licenses	Computer software	Right for use of golf club	Customer relationship	Trademark	Total
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht
<b>At 1 January 2018</b>						
Cost	672,263	52,428	3,713	55,538	61,067	845,009
<u>Less</u> Accumulated amortisation	(488,873)	(43,258)	-	(28,942)	(9,274)	(570,347)
<u>Less</u> Allowance for impairment	(134,952)	-	(1,385)	(26,596)	(51,793)	(214,726)
Net book amount	48,438	9,170	2,328	-	-	59,936
<b>For the year ended</b>						
<b>31 December 2018</b>						
Opening net book amount	48,438	9,170	2,328	-	-	59,936
Exchange differences	159	-	(72)	-	-	87
Additions	19,505	1,179	-	-	-	20,684
Acquisition	-	-	-	21,096	-	21,096
Disposal/write-off, net	(9,289)	-	-	-	-	(9,289)
Amortisation charged	(33,294)	(1,429)	-	-	-	(34,723)
Reversal impairment charged	33,709	-	-	-	-	33,709
Closing net book amount	59,228	8,920	2,256	21,096	-	91,500
<b>At 31 December 2018</b>						
Cost	565,396	53,607	3,641	76,634	61,067	760,345
<u>Less</u> Accumulated amortisation	(417,837)	(44,687)	-	(28,942)	(9,274)	(500,740)
<u>Less</u> Allowance for impairment	(88,331)	-	(1,385)	(26,596)	(51,793)	(168,105)
Net book amount	59,228	8,920	2,256	21,096	-	91,500
<b>For the year ended</b>						
<b>31 December 2019</b>						
Opening net book amount	59,228	8,920	2,256	21,096	-	91,500
Exchange differences	34	(56)	(130)	(897)	-	(1,049)
Additions	28,734	6,182	-	-	-	34,916
Disposal/write-off, net	-	(75)	-	-	-	(75)
Amortisation charged	(27,131)	(1,931)	-	(5,772)	-	(34,834)
Reversal impairment charged	(241)	-	-	-	-	(241)
Closing net book amount	60,624	13,040	2,126	14,427	-	90,217
<b>At 31 December 2019</b>						
Cost	362,006	54,675	3,390	75,278	51,133	546,482
<u>Less</u> Accumulated amortisation	(222,665)	(41,635)	-	(34,254)	(9,324)	(307,878)
<u>Less</u> Allowance for impairment	(78,717)	-	(1,264)	(26,597)	(41,809)	(148,387)
Net book amount	60,624	13,040	2,126	14,427	-	90,217

# Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

### 13 Intangible assets (Cont'd)

	Separate financial statements		
	Game licenses	Computer software	Total
	Thousand Baht	Thousand Baht	Thousand Baht
<b>At 1 January 2018</b>			
Cost	208,677	50,800	259,477
<u>Less</u> Accumulated amortisation	(127,500)	(41,784)	(169,284)
<u>Less</u> Allowance for impairment	(37,924)	-	(37,924)
Net book amount	43,253	9,016	52,269
<b>For the year ended 31 December 2018</b>			
Opening net book amount	43,253	9,016	52,269
Additions	28,889	1,180	30,069
Disposal/write-off, net	(20,026)	-	(20,026)
Amortisation charged	(27,263)	(1,407)	(28,670)
Impairment charged	33,419	-	33,419
Closing net book amount	58,272	8,789	67,061
<b>At 31 December 2018</b>			
Cost	213,212	51,980	265,192
<u>Less</u> Accumulated amortisation	(151,929)	(43,191)	(195,120)
<u>Less</u> Allowance for impairment	(3,011)	-	(3,011)
Net book amount	58,272	8,789	67,061
<b>For the year ended 31 December 2019</b>			
Opening net book amount	58,272	8,789	67,061
Additions	13,942	595	14,537
Amortisation charged	(22,537)	(1,467)	(24,004)
Closing net book amount	49,677	7,917	57,594
<b>At 31 December 2019</b>			
Cost	80,490	49,088	129,578
<u>Less</u> Accumulated amortisation	(27,802)	(41,171)	(68,973)
<u>Less</u> Allowance for impairment	(3,011)	-	(3,011)
Net book amount	49,677	7,917	57,594

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 14 Short-term borrowings from financial institution

Movement of short-term borrowings from financial institution during the year are as follows;

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>For the years ended 31 December</b>				
Beginning balance	15,236	23,504	15,236	23,504
Additions	52,619	62,713	52,619	62,713
Repayments	(53,229)	(70,981)	(53,229)	(70,981)
Ending balance	14,626	15,236	14,626	15,236

The interest rate exposure on the borrowings of the Group and the Company is as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Borrowings:				
- at fixed rates	14,626	15,236	14,626	15,236
Total borrowings	14,626	15,236	14,626	15,236

The short-term borrowings from financial institution as at 31 December 2019 bore interest at rates from 2.85% to 4.04% per annum and are due within 4 months (2018: interest at rate from 2.92% to 5.00% per annum).

**Credit facility**

As at 31 December 2019, the Company had short-term loan facility of Baht 35 million (2018: Baht 35 million) by a bank for investment in game licenses and repayment of license fee. The remaining unused facility as at 31 December 2019 was Baht 22.22 million (2018: Baht 19.76 million).

**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2019**
**15 Trade and other payables**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Trade account payables - third party	6,286	22,470	812	1,094
Trade account payables - related parties (Note 27)	191	4	2,193	2,401
Other payables - third party	4,643	7,170	2,132	2,896
Accrued royalty fee	33,492	16,556	22,766	13,870
Payables for purchases of intangible assets	7,280	4,057	7,280	4,057
Accrued expenses	24,699	10,477	15,351	6,456
<b>Total trade and other payables</b>	<b>76,591</b>	<b>60,734</b>	<b>50,534</b>	<b>30,774</b>

**16 Deferred revenue and license fees**

Revenue recognised in the current reporting period from beginning balance performance obligations as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>For the years ended 31 December</b>				
Beginning balance	71,988	119,856	35,516	73,709
Additions	686,984	545,377	328,796	219,189
Revenue recognised from online game service	(675,892)	(593,245)	(326,452)	(257,382)
<b>Ending balance</b>	<b>83,080</b>	<b>71,988</b>	<b>37,860</b>	<b>35,516</b>

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 17 Finance lease liabilities

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities under finance lease agreements	11,105	2,251	8,816	2,251
<u>Less</u> Deferred interest expenses	(1,035)	(224)	(937)	(224)
Total	10,070	2,027	7,879	2,027
<u>Less</u> current portion due within one year	(2,864)	(646)	(1,914)	(646)
Liabilities under finance lease agreements - net	7,206	1,381	5,965	1,381

The Company has entered into the finance lease agreements with leasing companies for rental of motor vehicles and server for use in their operation, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 4 and 5 years. Finance lease agreements are non-cancellable.

## 18 Liability under litigation

On 9 April 2019 the Singapore International Arbitration Centre ('SIAC') rendered the award in favor of the game licensor and developer. The Company had already executed the first payment in May 2019 and the last payment will be done in February 2021.

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 19 Deferred income taxes

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate from 17% - 30%.

The analysis of deferred tax assets and deferred tax liability is as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Deferred tax assets:</b>				
Deferred tax assets to be recovered within 12 months	2,230	115	-	-
Deferred tax assets to be recovered after 12 months	-	-	-	-
	2,230	115	-	-
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	-	-	-	-
Deferred tax liabilities to be settled after 12 months	(5,194)	(4,274)	-	-
	(5,194)	(4,274)	-	-
<b>Deferred tax assets (liabilities), net</b>	<b>(2,964)</b>	<b>(4,159)</b>	<b>-</b>	<b>-</b>



## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 19 Deferred income taxes (Cont'd)

The gross movement and the deferred income tax account is as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Deferred income tax, net - 1 January	(4,159)	92	-	-
Credited to profit or loss	(110)	(4,313)	-	-
Charged (credited) to other comprehensive income	-	-	-	-
Exchange differences	1,305	62	-	-
Deferred income tax, net - 31 December	(2,964)	(4,159)	-	-

The movement in deferred tax assets and liabilities is as follows:

As at 31 December	Consolidated financial statements		
	Credited (charged) to		
	2018	profit or loss	2019
	Thousand Baht	Thousand Baht	Thousand Baht
<b>Deferred tax assets</b>			
Deferred revenue and license fees	115	2,115	2,230
Accumulated depreciation - equipment	-	-	-
	115	2,115	2,230
<b>Deferred tax liabilities</b>			
Accumulated depreciation - equipment	(4,274)	(920)	(5,194)
<b>Deferred tax assets (liabilities), net</b>	(4,159)	1,195	(2,964)

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 20 Employee benefit obligations

The amounts recognised in the statement of financial position are determined as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Present value of post-employment benefit obligations	17,375	11,403	11,325	10,029
Liability in the statement of financial position	17,375	11,403	11,325	10,029

Movements in the employee benefit obligations over the year are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Opening book amount	11,403	8,199	10,029	8,199
Current service costs	1,307	1,859	1,003	929
Past service cost	-	3,021	-	2,516
Interest costs	393	227	293	288
Loss (Gain) on remeasurement of retirement of benefit obligations	4,319	(1,303)	-	(1,303)
Employer direct benefit payment	-	(600)	-	(600)
Exchange rate differences	(47)	-	-	-
Closing book amount	17,375	11,403	11,325	10,029

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 20 Employee benefit obligations (Cont'd)

The amounts recognised into profit or loss are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Current service costs	1,307	1,859	1,003	929
Past service cost	-	3,021	-	2,516
Interest costs	393	227	293	288
Total, included in staff costs	1,700	5,107	1,296	3,733

Of the total charge, Baht 1.70 million and Baht 1.30 million (2018: Baht 5.11 million and Baht 3.73 million) were included in cost of goods sold and administrative expenses in the consolidated statements of comprehensive income and separate statements of comprehensive income, respectively.

The amounts recognised in other comprehensive income are as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
(Loss) Gain on remeasurements				
of employee benefit obligations	(4,319)	1,303	-	1,303
Employer direct benefit payment	-	600	-	600

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 20 Employee benefit obligations (Cont'd)

The principal actuarial assumptions used were as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	%	%	%	%
Discount rate	2.92 - 5.14	2.92 - 7.14	2.92	2.92
Future salary increase rate	5.00 - 10.00	5.00 - 6.00	5.00	5.00
Resignation rate	0.00 - 45.84	0.00 - 45.84	3.82 - 45.84	3.82 - 45.84

Sensitivity analysis for each significant actuarial assumption:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Impact on defined benefit obligations:</b>				
<b>Discount rate</b>				
Decrease 1%	1,267	1,406	117	1,212
Increase 1%	1,028	1,215	102	1,055
<b>Salary increase rate</b>				
Decrease 1%	1,022	1,233	109	1,035
Increase 1%	1,228	1,329	124	1,163
<b>Resignation rate</b>				
Decrease 1%	63	103	12	103
Increase 1%	49	81	9	81

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation- to significant actuarial assumptions, the same method has been applied as when calculating the liability recognised in the statement of financial position.

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 20 Employee benefit obligations (Cont'd)

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements				
	Less than a	Between	Between	Over 5 years	Total
	year	1-2 years	2-5 years		
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Retirement benefits					
At 31 December 2019	-	1,672	1,787	91,724	95,183
At 31 December 2018	-	1,672	1,323	36,620	39,615

	Separate financial statements				
	Less than a	Between	Between	Over 5 years	Total
	year	1-2 years	2-5 years		
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Retirement benefits					
At 31 December 2019	-	1,672	-	12,451	14,123
At 31 December 2018	-	1,672	-	12,451	14,123

The weighted average duration of the retirement benefit is 23.67 years. (2018: 22.91 years).

On 5 April 2019, The Labor Protection Act (No. 7) B.E.2562 was announced in the Royal Gazette. The new Labour Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than that of the last 400 days, based on the final wage rate. This change is considered a post-employment benefits plan amendment and the Company have additional liabilities for non-current provisions for employee benefits. The Company has recorded the effect of the change by recognizing past service costs as expenses in the income statement for the year ended as of 31 December 2018.

## 21 Share capital

At the Extraordinary General Shareholders Meeting dated 21 December 2018, the shareholders approved the increase of registered share capital from Baht 512,346,270 to Baht 532,840,120 by issuing new ordinary shares of 20,493,850 shares at a par value of Baht 1 per share to reserve for exercise of warrants (AS-WB). The Company registered the increase of share capital with the Ministry of Commerce on 3 January 2019.

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 22 Other income

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest income	534	2,774	475	3,491
Dividend income	-	-	-	3,540
Other income	4,650	38,450	14,010	9,943
Total other income	5,184	41,224	14,485	16,974

## 23 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit (loss):

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Salaries, wages and other employee benefits	169,172	180,924	81,966	92,742
Monthly royalty fee	245,619	194,173	128,017	94,655
Depreciation	10,020	18,921	5,449	7,148
Amortisation	34,834	34,723	24,004	28,670
Loss on write off and impairment of intangible assets and prepaid license fees	-	25,022	-	(24,951)
Loss on impairment of investments in subsidiaries and associates	-	-	-	118,015
Loss on (Reversal of) impairment of loans to subsidiaries	-	-	-	(128,912)
Publisher fee	-	11,077	-	13,031

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 24 Income tax

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Current tax:</b>				
Current tax on profit for the year	271	6,208	-	-
Adjustment in respect of prior year	-	(88)	-	-
Total current tax	271	6,120	-	-
<b>Deferred tax:</b>				
Origination and reversal of temporary differences:				
- Deferred tax assets	584	(115)	-	-
- Deferred tax liabilities	(694)	(4,198)	-	-
Total deferred tax (income) expense	(110)	(4,313)	-	-
Total income tax expense	161	1,807	-	-

The tax on the Group's profit (loss) before tax differs from the theoretical amount that would arise using the basic tax rate of the home country of the Group as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Profit (loss) before income tax	2,802	18,664	3,729	15,307
Tax rate	17 - 30%	17 - 30%	20%	20%
Tax calculated at tax rate	3,657	5,345	746	3,061
Tax effect of:				
Adjustment in respect of prior year	-	(88)	-	-
Income not subject to tax	(4,528)	-	(3,889)	-
Expenses not deductible for tax purpose	4,834	4,726	3,902	526
Used tax benefit from previously unrecognised deferred tax assets	(3,802)	(8,176)	(759)	(3,587)
Tax charge	161	1,807	-	-



**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019****25 Earnings (loss) per share**

Basic earnings (loss) per share attributable to shareholders of the parent company is calculated by dividing net earnings (loss) attributable to shareholders of the parent by the weighted average number of paid-up ordinary shares in issue during the period

The diluted earnings (loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares being warrants as detailed follow:

The Company has issued and offered warrants to shareholders of the Company, who are entitled in 16 March 2017 (record date). The warrants have no offered price and their terms do not exceed 3 years from the issued date (the issued date is 15 May 2017) at a maximum of 102,468,974 units. The exercise price is at Baht 2 per share. The exercise ratio is one warrant to one ordinary share. The warrants can be exercised on every 6 months, which will be on 25 June and 25 December throughout the term of warrants. The first exercise date will be on 25 December 2017.

The outstanding warrants as at 31 December 2019 which were issued and offered to shareholders of the Company did not affect the diluted earnings (loss) per share since the exercise price of the outstanding warrants is higher than the average market price of the Company's shares during the twelve-month period ended 31 December 2019.

The basic earnings (loss) per share are calculated as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Earnings attributable to ordinary				
shareholders of the Company (Thousand Baht)	4,351	14,008	3,729	15,307
Weighted average number of ordinary				
shares outstanding (Thousand Baht)	409,877	409,877	409,877	409,877
Basic earnings per share (Baht per share)	0.01	0.03	0.01	0.04

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 25 Earnings per share (Cont'd)

The diluted earnings per share are calculated as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Earnings attributable to ordinary				
shareholders of the Company (Thousand Baht)	4,351	14,008	3,729	15,307
Weighted average number of ordinary				
shares outstanding (Thousand Shares)	409,877	409,877	409,877	409,877
Diluted earnings per share (Baht per share)	0.01	0.03	0.01	0.04

## 26 Commitments

## (a) License agreements

The Group has entered into software license agreements, agreements licensing it to provide online game services and distribution rights agreements with several local and overseas companies. Under the agreements, the Company and subsidiaries are committed to pay initial license fees, minimum guarantee based on agreements and royalty fees based on revenue as stated in the agreements. The minimum guarantee payment are due according to the payment terms in the agreements.

As at 31 December 2019 and 2018, the Group are committed to pay initial license fees and minimum guarantee as follows:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Initial license fees	18,123	8,316	18,706	5,708
Minimum guarantee	33,717	55,789	24,520	30,821

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019****26 Commitments (Cont'd)****(b) Operating lease commitments - where the Group is the lessee**

The Group entered into operating lease agreements related to the rental of office space, warehousing and server storage space, and other agreements. The agreements have 1 to 5 years terms and are renewable.

As at 31 December 2019 and 2018, the Company and subsidiaries have future minimum lease payments required under these non-cancellable operating lease contracts are as follows.

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Not later than 1 year	15,894	14,196	11,626	9,780
Later than 1 year but not later than				
5 years	17,376	18,552	14,368	17,290
	33,270	32,748	25,994	27,070

**27 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company's shares are held by Mr. Pramoth Sudjitporn in the proportion of 48%. The remaining of 52% are widely held.

The significant investments in subsidiaries and associates are set out in Note 11.

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 27 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

## (a) Sales of goods and services and others

For the years ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Revenues from license fees and services</b>				
Subsidiaries	-	-	13,658	7,723
Related parties	-	5,899	-	5,899
	-	5,899	13,658	13,622
<b>Revenues from selling card</b>				
Subsidiaries	-	-	2,221	108
Related parties	-	-	1,295	-
	-	-	3,516	108
<b>Interest income</b>				
Subsidiaries	-	-	39	1,249
	-	-	39	1,249
<b>Other income</b>				
Related parties	-	10	-	10
	-	10	-	10

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 27 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

## (b) Purchases of goods and services and others

For the years ended 31 December	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>License fees and management fee</b>				
Subsidiaries	-	-	20,035	22,051
	-	-	20,035	22,051
<b>Cost from selling card</b>				
Subsidiaries	-	-	-	102
	-	-	-	102
<b>Publisher fee</b>				
Subsidiaries	-	-	-	12,031
Related parties	-	38	-	38
	-	38	-	12,069

**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2019**
**27 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

**(c) Outstanding balances arising from sales/purchases of goods/services and others**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Trade accounts receivable</b>				
Subsidiaries	-	-	4,661	40,854
Related parties	20,030	19,400	20,030	19,409
Total	20,030	19,400	24,691	60,263
<u>Less</u> Allowance for doubtful accounts	(19,400)	(19,400)	(19,400)	(28,569)
	630	-	5,291	31,694
<b>Amounts due from and</b>				
<b>accrued interest from related parties</b>				
Subsidiaries - other receivables	-	718	11,102	15,725
- accrued interest	-	-	15	5,689
Total	-	718	11,117	21,414
<u>Less</u> Allowance for doubtful accounts	-	-	(15)	(17,118)
	-	718	11,102	4,296
<b>Trade and other payables</b>				
Subsidiaries	-	-	2,002	2,397
Related parties	191	4	191	4
	191	4	2,193	2,401

**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2019**
**27 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

**(d) Short-term loans to related parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Short-term loans to related parties</b>				
Subsidiaries	-	-	500	500
<u>Less</u> Allowance for impairment	-	-	(500)	-
	-	-	-	500

The movements of short-term loans to related parties are shown below:

	<b>Separate financial</b>
	<b>statements</b>
	<b>Thousand Baht</b>
<b>For the year ended 31 December 2019</b>	
Opening balance	500
Write off loan during the year	(4,383)
Reversal of loss on impairment	4,383
Loss on impairment during the year	(500)
Closing balance	-

Short-term loans to related parties are loans without collateral, repayable at call and carry interest at rate 3.90% per annum.



**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2019**
**27 Related party transactions (Cont'd)**

The following significant transactions were carried out with related parties: (Cont'd)

**(e) Long-term loans to related parties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Long-term loans to related parties</b>				
Subsidiaries	-	-	-	4,000
<u>Less</u> Allowance for impairment	-	-	-	(4,000)
	-	-	-	-

The movements of long-term loans to related parties during the year are shown below:

	<b>Separate financial</b>
	<b>statements</b>
	<b>Thousand Baht</b>
<b>For the year ended 31 December 2019</b>	
Opening balance	-
Write off loan during the year	(4,000)
Reversal of allowance for impairment	4,000
Closing balance	-

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 27 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

## (f) Short-term loan from director

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Short-term loan from director</b>				
Key management	478	-	-	-
	478	-	-	-

The movements of short-term loan from director is shown below:

	Consolidated
	financial statements
	Thousand Baht
<b>For the year ended 31 December 2019</b>	
Opening balance	-
Loans received during the year	478
Loans repayments received during the year	-
Closing balance	478

## (g) Key management's compensations

Key management includes directors (executive and non-executive), members of the Executive Committee, and the Company Secretary. The compensation paid or payable to key management for employee services is shown below:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Short-term employee benefits	19,811	28,897	11,096	17,794
Retirement benefits	1,389	1,442	600	380
	21,200	30,339	11,696	18,174

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2019

## 28 Financial assets and liabilities denominated in foreign currencies

The significant outstanding balances of the Company and its subsidiaries' financial assets and liabilities denominated in foreign currencies are as follows:

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2019	2018	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Baht	Baht
	Baht per 1 unit of foreign currency					
USD	3,106	1,279	2,459	717	30.1540	32.4498
EUR	-	-	9	15	33.7311	37.1252
MYR	2,191	2,769	21	69	7.3222	7.8056
SGD	552	529	124	169	22.3245	23.6943
PHP	7,746	57,413	275	1,078	0.5946	0.6183
IDR	11,138	52,815	-	406,694	0.0022	0.0022

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	2019	2018	2019	2018	2019	2018
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Baht	Baht
	Baht per 1 unit of foreign currency					
USD	1,751	1,035	2,118	298	30.1540	32.4498
EUR	-	-	9	15	33.7311	37.1252
MYR	-	-	-	-	7.3222	7.8056
SGD	-	-	84	87	22.3245	23.6943
PHP	7,746	56,690	-	459	0.5946	0.6183
IDR	-	35,603	-	-	0.0022	0.0022

In addition, the Company and its subsidiaries are exposed to foreign exchange risk on their investments in overseas subsidiaries. These investments are currently not hedged by derivative financial instruments.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2019****29 Events occurring after the reporting date**

At the Board of Directors' meeting held on 21 February 2020, the Board agreed to propose the shareholders at the Annual General Meeting of the Shareholders to consider and approve the following;

- Decrease of Baht 20,493,850 registered capital, due to Warrants (AS-WB) is expired, the registered capital after decrease will be Baht 512,346,270.
- Decrease of the registered capital from Baht 512,346,270 paid up capital of Baht 409,877,016 to the new registered capital of Baht 256,173,135 paid up capital of Baht 204,938,508 by reducing par value from Baht 1.00 to Baht 0.50 to compensate the deficit of the Company.
- Issuing new warrant (AS-WB) not exceed 20,493,850 shares at par value Baht 0.50, and increase registered capital to be in line with issuance of warrant.
- Increasing of the registered capital of the Company by issuance the General Mandate of the newly issued share 40,000,000 shares at the par value of Baht 0.50 per share, totaling Baht 20,000,000.

**30 Reclassification of accounts**

Certain accounts in the 2018 financial statement have been reclassified to conform to the presentation in the 2019 financial statement as follow:

	Consolidated financial statement			Separated financial statement		
	Previously		After	Previously		After
	presented	Reclassification	reclassification	presented	Reclassification	reclassification
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Statement of Financial Position</b>						
<b>31 December 2018</b>						
<b>Liabilities</b>						
Other current liabilities	16,597	(2,020)	14,577	646	(646)	-
Current portion of liabilities						
under finance lease agreement	-	646	646	-	646	646
Employee benefit obligations	-	1,374	1,374	-	-	-



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