

ASIASOFT ANNUAL REPORT 2020

**THE WORLD IS CONSTANTLY  
EVOLVING  
SO ARE  
WE!**



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# 1. MESSAGE FROM OUR CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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In early 2020, COVID-19 infections began to spread rapidly. Since then, the pandemic has had a substantial global impact on people's livelihood and economic activities. It was a historic year of challenges and changes. The disruption has changed our lifestyles into what is known as the "new normal." At the same time, the business sector has also been affected, and many companies have tried to adjust and navigate the operational challenges to ensure that their firms stay resilient.

However, in every crisis, lies great opportunity. Certainly, these positives and negatives may differ widely among businesses and industries. Online businesses and industries gained an advantage from the social-distancing situation as they could continue their businesses without physical customer interactions. Online gaming was one such industry that could respond to consumer behavioral changes. As a result, the online gaming industry gained a dramatic growth during the pandemic due to a rapid increase in the number of both newcomers and returnees across the world. Furthermore, the time and money spent on online games by consumers has also increased during the past year. Under huge pressure during nationwide lockdowns in our region; Asiasoft acted quickly in restructuring its business operation and work patterns in response to the situation. With the Company's experience, Asiasoft was able to successfully continue its business with high efficiency and gain its highest consumer base in the last several years. Another accomplishment was our success in making our existing games gain more popularity. Among other things, many new PC and mobile games were continuously launched throughout the year, and this led to a significant growth in our business turnover.

In 2021, Asiasoft is still committed to its goal in building sustainable business and revenue growth. The Company has built up two core strategies. The first strategy is increasing more high-quality mobile game services in response to consumer behavior changes and current gaming trends. Another plan is to enter into new international markets as the 2020 financial results indicated that most business revenue came from international markets, rather than the markets in Thailand. The Company aims at new high-potential markets such as Indonesia and Vietnam, which have a larger population size than Thailand. They are also listed in the top countries that have a high growth rate in our region. This plan undoubtedly is a big new challenge for the Company to overcome due to restrictions and barriers in these countries. Nevertheless, with a strong drive gained from last year, the Company will continue to keep up its current customer base and offer more new game contents and marketing activities to deliver the best experiences and services to customers.

Lastly, on behalf of Asiasoft, we would like to take this opportunity to express our heartfelt gratitude to all the shareholders, customers, and business alliances for their constant support and trust in our business. Most importantly, we would like to sincerely thank each and every one of our members, both the management teams and staff, for their devotion and effort in their flexibility and carrying out critical tasks to manage all the unexpected circumstances, and in helping to achieve our goal toward sustainable success. We assure you that the Company will continue doing business within the Company's policies of corporate governance, business ethics, and codes of conduct, as well as social responsibility. It is the commitment of Asiasoft to bring out the utmost benefits to its shareholders and all stakeholders alike.



Mr. Pramoth Sudjitporn  
Acting Chairman and Chief Executive Officer



## 2. 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 2020, the Audit Committee met totally 6 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 time, in order to grant external auditors the opportunity to express any problems and recommendations.

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 2021.**

The Audit Committee is on the process of consider, elect and nominate the outsourced internal auditor to perform internal audit for Playpark Pte. Ltd, Singapore for the year 2021.

### **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 2021.**

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 2021. Mazars Limited has assigned Mr. Sompop Pholprasarn, Certified Public Accountant (Thailand) No. 6941 or Ms. Wannawat Hemachayart, Certified Public Accountant (Thailand) No. 7049 or Ms. Tippawan Pumbansao, Certified Public Accountant

(Thailand) No. 9552 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 2020 (Form 56-2) and in the annual information disclosure form as at 31 December 2020 (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 updated 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 2020 |
|----------------------------------|--|----------------------------|
| 1. Mr. Chalermphong Jitkuntivong | Independent Director and Chairman of the Audit Committee | 6/6                        |
| 2. Mrs. Monluedee Sookpantararat | Independent Director and the Audit Committee Member      | 6/6                        |
| 3. Pol.Col. Yanaphon Youngyuen   | Independent Director and the Audit Committee Member      | 6/6                        |

On behalf of the Audit Committee



(Mr. Chalermphong Jitkuntivong)  
Chairman of the Audit Committee  
15 December 2020



# **BOARD OF DIRECTORS**

ASIASOFT ANNUAL REPORT 2020



**Full Name** Mr. Tan Tgow Lim

**Age** 60

**Position** Chairman

**Appointment Date** 17 May 2007 (resigned on 31 October 2020)

**Illegal Record  
in Past 10 Years** None

**Educational Background**

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

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

- Director Accreditation Program (DAP 50/2006)

**Work Experiences** Listed Company

- Chairman, Asiasoft Corporation Public Company Limited

Non-listed Company

- Director, Playpark Pte. Ltd. (former name Asiasoft Online Pte. Ltd.)
- Director, PT. Asiasoft

**Expertise** Games Industry Knowledge, International business





|  |  |
|--|--|
| <b>Full Name</b>   | Mr. Pramoth Sudjitporn   |
| <b>Age</b>   | 46   |
| <b>Position</b>  | Vice Chairman  |
| <b>Appointment Date</b>  | 17 May 2007  |
| <b>Number of Company Shares as of 31 December 2020</b>           | 177,387,770  |
| <b>Number of Company Shares of Spouse as of 31 December 2020</b> | 41,397,656   |
| <b>Illegal Record in Past 10 Years</b>                           | None   |
| <b>Educational Background</b>                                    | <ul style="list-style-type: none"> <li>• Bachelor of Business Administration, Bangkok University</li> </ul>  |
| <b>Training Program</b>  | <u>Training Program Organized by Thai Institute of Directors Association (IOD)</u> <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP 50/2006)</li> </ul>  |
| <b>Work Experiences</b>  | <u>Listed Company</u> <ul style="list-style-type: none"> <li>• Acting Chairman, Chief Executive Officer and Chairman of Executive Committee, Asiasoft Corporation Public Company Limited</li> </ul> <u>Non-listed Company</u> <ul style="list-style-type: none"> <li>• Director, A Capital Company Limited</li> <li>• Director, Playpark Company Limited (former name Funbox Company Limited)</li> <li>• Director, Skynet Systems Company Limited</li> <li>• Liquidator, Asiasoft International Company Limited</li> </ul> |
| <b>Expertise</b>   | Business Management, Information Technology, Games Industry Knowledge  |



**Full Name** Mr. Lertchai Kanpai

**Age** 60

**Position** Director

**Appointment Date** 17 May 2007 (resigned on 15 February 2020)

**Illegal Record  
in Past 10 Years** None

**Educational Background** • Bachelor of Laws, Ramkhamhaeng University

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

- Director Accreditation Program (DAP 51/2006)

**Work Experiences** Listed Company

- Director, Asiasoft Corporation Public Company Limited

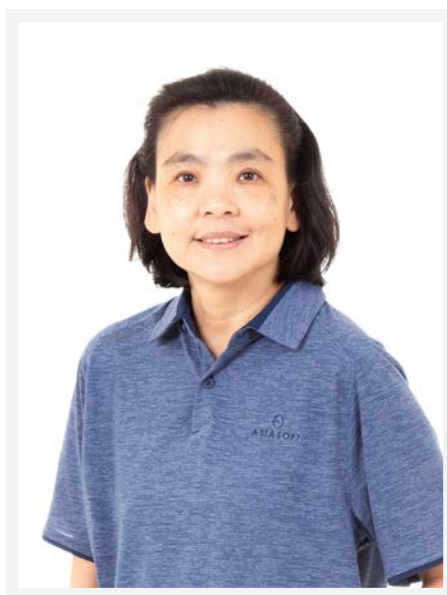
**Expertise** Law



|  |   |
|--|---|
| <b>Full Name</b>   | Mr. Kittipong Prucksaroon   |
| <b>Age</b>   | 52  |
| <b>Position</b>  | Director, and Managing Director   |
| <b>Appointment Date</b>  | 23 April 2020   |
| <b>Number of Company Shares of Spouse as of 31 December 2020</b> | 96,859  |
| <b>Business Relationship with the Company</b>                    | None  |
| <b>Illegal Record in Past 10 Years</b>                           | None  |
| <b>Educational Background</b>                                    | <ul style="list-style-type: none"> <li>• BBA, Assumption University</li> </ul>  |
| <b>Training Program</b>  | <u>Training Program Organized by Thai Institute of Directors Association (IOD)</u> <ul style="list-style-type: none"> <li>• Successful Formulation &amp; Execution of Strategy (Class 13/2011)</li> <li>• Directors Accreditation Program (DAP) Class 170</li> </ul>  |
| <b>Work Experiences</b>  | <u>Listed Company</u> <ul style="list-style-type: none"> <li>• Managing Director, Asiasoft Corporation Public Company Limited</li> </ul> <u>Non-listed Company</u> <ul style="list-style-type: none"> <li>• Director, Skynet Systems Company Limited</li> <li>• Director, Thaiware Communication Company Limited</li> <li>• Liquidator, Playcybergames Company Limited</li> </ul> |
| <b>Expertise</b>   | Business Administration   |



|  |  |
|--|--|
| <b>Full Name</b>                                       | Mr. Chalermphong Jitkuntivong  |
| <b>Age</b>   | 60   |
| <b>Position</b>  | Independent Director and Chairman of the Audit Committee   |
| <b>Appointment Date</b>                                | 17 May 2007  |
| <b>Number of Company Shares as of 31 December 2020</b> | 605,700  |
| <b>Business Relationship with the Company</b>          | None   |
| <b>Illegal Record in Past 10 Years</b>                 | None   |
| <b>Educational Background</b>                          | <ul style="list-style-type: none"> <li>• Master of Laws, Cornell University, USA</li> <li>• Barrister at laws (Thai Bar)</li> <li>• Bachelor of Laws (Hons.), Chulalongkorn University</li> <li>• Graduate Diploma in Business Laws, Thammasat University</li> </ul>   |
| <b>Training Program</b>                                | <u>Training Program Organized by Thai Institute of Directors Association (IOD)</u> <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP 53/2006)</li> <li>• Understanding the Fundamental of Financial Statements (UFS 9/2007)</li> </ul>  |
| <b>Work Experiences</b>                                | <u>Listed Company</u> <ul style="list-style-type: none"> <li>• Independent Director and Chairman of the Audit Committee, Asiasoft Corporation Public Company Limited</li> </ul> <u>Non-listed Company</u> <ul style="list-style-type: none"> <li>• None</li> </ul> <u>Others</u> <ul style="list-style-type: none"> <li>• Attorney, Domnern Somgiat &amp; Boonma Law Office Limited</li> </ul> |
| <b>Expertise</b>                                       | Law  |



|  |  |
|--|--|
| <b>Full Name</b>   | Mrs. Monluedee Sookpantarat  |
| <b>Age</b>   | 56   |
| <b>Position</b>  | Independent Director and Audit Committee Member  |
| <b>Appointment Date</b>                                    | 23 November 2007   |
| <b>Number of Company Shares<br/>as of 31 December 2020</b> | 280,000  |
| <b>Business Relationship with<br/>the Company</b>          | None   |
| <b>Illegal Record<br/>in Past 10 Years</b>                 | None   |
| <b>Educational Background</b>                              | <ul style="list-style-type: none"> <li>• Master's Degree in Accounting, Thammasat University</li> <li>• Graduate Diploma in Auditing, Thammasat University</li> <li>• Bachelor's Degree in Accounting with 2nd class honors, and Major in Accounting, Thammasat University</li> <li>• Certified Public Accountant, Thailand License No.4020</li> <li>• Arbitrator, Thailand Arbitration Center : THAC</li> <li>• Arbitrator, Thai Arbitration Institute : TAI , Court of Justice</li> <li>• ASEAN Chartered Professional Accountant</li> </ul> |
| <b>Training Program</b>                                    | <u>Training Program Organized by Thai Institute of Directors Association (IOD)</u> <ul style="list-style-type: none"> <li>• Director Certification Program (DCP 31/2003)</li> <li>• Director Diploma Award (Fellow Member) (Class 11/2003)</li> <li>• Director Accreditation Program (DAP 34/2005)</li> <li>• Audit Committee Program (ACP 23/2008)</li> </ul>   |



Others

- KPMG Webinar, Topic: Are you ready to close FY2020? Important tax points to know before closing, KPMG Phoomchai Audit Ltd.
- SET Onlineseminar Re “COVID-19: Impact on Accounting & Financial Reporting” through Live channel, The Stock Exchange of Thailand (SET)
- SET Onlineseminar Re “COVID-19: Financial Management Strategies for the new normal getting ahead of the pandemic crisis” through Live channel, The Stock Exchange of Thailand (SET)

**Work Experiences** Listed Company

- 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 of the Board of Directors ,Independent Director and Chairman of Audit Committee, ASN Broker Public Company Limited
- Independent Director ,Chairman of Audit Committee and Member of the Risk Management Committee, Silicon Craft Technology Public Company Limited
- Chief Financial Officer, Nava Nakorn Public Company Limited

Non-listed Company

- None

Others

- Visiting Lecturer, Faculty of Commerce and Accountancy, Thammasat University
- Visiting Lecturer, Faculty of Accountancy, Bangkok University
- Chief Financial Officer, Group of Wave Entertainment Public Company Limited
- Audit Manager, EY Office Limited

**Expertise** Finance and Accounting



|  |  |
|--|--|
| <b>Full Name</b>   | Pol.Col. Yanaphon Youngyuen  |
| <b>Age</b>   | 67   |
| <b>Position</b>  | Independent Director and Audit Committee Member  |
| <b>Appointment Date</b>                                    | 13 November 2017   |
| <b>Number of Company Shares<br/>as of 31 December 2020</b> | 80,000   |
| <b>Business Relationship with<br/>the Company</b>          | None   |
| <b>Illegal Record<br/>in Past 10 Years</b>                 | None   |
| <b>Educational Background</b>                              | <ul style="list-style-type: none"> <li>• Bachelor of Public Administration Science; Police Cadet Academy Class 28</li> <li>• Master of Urban Planning; Faculty of Architecture, Chulalongkorn University</li> <li>• Master of Science Program in Computer Science; Department of Computer Engineering, Faculty of Engineering, Chulalongkorn University</li> <li>• Chief Information Officer (CIO 16)</li> <li>• Senior Executives Development Program : Visionary Leadership Class 46</li> <li>• Capital Market Academy (CMA 7)</li> <li>• National Security Management for Senior Executives (NSM 3)</li> <li>• Management for Senior Executives Program 2 Class 3</li> <li>• Advance Political and Electoral Development Institute (APED 3)</li> <li>• Advanced Security Management Program (ASMP 4)</li> </ul> |

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

- Director Accreditation Program (DAP 144/2018)

**Work Experiences** Listed Company

- Independent Director and Audit Committee Member, Asiasoft Corporation Public Company Limited

Non-listed Company

- None

Others

- 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

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 And Expertise**

- The Automated Fingerprint Identification System (AFIS)
- Criminals Database Operating System (CDOS)
- Police Information System (POLIS)
- Command Control Communication Information Center (C3I)
- 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
- President of Thai Webmaster Association [www.webmaster.or.th](http://www.webmaster.or.th)
- Sub-Committee for Online Media Reform Steering
- Vice President of Thai Computer Association
- President of Thai Information Security Association (TISA)

- President of Wat Makutkasat School Alumni Association
- Honorary Committee of National Cyber Security Committee
- Committee for Drafting Cybersecurity Act 2019
- Committee for Drafting Personal Data Protection Act 2019
- Committee for Digital Government Development Agency

Lecturer in Ecology of Crime, Computer and Computer Crime

- Police Cadet Academy, Inspector Curriculum, Superintendent and Senior Police Administration, Thammasat University, Kasetsart University, National Institute of Development Administration (NIDA)
- Faculty of Law, Faculty of Engineering Chulalongkorn University
- King Mongkut's University of Technology Thonburi, North Bangkok
- Command and General Staff College
- Faculty of Law Siam University, Bangkok University, Naresuan University, Rangsit University, Sripatum University, Silpakorn University, Mahidol University, Ramkhamhaeng University
- Phranakhon Rajabhat University, Suan Dusit, Songkhla, Chiang Rai

Academic Work

- Ecological studies for crime prevention planning in Bangkok (Phra Nakhon side)
- A decision-making system for the management of vehicles of the Police Department



# MANAGEMENT

ASIASOFT ANNUAL REPORT 2020





|  |  |
|--|--|
| <b>Full Name</b>   | Mr. Ung Chek Wai, Gerry  |
| <b>Age</b>   | 53   |
| <b>Position</b>  | Chief Financial Officer  |
| <b>Appointment Date</b>                                    | 1 November 2017  |
| <b>Number of Company Shares<br/>as of 31 December 2020</b> | 93,563   |
| <b>Business Relationship with<br/>the Company</b>          | None   |
| <b>Illegal Record<br/>in Past 10 Years</b>                 | None   |
| <b>Educational Background</b>                              | <ul style="list-style-type: none"> <li>• Business Administration, Middlesex University</li> <li>• Master of Science in Corporate Finance, Salford University</li> </ul>  |
| <b>Training Program</b>                                    | <u>Training Program Organized by Thai Institute of Directors Association (IOD)</u> <ul style="list-style-type: none"> <li>• Director Accreditation Program (DAP 88/2011)</li> </ul>  |
| <b>Work Experiences</b>                                    | <u>Listed Company</u> <ul style="list-style-type: none"> <li>• Chief Financial Officer, Asiasoft Corporation Public Company Limited</li> </ul> <u>Non-listed Company</u> <ul style="list-style-type: none"> <li>• Director, Playpark Pte. Ltd. (former name Asiasoft Online Pte. Ltd.)</li> <li>• Director, Playpark Inc.</li> <li>• Director, PT. Asiasoft</li> <li>• Director AS Online Sdn. Bhd.</li> </ul> |
| <b>Expertise</b>   | Finance and Business Management  |



|  |   |
|--|---|
| <b>Full Name</b>                                       | Mr. Quach Dong Quang  |
| <b>Age</b>   | 53  |
| <b>Position</b>  | Chief Operation Officer   |
| <b>Appointment Date</b>                                | 13 November 2017  |
| <b>Number of Company Shares as of 31 December 2020</b> | 562   |
| <b>Business Relationship with the Company</b>          | None  |
| <b>Illegal Record in Past 10 Years</b>                 | None  |
| <b>Educational Background</b>                          | <ul style="list-style-type: none"> <li>• University of Warwick - Warwick Business School - Msc. Management Science and Operations Research</li> <li>• University of Nottingham - BA. Social Science</li> <li>• Dudley College of Technology</li> </ul>  |
| <b>Training Program</b>                                | None  |
| <b>Work Experiences</b>                                | <p><u>Listed Company</u></p> <ul style="list-style-type: none"> <li>• Chief Operation Officer, Asiasoft Corporation Public Company Limited</li> </ul> <p><u>Non-listed Company</u></p> <ul style="list-style-type: none"> <li>• Director, Playpark Pte. Ltd. (former name Asiasoft Online Pte. Ltd.)</li> <li>• Director, Playpark Inc.</li> <li>• Director, Asiasoft (VN) Co., Ltd.</li> <li>• Director, PT. Asiasoft</li> </ul> |
| <b>Expertise</b>                                       | Business Management and Games Industry Knowledge  |

## 5. HIGHLIGHT EVENTS OF 2020

### Thailand

#### February



“HeartsWar Mobile”, PlayPark’s newest mobile game, officially launched Open Beta Test on 26 February 2020 for both iOS and Android in 6 countries including Thailand, Singapore, the Philippines, Malaysia, Indonesia and Vietnam. In Thailand, the game ranked No. 2 in the Role-Playing category in the App Store after opening for only 1 day.

#### March



Dragon Nest celebrated its 8th anniversary in Thailand. Players ventured into the Open World to celebrate this special moment. As a gift to its adoring fans, Dragon Nest released a new map with an all-new boss called “Gust Dragon” along with many great events for the anniversary.



Tales Runner launched the first NPC series “Elims” and “Cain” with a special gift, pre-order on 24 March 2020.

#### April

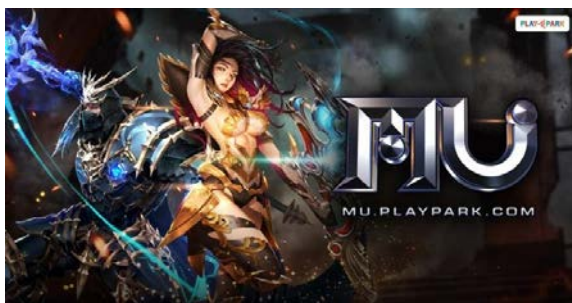


Annual General Meeting of Shareholders year 2020 on 23 April 2020 at 2.00 p.m., at Space Bar room, Asiasoft Corporation Public Company Limited.





PlayPark and Chinese Gamer launched the latest mobile game “Wonderland Online Mobile” in Thailand on 30 April 2020 with a campaign collaborated with an idol girl group - “Siam Dream”. Wonderland Online used to be a famous PC game in Thailand. The mobile game was ranked no.1 RPG game in the App Store.



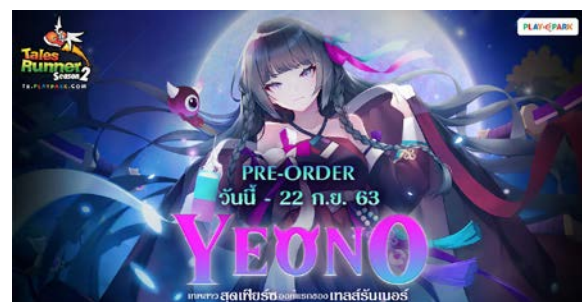
PlayPark and Webzen Inc., recently brought back a legendary MMORPG “MU Online” to Southeast Asia which received overwhelmingly positive reception. The Peak CCU grew more than 216% in just 3 weeks after the commercial launch last 26 March 2020. Two additional servers were launched in the 2nd and 3rd week after the commercial date.

## May



PlayPark invited the players to auction game premiums via Facebook Live. A total of 26,664.50 baht was collected from the auction and was donated to CCF (Community Children Foundation) under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn to help the children and family that had an impact from the COVID-19 pandemic.

## September



Tales Runner updated the newest character “YeonO” and everyone could pre-order the character and get the special gifts in the package, starting 8 - 22 September 2020.

## August



Perfect World Online, the classic MMORPG PC game, was officially launched in Thailand on 13 August 2020. Players could explore deep dungeons, complete quests, craft new items, fight for control in fierce PvP battles, and more.



“Dance with Love” in Audition Thailand as it celebrated its 14th anniversary. Thanks to everyone who has loved and bonded in the game for a long time, Audition Thailand gives back with a lot of activities.



Dragon Nest updated the latest characters in the past 4 years, “Vandar”. With an exclusive activity, just register and receive free items for everyone.

## October



PlayPark held a big campaign “PlayPark Wowwwtober” throughout October. There were 3 Wow for players to join; Wow 1 : log in to the game to get items for free, Wow 2 : discount on item prices, and Wow 3 : an exclusive discount promotion for only one day.

## November



Yulgang celebrated its 16<sup>th</sup> anniversary with the big patch “Miko”, new character and new server, in November 2020. There was the first online meeting with players via Zoom that the Yulgang PC team revealed exclusive information of the patch and held special activities with rewards. With the above efforts, the Unique Active User increased by about 50%, compared with October 2020.



In November 2020, PlayPark Thailand held the final round competition of 2 games; “Audition Thailand Championship 2020” in the concept “Show your dancing power” for a prize of 150,000 baht. There were 3 categories; Team, Lady, and Individual battle. And the first online competition of “Tales Runner Thailand Championship 2020” in 2 categories; Individual and Team battle, for a prize of 2,000,000 Cash Points and special items.

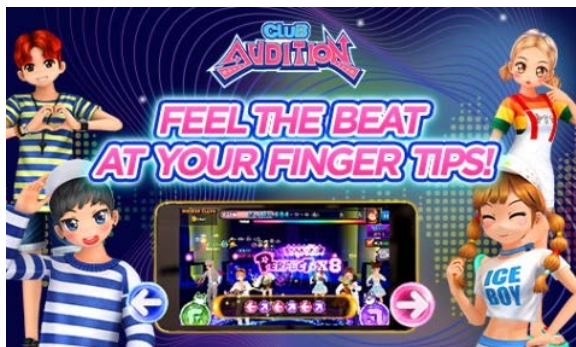




PlayPark Thailand brought “Noppadol Artsakul” or “Mymind”, a champion of individual mode from the Audition World Championship 2019, representing Audition Thailand to participate in the “12<sup>th</sup> Esports World Championship”, hosted by Israel. Noppadol won the first runner-up award.

## Singapore

January



Early access for “Club Audition Mobile” was released on 17 January 2020. Southeast Asia rocked out to the hottest hits and original Audition music already available in the game. Friends, FAMs and Couples were formed throughout early access which Club Audition is well known for. Club Audition features a story mode and dancing hall mode for real-time multiplayer action. With hundreds of fashion items, players can dance, chill, and compete in their own unique style.

## February



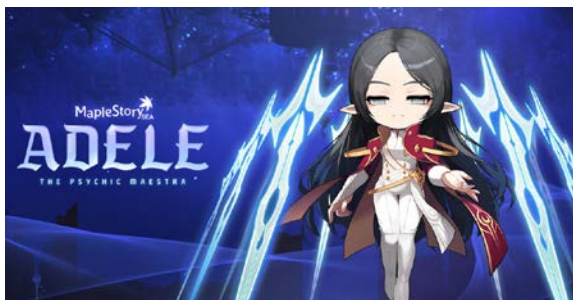
It's the season of love in Maple World. Maplers all over penned down their heartfelt thoughts and had them sent to their loved ones through the MapleStorySEA Facebook page. Those without a date yet were invited to participate in a search for the Most Eligible Bachelor and Bachelorette. After an arduous round of voting, Maplers selected Fang as the Most Eligible Bachelor, and Moko as the Most Eligible Bachelorette from Cassiopeia.

## March



On 8<sup>th</sup> March 2020, PlayPark and Bountie Arena sponsored the highly anticipated “Road to Audition Singapore & Malaysia Championship 2020” (ASGMYC 2020) at Bountie Arena, Singapore. After 5 hours of intense battle amongst 45 participants, Patrick Ang Zhen Wang (WANGG) emerged as Champion. Kathy Leonardo (Kaesu) and Foo Che Zhong (Pancqkes) secured the 1<sup>st</sup> Runner-up and 2nd Runner-up positions respectively. Winners walked away with over SGD 1,000 worth of prizes.

### May



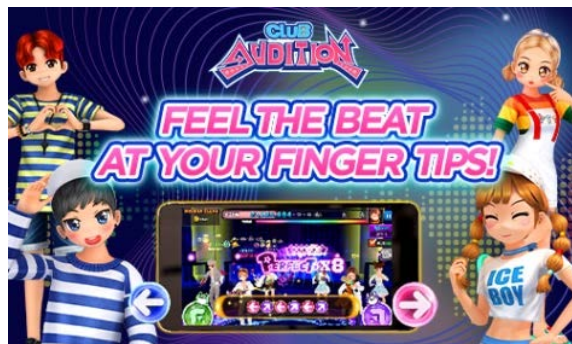
MapleStorySEA RISE introduced a new class, “Adele”, on 20 May 2020 which saw the highest number of concurrent players since 2013. Players took part in “Adele’s Challenge”. The winner of each category was rewarded with a full-sized body pillow of Adele. Returning players were also welcomed back with a Returning Mapler Ring.

### June

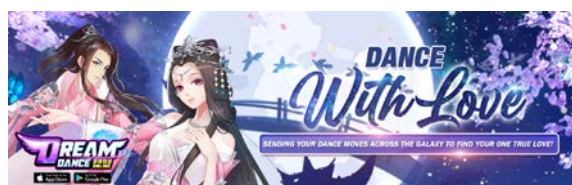


MapleStorySEA commemorated their 15th Anniversary on 23 June 2020, with their first fully online celebration filled with 15 days of fun activities and Limited Edition MapleStorySEA Merchandise up for grabs. In addition, PlayPark Singapore gave 6,600 Limited Edition MapleStorySEA Reusable Kid-sized Masks to more than 50 Primary Schools across Singapore in support of the fight against COVID-19 pandemic.

### July



“Club Audition M”, PlayPark’s latest mobile game, was officially available on both iOS and Android on 21 July 2020, in Singapore, Malaysia and the Philippines. Developed by T3 Entertainment, Club Audition M is based on the popular PC game, Audition Online. Club Audition M ranked No.1 in the Top Free Games and Music Games category in the App Store on its first day of launch.



“Dream Dance Online” is the new Casual Music RPG game developed by YUQI Network. Step up your game on the best rhythm game available in both PlayStore and App Store. Exclusive events await along with new trendy songs and new fabulous costumes to rock on the dance floor. Additionally, Dream Dance Online hosts multiple in-game festival events and sends out several rewards for new players.

### November



Nexon announced a collaboration with global record-breaking pop super-stars, “BTS”, with their iconic MMORPG “MapleStorySEA”. With that, MapleStorySEA



created a microsite featuring videos of BTS sharing their journey growing up with MapleStory through childhood and their fondness for the game. Players were pleasantly surprised by this collaboration and BTS fans got to learn more about MapleStorySEA.



MapleStorySEA received a huge update, "Awake", on 11 Nov 2020. Players could finally unleash their potential with the latest addition to their 5th Job Skills, experience a special time-limited PvP event for the very first time, and enjoy the return of Tera Burning Leveling Event. Special rewards in the form of a limited-edition physical medallion were given to the high-achievers of the PvP event.

## Malaysia

April



"Perfect World Online", known to be the most iconic classic Chinese MMORPG, was published on 16 April 2020 in Malaysia and Singapore. Players can now relive the mystical story and gather their comrades to once again explore the vast open world. Feel the thrill of combat on land, sea and air. There are 6 races and 14 jobs to choose from along with new chapters and new content.

June



Dream Dance Online, a casual Music RPG game, had a major update in June. Players can now enjoy the best rhythm game in both PlayStore and App Store. They can dance their way to stardom with exclusive events, trendy songs and latest costumes. A brand new pet system has been introduced and players can show off their pets on the dance floor.

September



TLBB Online celebrated its 12th anniversary in 2020 with a bang. First, a major update on 17 September 2020 and a 13th new class has been available - Peach Blossom Island. Fans of this hit martial arts classic were happy with tons of activities filled with great prizes.

December



“Mohun Online” is a MMORPG game, adapted from the classic Moxiang Online. It continues to honour the previous game features with new systems, gameplays and more. Players can choose between six different weapons; Sword, Katana, Spear, Bow, Dart and Glove. Mohun has no weapon restriction and players can hunt monsters, and PvP with others. Available on 17 December 2020.



Dream Dance Online celebrated their first year anniversary this year, with an all new Zodiac System, countless in-game events, give away rewards and many more. Players can now dance their way to the new and trendy songs which are updated monthly.

The Philippines

February



PlayPark Philippines started 2020 with a grand get-together of TikTok influencers to celebrate the coming Early Access of “Club Audition Mobile”. TikTok stars got to try the PlayPark’s newest mobile game with their adoring fans. They flooded TikTok with hilarious videos about the party and the game.



Just in time for Valentine’s Day, PlayPark Philippines hosted “Gift Giving Activity” for the residents affected by the earthquakes in Davao Del Sur, Philippines. Thanks to the combined effort of PlayPark, the gaming community and volunteers, and the local government, Purok 5 of Nicholas Carbonel Ordaneza District received much needed basic necessities and supplies. At the end of the day, all the attendees shared a boodle fight in celebration.





Powered by MSI, PlayPark lit up the SM Cyberzone event series “Game Fest 2020” with the hottest games of the year. As Game Fest 2020 headed to different locations all-over the Philippines, PlayPark brought the hottest upcoming games and the hottest artists to its community.

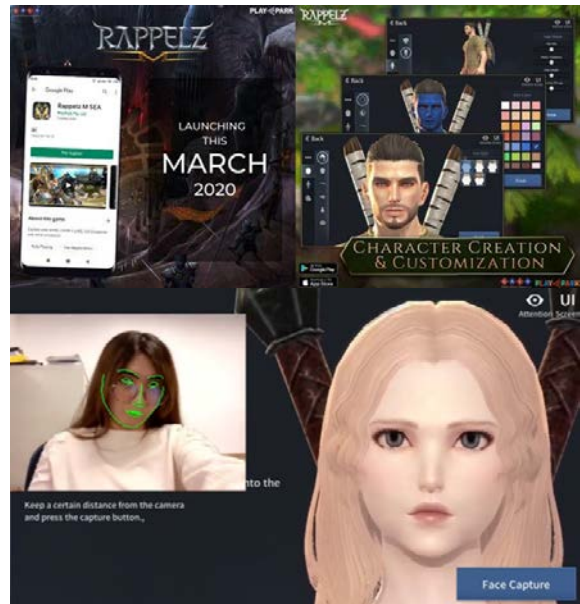


PlayPark Crossout pitted together top Youtubers - “Gloco Gaming”, “Peenose Realm” and cosplayer “Kits Cua” - against each other in a thrilling kickoff to the “Crossout Revelation” tournament. Team Gloco and Team Nhil battle-tested the Horsemen of the Apocalypse builds that will be used for Revelation. Despite having a high power to his own ride, Gloco could not win against the combined forces of Team Nhil.

## March



PlayPark “MU Online” opened the gates to the Closed Beta Test across Southeast Asia. The 3D MMORPG transports gamers to the highly interactive fantasy world in the Continent of MU. PlayPark MU Online also announced the upcoming first-ever PvP international competitive event for the game entitled “MU Lords”.



“Rappelz Mobile” launched in Southeast Asia in March 2020. The favorite classic PC game headed to mobile, boasting incredible character customization on its three races. The Gaia, Deva and Asura can look like the actual player behind the character which Filipino shoutcaster, “Riku PH”, tested out for herself.



## June



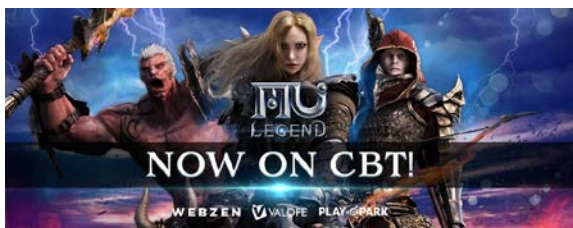
Third-person vehicle shooting game, “Crossout”, soft launched on 12 June 2020 in Southeast Asia. Set in the post-apocalyptic Wastelands, players get ready to scavenge resources from missions to build their ultimate war machine and blaze onto victory.

## August



Cabal Online celebrated its 12<sup>th</sup> year of continuous operation as the leading MMORPG in the Philippines with its “Domination II” campaign. Spanning two months, the celebration included anniversary themed ingame events, tournaments and social media activities. To cap off the festivities was a one-day online party featuring famed Filipino bands - “Typecast” and “Chicosci”, international Cabal influencer, “Mr. Wormy”, cosplayers and streamers, with hundreds of giveaways.

## September



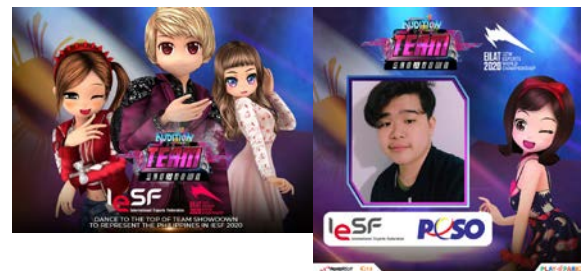
The Continent opened for the “MU Legend” Closed Beta Test on 9 September 2020. Sequel to the celebrated MU Online game franchise, MU Legend brought all new challenges and innovations in its Southeast Asia servers.

Improving on years of experience, MMO gaming advanced even more in the MU Legend launched by PlayPark and its developer, Valofe.



PlayPark welcomed, top tier unified virtual credits service, “Razer Gold”, to the PlayMall system as the newest top up channel. With this partnership, Razer Gold accounts across the region can now be used to directly top up to their PlayPark accounts. Players can also enjoy the rewards from Razer Gold’s loyalty program - Razer Silver.

## November



Audition Next Level brought the Philippines champion of Team Showdown to the 12th “Esports World Championship” set in Israel. Audition became a featured game of the International Esports Federation in 2020 which prompted game publishers across the globe to host qualifying tournaments. “RC Chavez (Eurybia)” emerged victorious in the Philippines qualifier, then passed the Southeast Asia qualifier, and will be heading to the world in 2021.

## December



PlayPark Philippines hosted "PlayPark Xtreme Paskuhan At Home For A Cause". The 2020 edition of PlayPark's annual biggest gamers Christmas party in Asia, highlighted a Donation Drive campaign to raise funds for the victims of Typhoon Ulysses (Vamco). All proceeds were given to the ABS CBN Foundation. In light of the COVID-19 pandemic, this event was fully online to be watched by thousands of gamers in the Philippines and Southeast Asia; with guest appearances from TikTok stars and local talents.



Cabal Online launched "Episode 26 Frozen Canyon" game update. The longest running MMORPG in the Philippines, Cabal Online held strong at its No.1 MMO PC game status by dropping a thrilling big content to end the year; making it one of the most updated behind the game's origin in South Korea.



## 6. ONLINE GAMES LAUNCHING IN 2020



**HeartsWar**

Thailand, Singapore, Malaysia,  
The Philippines, Indonesia, Vietnam



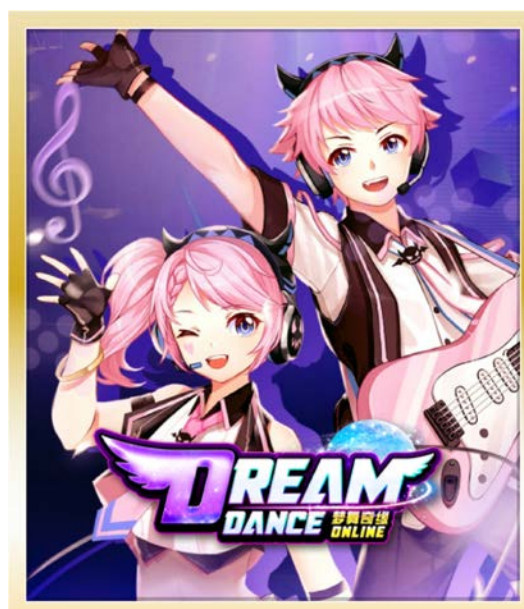
**Wonderland Online Mobile**

Thailand



**Club Audition Mobile**

Singapore, Malaysia, The Philippines



**Dream Dance Online**

Thailand, Singapore, Malaysia, The Philippines,  
Indonesia, Vietnam, Myanmar, Brunei,  
Timor-Leste, Laos

**MU Online**

Thailand, Singapore, Malaysia,  
The Philippines, Indonesia

**Perfect World**

Thailand, Singapore, Malaysia

**New Mohun Online**

Singapore, Malaysia





# **POLICY AND OVERVIEW OF THE COMPANY'S BUSINESS**

ASIASOFT ANNUAL REPORT 2020



## 7. POLICY AND OVERVIEW OF THE COMPANY'S BUSINESS

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### 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

2020 was a Challenging year World-wide brought on by among others are mainly COVID-19 effecting almost all Southeast Asian countries, restricting movement, closure of business, schools, social institutions. Among all the challenges and difficulties that define 2020, all forms of gaming receive an extra boost propelling revenue and profitability for most game publishers to new height. Publishers with large portfolios of products and user base offer cheaper, safer forms of entertainment and fun to people of all ages.

Our 3 years plan are 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 enhance 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 with reach across 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 combine and share experiences and increases our chances of success with every acquisition. Act local allowed 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.
- 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.
- In 2020, the registered capital of Asiasoft Corporation Public Company Limited was decreased to the new registered capital of 256,173,135 baht by reducing par value of the share from 1.00 baht each to 0.50 baht each. With significant business growth, the Company has successfully had the Caution (C) sign lifted on its securities since 18 August 2020.

#### 7.4 Company Structure

As of 31 December 2020, the Asiasoft Group comprises 10 companies, as follows:



**Thailand Overseas**

**(Paid-up capital THB 207.24 m)**

|               |   |
|---------------|---|
| <b>99.99%</b> | <b>A Capital Co., Ltd. ("A Cap") (Paid-up THB 20 m)</b>                 |
| <b>40.00%</b> | <b>Thaiware Communication Co., Ltd. ("Thaiware") (Paid-up THB 1.5m)</b> |
| <b>57.04%</b> | <b>Skynet Systems Co., Ltd. ("Skynet") (Paid-up THB 6.1364m)</b>        |
| <b>99.99%</b> | <b>Playpark Co., Ltd. ("Playpark") (Paid-up THB 150 m)</b>              |
| <b>61.68%</b> | <b>CIB Development Sdn. Bhd. ("CIB Dev") (Paid-up MYR 1 m)</b>          |
| <b>100%</b>   | <b>CIB Net Station Sdn. Bhd. ("CIB Net") (Paid-up MYR 1 m)</b>          |
| <b>40%</b>    | <b>Playpark Inc. ("PPPH") (Paid-up PHP 4 m)</b>                         |
| <b>100%</b>   | <b>Playpark Pte.Ltd. ("PPSG") (Former ASO) (Paid-up SGD 3 m)</b>        |
| <b>99.9%</b>  | <b>PT. Asiasoft ("PTA") (Paid-up IDR 31,745 m)</b>                      |

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 Station Sdn. Bhd. ("CIB Net")                                  | Malaysia    | Online PC and mobile game business services in Malaysia.  |
| 8. Playpark Inc. ("PPPH")   | Philippines | Online PC and mobile game business services in the Philippines.   |
| 9. Playpark Pte. Ltd. ("PPSG")<br>(Former name Asiasoft Online Pte. Ltd.) | Singapore   | Online PC and mobile game business services in Singapore.   |
| 10. PT. Asiasoft ("PTA")  | 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.

## 8. 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                       | 2020         |            | 2019       |            | 2018       |            |
|---------------------------------------|--------------|------------|------------|------------|------------|------------|
|                                       | THB M        | %          | THB M      | %          | THB M      | %          |
| 1. Revenue from online game service   | 1,311        | 98         | 742        | 97         | 552        | 92         |
| 2. Revenue from distribution business | 23           | 2          | 14         | 2          | 37         | 6          |
| 3. Other income                       | 2            | 0          | 6          | 1          | 12         | 2          |
| <b>Total</b>                          | <b>1,336</b> | <b>100</b> | <b>762</b> | <b>100</b> | <b>601</b> | <b>100</b> |

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

| Type of Revenue                       | 2020         |            | 2019       |            | 2018       |            |
|---------------------------------------|--------------|------------|------------|------------|------------|------------|
|                                       | THB M        | %          | THB M      | %          | THB M      | %          |
| 1. Revenue from operation in Thailand | 528          | 40         | 411        | 54         | 255        | 42         |
| 2. Revenue from overseas operation    | 808          | 60         | 351        | 46         | 346        | 58         |
| <b>Total</b>                          | <b>1,336</b> | <b>100</b> | <b>762</b> | <b>100</b> | <b>601</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 online gaming, in Southeast Asia.

The Company initially stepped into the online gaming business in Thailand in 2003, with a successful launch of "Ragnarok Online." Later in 2008, "MapleStory" was launched in Singapore and achieved great recognition from Singaporean gamers. Afterwards, the Company expanded its business in the Philippines and Malaysia and has become a leading online entertainment service provider in Southeast Asia. In 2020, 34 online games have been launched on both PC and mobile platforms.

In the past 3 years, approximately 97% of the overall revenues of the affiliated companies came from online gaming products and services.

The online gaming services offered in each country 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 PlayPark card. The prepaid card is produced in the form of plastic and electronic cards, distributed through domestic dealers and leading retailers covering Southeast Asia.
- Cash card or prepaid card 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 and by BDO, a local bank in the Philippines.
- 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 AirPay Wallet in Thailand.
- Payment via PayPal account.
- Payment via local SMS services in operating countries.
- Electronic card via Customized Web platforms in the Philippines, e.g., ALL SERVE, Coins.ph, GCash, Shopee, Lazada, Load Central, Load Xtreme, Offgamers, Pondo, and Razer Gold.

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).

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 Line Account.

During 2020, the Company was granted the rights to service 34 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 Online                | 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. Ran Online                 | MMORPG        | Item Sale             |
| 12. Rising Force Online        | MMORPG        | Item Sale             |
| 13. Wulin Online               | MMORPG        | Item Sale             |
| 14. Tian Zi Chuan Qi           | MMORPG        | Item Sale             |
| 15. Swordsman Online           | MMORPG        | Item Sale             |
| 16. Last Chaos                 | MMORPG        | Item Sale             |
| 17. Shaiya                     | MMORPG        | Item Sale             |
| 18. New Mohun Online           | MMORPG        | Item Sale             |
| 19. MU Online                  | MMORPG        | Item Sale             |
| 20. Tanki Online               | Webgame       | Item Sale             |
| 21. Audition                   | Casual        | Item Sale             |
| 22. Super Dancer Online Xtreme | Casual        | Item Sale             |
| 23. Tales Runner               | Casual        | Item Sale             |
| 24. Mission Against Terror 2   | FPS           | Item Sale             |
| 25. Special Force              | FPS           | Item Sale             |
| 26. Special Force 2            | FPS           | Item Sale             |
| 27. Genki Heroes               | Mobile        | Item Sale             |
| 28. Heroes Unleashed           | Mobile        | Item Sale             |
| 29. TS Online Mobile           | Mobile        | Item Sale             |
| 30. Aurora 7                   | Mobile        | Item Sale             |
| 31. HeartsWar                  | Mobile        | Item Sale             |
| 32. Wonderland Online Mobile   | Mobile        | Item Sale             |
| 33. Dream Dance Online         | Mobile        | Item Sale             |
| 34. Club Audition Mobile       | Mobile        | Item Sale             |
| <b>Total 34 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 opponents. 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 on mobile platform.*

The online gaming business is the major source of the Company's revenue, accounting for 98% 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 2020, the Company provides online game service in total of 34 games in 5 countries as follows :

| Service Country | Number of Game | Online Game for which Service are Provided During 2020   |
|-----------------|----------------|--|
| Thailand        | 19             | Yulgang, Perfect World, Granado Espada, Dragon Nest, Elsword, Flyff, Ran Online, Swordsman Online, Last Chaos, Shaiya, MU Online, Tanki Online, Audition, Tales Runner, Genki Heroes, TS Online Mobile, HeartsWar, Wonderland Online Mobile, Dream Dance Online  |
| Singapore       | 24             | MapleStorySEA, Yulgang, Perfect World, TLBB, Flyff, Mosiang Online, Wulin Online, Rising Force Online, Tian Zi Chuan Qi, Shaiya, New Mohun Online, MU Online, Tanki Online, Audition Next Level, Super Dancer Online Xtreme, Mission Against Terror 2, Special Force, Special Force 2, Genki Heroes, Heroes Unleashed, Aurora 7, HeartsWar, Dream Dance Online, Club Audition Mobile             |
| Malaysia        | 25             | MapleStorySEA, Yulgang, Perfect World, TLBB, Flyff, Ran Online, Mosiang Online, Wulin Online, Rising Force Online, Tian Zi Chuan Qi, Shaiya, New Mohun Online, MU Online, Tanki Online, Audition Next Level, Super Dancer Online Xtreme, Mission Against Terror 2, Special Force, Special Force 2, Genki Heroes, Heroes Unleashed, Aurora 7, HeartsWar, Dream Dance Online, Club Audition Mobile |
| Philippines     | 15             | Perfect World, Cabal Online, Flyff, Rising Force Online, Shaiya, MU Online, Tanki Online, Audition Next Level, Mission Against Terror 2, Special Force, Special Force 2, Genki Heroes, HeartsWar, Dream Dance Online, Club Audition Mobile   |
| Indonesia       | 10             | Flyff, New Ran Online, Shaiya, MU Online, Tanki Online, Special Force, Special Force 2, Genki Heroes, HeartsWar, Dream Dance Online  |

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

Additionally, in strengthening online game services, the Company has put up the website “www.playpark.com” to be a gaming portal for all PC and mobile games as well as services such as the member and new ID registration system, problem report system, wallet system, and Item Code system. The website also offers a download service channel for all games provided by the Company and also the news channel for game updates.

The Company has invested in Thaiware, an IT business, that has a website “www.thaiware.com” which provides all kinds of IT services including IT news and updates, IT products and services and free/buy downloads of software of both local and foreign suppliers. Through the website, there is also an online shopping channel that sells gadgets, IT equipment. Thaiware is also an authorized distributor of several applications and software and has become a leading online software distributor in Thailand.

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

For online game services, the Company has the @Cash Service channel provided through various distributors. The Company has also partnered up with other service providers to offer other top-up channels. This wallet system has been considered a safe, convenient channel for all customers. It is also a low-cost channel which can provide revenue and profits to the Company. Customers can top up to all of the Company’s games using any methods of payment available 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, 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 an 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 users 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 is an online banking platform in which can be conveniently done via a mobile app.

#### AirPay Wallet

The Company has partnered up with ShopeePay (Thailand) Company Limited - its original name is 'Airpay (Thailand) Company Limited.' ShopeePay is the e-wallet service provider that facilitates customers to an easier and more convenient lifestyle with all-in-one online services. Gamers can top up their games via AirPay Wallet through PlayMall - the Company's wallet system.

## 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 retail 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, Mycard, Unipin or GOC Pay
- 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, YouGoPay and OffGamers.
- Direct Top-up : Gamers can directly purchase or top up online games through @Cash into their accounts using PayPal, where payment can be made via credit card.

## 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.
- Razer Gold Wallet : An Popular online payment system for gamers.
- Razer Gold Pin : A prepaid card that gamers can purchase products and services online or through resellers, and top up games via PlayMall.

## The 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), Cebuana Lhuillier (electronic @Cash), and Bayad Center (electronic @Cash)
- Sale via Debit Card : EON and PayMaya sell electronic @Cash, and users can pay with 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.
- 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. Newly added Razer Gold sells Gold pins which can be converted to electronic @Cash.

- Sale via PayPal : sale of electronic @Cash where payment is made via PayPal's linked credit card or debit card.
- Sale via Online Banking : Gamers can use an online banking system like BDO to purchase electronic @Cash.

### 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.

The reduced numbers of publishers in SEA and globally serving hardcore RPG games yet with the high returning users result of COVID-19. This segment of gaming enjoyed explosive growth in users, revenue and profitability.

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

2019 and 2020 was our tentative return to Indonesian market with PC and Mobile games, albeit a smaller foundation building effort in readiness for our operational team to gain the necessary market knowledge and building community engagement. We will continue to push geographical expansion from 2021 to 2023 to ensure Asiasoft have full presences and products serviced across all major SEA markets.

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

In 2020, the Company offers 34 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 reducing their costs and making the launching of new or classic titles much more viable. This is a major advantage which we will exploit much more deeper and wider in 2021 and forward, applicable to both PC and Mobile platforms.

#### 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-news-letters 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       | (11.00 - 20.00)    |
|          | E-Support*        | (24 hours)         |
|          | Live Chat         | (11.00 - 20.00 u.) |
|          | Facebook Fan Page |                    |
| Malaysia | iBox*             | (24 hours)         |
|          | Live Chat         | (08.30 - 18.00)    |
|          | 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 is committed to continually develop and enhance the effectiveness of all services, human resource management and service systems to ensure that they meet the current needs and lifestyles of gamers. The Company strives to fulfill satisfaction to gamers, the Company's key customer group. The Company has created a customer satisfaction survey that are given to customers after services. In 2020, the overall satisfaction result was at 95.36%.

IT Infrastructure in Online Gaming Services Development

In online gaming, a connection between a gamer's device and server is crucial. A safe and effective IT infrastructure solution helps optimize a smooth, uninterrupted connection with high-speed performance, which is a key feature of online gaming. Hereby, the Company decided to invest in 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. In 2020, the Company has developed a more effective system and equipment that provide increased services stability. The DR Stie system has also been upgraded for better performance while the latest version of software in the IT infrastructure system has also been updated to increase its capacity in working with other new features.

The Company has always recognized an importance of the management of IT security management system, which covers the whole operational process and other service systems. The Company is the first online gaming service operator in Thailand to obtain ISO/IEC 27001:2013 (Information Security Management System : ISMS). ISO/IEC 27001:2013 is the standard defined by the renowned and reliable international ISO (The International Organization for Standardization) and IEC (The International Electrotechnical Commission). These two organizations set up standards for information security management system that all companies apply in both internal and external operations. These standards can be implemented in all businesses and industries. In the past year, the Company has also set up the DDOS Protection Solution, an intrusion prevention system that helps increase capacity of other systems up to 99.99%.

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.

### 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 : 2020 truly accelerated the adoption of games as a key entertainment venue, much more female, older and younger people are using games as a key form of entertainment. With mass adoptions means Free-to-play games received much stronger results and much lower barrier for new users to join and participate. Given the nature of the user mixed has change, it is expected that diversity of the game genre will accelerate in the coming months and years to cater for this diverse demographic of users.



### 8.3.2 Overview of Online Game Industry in Thailand, Singapore, Malaysia, Indonesia, the 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.

Esports continues to grow and gain interest. Unfortunately, due to the COVID-19 crisis, an offline competition event became difficult to manage and run. Hence, competition events have been adjusted and organized through online platforms.

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<br>(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<br>(USD)      | 1,404     | 698      | 587         | 321       | 777      | 531     |
| Annual Spend/<br>Payer (USD) | 41.96     | 67.97    | 26.00       | 211.62    | 47.60    | 24.87   |

\*Reference : Newzoo

### Gamers Per Segment

| Gamers<br>(by Million)        | Indonesia | Malaysia | Philippines | Singapore | Thailand | Vietnam |
|-------------------------------|-----------|----------|-------------|-----------|----------|---------|
| Browser PC Games              | 16.4      | 9.8      | 21.7        | 2         | 11.7     | 7.6     |
| Downloaded/<br>Boxed PC Games | 23.4      | 12.1     | 23          | 2         | 14.7     | 9.8     |
| Smartphone<br>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<br>(USD M) |      | Browser<br>PC Games | Downloaded/<br>Boxed PC<br>Games | Smartphone<br>Games | Tablet<br>Games | Console<br>Games | Total |
|------------------------------|------|---------------------|----------------------------------|---------------------|-----------------|------------------|-------|
| Indonesia                    | 2020 | 57                  | 172                              | 1,209               | 169             | 104              | 1,711 |
|                              | 2021 | 56                  | 188                              | 1,599               | 179             | 117              | 2,139 |
|                              | 2022 | 55                  | 203                              | 2,176               | 189             | 131              | 2,754 |
| Malaysia                     | 2020 | 22                  | 172                              | 415                 | 61              | 92               | 762   |
|                              | 2021 | 18                  | 179                              | 486                 | 64              | 99               | 846   |
|                              | 2022 | 15                  | 184                              | 580                 | 65              | 105              | 949   |
| Philippines                  | 2020 | 27                  | 123                              | 457                 | 62              | 46               | 715   |
|                              | 2021 | 26                  | 140                              | 589                 | 68              | 51               | 874   |
|                              | 2022 | 25                  | 157                              | 815                 | 77              | 57               | 1,131 |
| Singapore                    | 2020 | 3                   | 75                               | 157                 | 50              | 54               | 339   |
|                              | 2021 | 2                   | 80                               | 181                 | 51              | 58               | 372   |
|                              | 2022 | 1                   | 85                               | 240                 | 42              | 62               | 430   |
| Thailand                     | 2020 | 40                  | 157                              | 555                 | 82              | 66               | 900   |
|                              | 2021 | 40                  | 171                              | 694                 | 90              | 72               | 1,067 |
|                              | 2022 | 38                  | 184                              | 893                 | 95              | 78               | 1,288 |
| Vietnam                      | 2020 | 22                  | 138                              | 379                 | 43              | 27               | 609   |
|                              | 2021 | 22                  | 147                              | 480                 | 47              | 29               | 725   |
|                              | 2022 | 21                  | 155                              | 625                 | 52              | 31               | 884   |

\*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

Looking into the overall outlook of Thailand online gaming industry in 2020, its market value has grown by 15.80 %, rising from USD 777 million to USD 900 million (reference : Newzoo). In 2020, the COVID-19 crisis has taken PC online games to the next level and propelled a major market growth in mobile games. The number of online gaming service providers have decreased from 21 in 2019 to 20 in 2020, with 3 closed and 2 new providers (Gravity Thailand and LINE POD). The number of games offered in Thailand has increased from 50 in 2019 to 52 in 2020, including new 11 PC online games.

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

- Growth of Broadband Internet Services : in the past 3-4 years, broadband internet services have dramatically increased with strong competition among service providers. Due to the Fiber Optic technology revolution that resulted in higher-speed internet with lower costs, the Fiber Optic internet has become rapidly popular, allowing the Company to reach more online gaming target customers. Based on the results of the internet speed testing done between December 2019 and December 2020 by Ookla, the global leader in internet testing, Thailand is ranked no. 1 in the world for fixed broadband speed, with an average fixed broadband speed of 308.35 megabits per second for downloads. It moved up from the 3rd rank in 2019.
- Growth of Smartphone Market Competition : At present, there are various mobile brands with a wide range of specifications and features and affordable prices. Undoubtedly, the number of gamers who choose mobile gaming has increased. The report done by Newzoo indicates that two-thirds of the revenues in the markets in Southeast Asia (SEA) are of the Mobile gaming markets. In the mobile internet speed testing done by Ookla, which ranks 139 countries, Thailand logged the 33rd rank, with a speed of 51.75 Mbps for download.

The growth of the gaming industry has also allowed other industries to grow. In the marketing aspect, as the customer base is very wide, gaming companies need to develop their marketing strategies to attract customers. This includes putting in different advertising, e.g., content advertising, media, events, and activities to promote games. Hereby, businesses in advertising including event organizers have grown. The growth in the gaming industry has also created new careers such as an Esports coach, a game caster and a live streamer. There is a continual increase in viewers as well as people who are interested in these jobs.

#### PC Online Games :

The major factors that influenced the growth of the PC gaming markets were the COVID-19 crisis and the Lockdown measures. People needed to stay in self-isolation at home, leading to a stronger increase in online businesses.

- Yulgang PC has gained 95.68 % increase in its revenue in 2020. It has also become one of the top MMORPG games in Thailand. Yulgang PC has launched its services for around 16 years, with more than 6.8 million gamers in total.
- Ragnarok Online has made its comeback under the Gravity Game Tech management. Its return has gained success in its customer base and revenue. The average number of gamers playing online at the same time was 65,000 in maximum.
- Genshin Impact is an Open World RPG big game that is available on several platforms including on the mobile, console and PC platforms. After its opening, the game gained USD 60 million in 1 week and became no. 1 of the highest-earning games for the month with USD 245 million of revenue. It has been one of the Company's most profitable game in the past year.

#### Mobile Games :

The mobile gaming market in Thailand in 2020 has generated a total revenue of USD 555 million (reference : Newzoo), or 75% growth over 2019 (a total revenue of USD 316 million). The total number of downloads is 1,049 million downloads, or 16.2 growth over 2019 (903 million total downloads). (reference : AppAnnie)

Free Fire, RoV and PUBG are the most outstanding games of the past year, with USD 15 million in total revenue of each game.

#### 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

Due to the COVID-19 pandemic, the Singapore Government put in place a Circuit Breaker from 7 April 2020, where members of the public were strongly advised to stay at home and avoid going out unnecessarily. With more people staying home looking to fulfill their psychological needs, video games have emerged as a largely popular source of entertainment and relief from coronavirus-related stress.

Based on a consumer behavior survey done by Nielson in March 2020, 44% of the consumers were playing more online games and 38% of the consumers were more engaged with online video streaming. Streaming sites such as Twitch have experienced a spike in viewership, with an estimated growth of audience by 31% in March 2020. (Reference Nielsen and Straitstimes)

Another survey conducted by Milieu Insight in May 2020 concluded that 51% of the respondents who reside in Singapore had been spending more compared to usual on gaming in the past month of COVID-19. In addition, 36% of the respondents in the same survey were very worried about the COVID-19 situation at that time. (Reference Statista)

As one of Southeast Asia's most developed economies, Singapore continues to attract an influx of foreign investments and major AAA lead studios like Ubisoft, Bandai Namco, Riot Games, and Tencent to establish regional operations here. Major initiatives in gaming includes the convention of the Singapore Games Association (SGGA) in August 2020, supported by multiple statutory boards. In addition, Singapore Esports Association (SGEA) has also been registered as a national sports association (NSA) under Singapore's National Olympic Council (SNOC). These initiatives aim to bring global and regional events to Singapore, further strengthening the opportunities for growth in Singapore's gaming industry.

Singapore's game sector is estimated at USD 398.6 million in 2020, which is a significant growth of 20.4% in comparison to 2019, with a CAGR (2013 - 2017) of 6.5%. The Mobile segment is estimated at USD 256.5 million, accounting for nearly two thirds of the market. Growth in 2021 is primarily driven by mobile games, which have already achieved over 50% market share in 2020. Out of the 3.8 million gamers in Singapore, 23% are casual gamers who are looking to kill time while waiting or travelling. Among this group of casual gamers, 66.3% are female, and 46.1% of them are aged 36 to 50 years old. (reference : Newzoo, October 2020 Quarterly Report, Global Games Market Report, YouTube Gamecon Asia)

#### PC Online Games :

- Growth in the PC sector in 2020 is mainly as a result of COVID-19 Lockdown, and this segment is going to grow with a CAGR (2017 - 2023) of 10.5%.
- MOBA games continue to dominate, with Valve's DOTA and Riot's LoL taking significant market share.
- MapleStorySEA reaches 15 years of services and retains a leading position in the MMORPG category.

reference : Newzoo, October 2020 Quarterly Report, Global Games Market Report, YouTube Gamecon Asia)

#### Mobile Games :

- Singapore ranks 22nd globally in mobile revenue (reference : AppAnnie), with USD 384 million generated in 2020.
- Mobile Legends Bang Bang (Moonton), Rise of Kingdoms (Lilith Games), ROBLOX (Roblox) were the outstanding performers with over USD 7.7 million each (reference : AppAnnie).
- Mobile Games by Singaporean publishers have an average of 2.23 million downloads, about 5 times more downloads than the average of 444.36k for all mobile games. (reference : 42Matters)

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

As the Malaysia government imposed MCO (Movement Control Order) from 18 March 2020, many people switched on their games consoles as they need to stay at home. Gaming has been proven to be one of the ways of escaping the uncertainties of reality times of crisis and anxiety, as noted by the World Health Organization (WHO).

Gaming industry had contributed USD 100 million in revenue to Malaysia in 2018. In addition, Malaysia is ranked 21 in the global games market in 2019 with a net total game revenue of USD 633 million with more than 90% revenues generated from mobile games. In 2020, Malaysians spent approximately USD 673 million on video games.

According to the 2020 Global Games Market Report by Newzoo – a gaming and esports analytics and market research firm - 87% of the 20.1 million gamers in Malaysia spent at least some of their money on in-game virtual items in the past six months.

Thus, Malaysia is considered as one of the largest gaming markets in Southeast Asia. (Reference : Focusmalaysia.my)

#### PC Online Games :

- No brand new PC titles launched in Malaysia.
- Old PC titles relaunched from out of Malaysia to the local market. e.g., Emil Chronicle Online, King the World (七战).
- Revenue and Concurrent Users (CCU) increased significantly during the pandemic period as people have more free time to spend in PC games while staying at home.

#### Mobile Games :

- Esports titles such as Mobile Legends, PUBG and Free Fire continue to dominate the mobile games market.
- Classic PC titles have been reformed to Mobile games, and they must be ones with quality and IP. e.g., PUBG, TSM, Perfect World, League of Legends : Wild Rift, Legend of Swordman (剑侠情缘).
- Higher marketing spending due to the red ocean market on mobile games to acquire users.

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

#### PC Online Games :

- PC games best played in Cafe such as FPS and MOBA games experienced a decline in the early stages of the COVID-19 lockdown but gradually recovered as gamers continued to play from home.
- Esports has become increasingly popular for online gamers to not only play for entertainment but for also take part in a competition as well. In the 2019 SEA Games, Filipino players won five medals in the Esports competition. This developing industry has drawn a revenue of USD 24 million in Q1 of 2020 for mobile Esports in the country
- Top 5 PC games in the local market are Valorant, Fortnite, Dota 2, Apex Legends, and League of Legends (reference : Newzoo, Statista)
- Gamers included 61% of women and 70% of men in the Philippines, with 45% increase in PC gaming, compared to the previous year. (reference : Statista)

#### Mobile Games :

- The Philippines ranks 12<sup>th</sup> in downloads and 30<sup>th</sup> in revenue with USD 159 million generated for 2020 (reference : AppAnnie)
- Mobile is the platform of choice for gamers in the Philippines. 74% of the online population play on mobile with 64% also playing on PC and 45% in console devices. (reference: Statista, Rakuten)
- Android OS continues its majority market share with 84% vs. iOS 16%. Samsung still the leading brand with 23% market share vs. Oppo at 19% and Apple at 14% share. (reference: Statista)
- MOBA Strategy and Puzzle games continue to gain popularity in the Philippines market; according to Newzoo data, with more than half of the urban population playing Mobile Legends: Bang Bang or Candy Crush.
- The Philippines Telecommunications giants Globe and Smart continue to roll out their 5G network during the end of Q2 and is expected to hit 85% coverage by the year end (reference: Inquirer.net)



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

#### PC Online Games :

- In 2020, Esports is still the popular game. Many local gaming service providers had to close down their business. There were only 4 operators left offering 15 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 78%, MMORPG 17 % and Casual 4%.

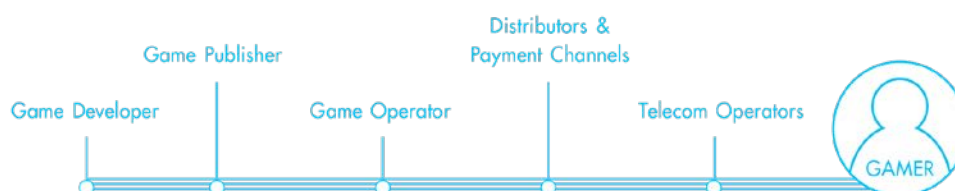
#### Mobile Games :

- In 2020, the Mobile gaming market continues to grow with 19% increase from 2019, gaining estimated revenue USD 311 million. (reference : AppAnnie)
- The top 5 games with a high revenue in 2020 are Garena Free Fire - New Beginning, Mobile Legends : Bang Bang, Rise of Kingdoms : Lost Crusade, PUBG MOBILE - RUNIC POWER, and Higgs Domino Island - Gapple QiuQiu Poker Game Online

## 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.

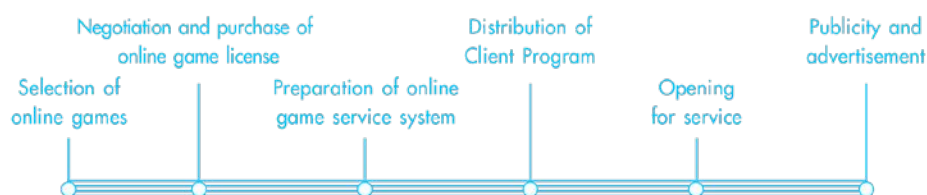


The overview of parties in the online game business

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 media and 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 expectations.
- Commercial Launch: after a game trial phase, games will have their quality check before their official launches in different online stores, e.g., Google Play for Android and App Store for IOS. The Company gains service charges from game items in which customers can purchase in the In-App Purchase via Google Play and App Store.

#### 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 media, 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 media 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 relationships 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 including online game websites, social networking and media, 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

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### 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 in Thailand is regulated by various governmental agencies. For example, Ministry of Culture oversees online gaming licensing as well as censoring and rating of the game contents before public release, 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, and enacted Personal Data Protection Act B.E. 2562 (2019) to control the usage of personal data. As for other countries : Singapore, Malaysia, Indonesia, and Philippines do not have constraints on the online gaming industry, they have only Personal Data Protection Act to control the usage of personal data.

#### 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 sales 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 2020, the Company offers a total 34 online games in 5 countries, 19 games in Thailand, 24 games in Singapore, 25 games in Malaysia, 10 games in Indonesia, and 15 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 52.79% of the total paid-up capital (as of 31 December 2020) 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 shareholder has the controlling power with one out of five 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.

## 10. GENERAL INFORMATION

(As of 31 December 2020)

| 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 286,420,060 divided into 572,840,120 ordinary shares with a par value of THB 0.50 each.     |
| Paid-up Capital    | THB 207,242,702 divided into 414,485,404 ordinary shares with a par value of THB 0.50 each.     |

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

(As of 31 December 2020)

| 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        | TripleS Social Trade (Thailand) Company Limited  |
|---------------------|--|
| Type of Business    | Developing and providing service of software solution and IT devices.  |
| Head Office         | 1, Empire Tower, 19 <sup>th</sup> floor, Room 1907/2-1908, Sathon, Bangkok, 10120  |
| Telephone           | 66 2301 0071   |
| Registered Capital  | THB 1,000,000 divided into 100,000 ordinary shares with a par value of THB 10 each. All shares have been issued and fully paid up. |
| Shareholding Status | 39.99% of registered capital held by Skynet Systems Company Limited.   |
| Note                | Under liquidation.   |

| 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        | 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 3,000,000, 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 the 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.   |
|---------------------|---|
| Type of Business    | Online PC and mobile game business services in Malaysia.  |
| Head Office         | 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 |
| Telephone           | 603 5022 3020   |
| Facsimile           | 603 5022 3028   |
| Website             | www.cib.com.my  |
| Registered Capital  | MYR 1,000,000, all shares have been issued and fully paid up.   |
| Shareholding Status | 61.68% of registered capital.   |

| Company Name        | CIB Net Station Sdn. Bhd.   |
|---------------------|---|
| Type of Business    | Online PC and mobile game business services in Malaysia.  |
| Head Office         | 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 |
| Telephone           | 603 5022 3020   |
| Facsimile           | 603 5022 3028   |
| Website             | www.cib.com.my  |
| Registered Capital  | MYR 1,000,000, all shares have been issued and fully paid up.   |
| Shareholding Status | 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

## 11. INFORMATION OF SECURITIES AND SHAREHOLDERS

### 11.1 Company's Securities

As of 31 December 2020, the Company's registered capital was 286,420,060 baht, divided into 414,485,404 ordinary shares, and 158,354,716 warrants with a par value of baht 0.50 each, of which 207,242,702 baht is paid-up capital, divided into 414,485,404 ordinary shares with a par value of baht 0.50 each.

### 11.2 Company's Shareholders

Top Ten Company's shareholders were as follows :

| Names of Shareholders                     | Number of Shares<br>(as of the latest book closing date<br>on 12 March 2021) | % Holding |
|---|--|-----------|
| 1. Mr. Pramoth Sudjitporn <sup>(1)</sup>  | 169,187,770  | 40.819    |
| 2. Miss Saowalak Jitsamrit <sup>(1)</sup> | 41,397,656   | 9.988     |
| 3. Thai NVDR Company Limited              | 11,868,355   | 2.863     |
| 4. Mr. Lertchai Kanpai                    | 10,277,800   | 2.480     |
| 5. Mr. Sunthorn Danchalermnon             | 7,305,000  | 1.762     |
| 6. Mr. Naphat Panchakunathorn             | 5,000,000  | 1.206     |
| 7. Mr. Natchapong Peeradechapan           | 4,800,000  | 1.158     |
| 8. Miss Toi Wa Dora Sung                  | 4,100,100  | 0.989     |
| 9. Miss Poh Li Ang                        | 4,100,000  | 0.989     |
| 10. Mr. Parnsind Hantrakool               | 3,140,000  | 0.758     |

**Remarks :** <sup>(1)</sup> Mr. Pramoth Sudjitporn is a spouse with Miss Saowalak Jitsamrit.

**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 50.0% 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 2020, the Company's Board of Directors had 5 members, all of whom have attended the Thai Institute of Directors' training programs, as follows :

| Name                             | Position   | At the Meeting During 2020 |
|----------------------------------|--|----------------------------|
| 1. Mr. Pramoth Sudjitporn        | Acting Chairman of the Board                             | 5/5                        |
| 2. Mr. Kittipong Prucksa-aroon   | Director   | 5/5                        |
| 3. Mr. Chalermphong Jitkuntivong | Independent Director and Chairman of the Audit Committee | 5/5                        |
| 4. Mrs. Monluedee Sookpantararat | Independent Director and the Audit Committee Member      | 5/5                        |
| 5. Pol.Col. Yanaphon Youngyuen   | Independent Director and the Audit Committee Member      | 5/5                        |

Mrs. Monluedee Sookpantararat, the Audit Committee Member, has adequate expertise and experience to review the 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, and Mr. Kittipong Prucksa-aroon, these 2 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.

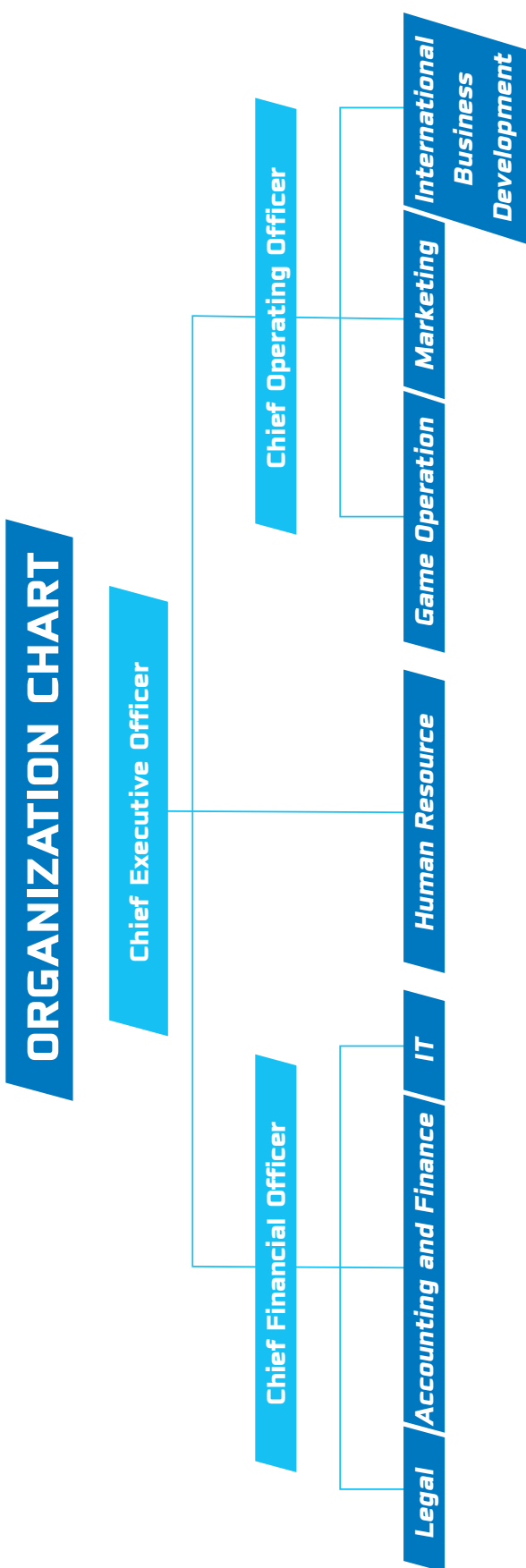
Moreover, the Board has delegated authority to any of the above sub-committee(s) or individual(s) to execute transactions concerning the Company's operations and investment in its normal course of businesses in which the scope of authority and financial limits, at each level, are clearly defined. Such 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 2020, 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 | 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 40 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 20 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 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 2020 :

| Director  | Remuneration (Baht) | Meeting Allowance (Baht) |
|---|---------------------|--------------------------|
| 1. Mr. Tan Tgow Lim (resigned on 31 October 2020)     | 330,000.00          | -                        |
| 2. Mr. Pramoth Sudjitporn                             | 264,000.00          | -                        |
| 3. Mr. Lertchai Kanpai (resigned on 15 February 2020) | 44,000.00           | -                        |
| 4. Mr. Kittipong Prucksa-aroon                        | 220,000.00          | -                        |
| 5. Mr. Chalermphong Jitkuntivong                      | 264,000.00          | 264,000.00               |
| 6. Mrs. Monluedee Sookpantarat                        | 264,000.00          | 198,000.00               |
| 7. Pol.Col. Yanaphon Youngyuen                        | 264,000.00          | 198,000.00               |
| <b>Total</b>  | <b>1,650,000.00</b> | <b>660,000.00</b>        |

Management's Monetary Remuneration in 2020 :

| Position                | Persons | Remuneration <sup>a</sup> (Baht) |
|-------------------------|---------|----------------------------------|
| Executives <sup>b</sup> | 6       | 11,765,488.47 <sup>n</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 was calculated by the actual work days, some management has resigned from the Company during the year.

## 13. CORPORATE GOVERNANCE

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### 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 the 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.

The Company has policies on the supervision of its operations, which will be used as guidelines. They can be divided into five 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.

- 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, life and health insurance, arrangements for fire-drills, provision of safety/security systems etc. These safety policies brought zero rate of accident case and employee absence from injury and sickness at work in 2020.

- 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. The Company conducted a customer satisfaction survey after every service. The overall customer satisfaction in 2020 is 95.36%
- Suppliers and Creditors : The Company takes care to treat its suppliers and creditors in line with commercial terms and contractual obligations. Action is taken within a framework of fair competition avoiding cheating behavior.
  - The Company sets policy on treatment towards suppliers : The Company specified the Policy of equitable practice for suppliers by concerning the best interest of the Company base on the justice for both parties as to avoid of the conflict of interest, to comply with the commitment, to give correct information and accurate report, and to strictly comply with the conditions agreed with the suppliers. In case of the supplier shall not comply with any conditions, the supplier shall notify in advance in order to mutually rectify the guideline of the rule of supplier selection
  - The Company sets policy on treatment towards creditors : The Company has Policy to strictly comply with the conditions, contract and agreement with the creditor on matter of the objective of fund spending, pay back and maintenance of security guarantee and other issues agreed with the creditor. In case of the Company shall not comply with any conditions, the Company shall notify the creditor to mutually rectify the default with reasonable. The Company shall maintain the creditor relationship with trust as stipulate the rule of fund management to be secure and the Company pay an important role for liquidity management in order to plan for the repayment to the creditor in specified period. However, the Board of Directors concentrate on following up, planning and controlling liquidity as appropriate with the fund activity by having competency evaluation to protect all important risks in normal and critical circumstances.
- Competitors : The Company functions within a framework of fair competition and has always avoided dishonest measures that try to eliminate competitors. It observed the rules of fairness when competing and would not acquire information from competitors illegally or against its ethics.
- Communities, Society, and the Environment : The Company is fully cognizant of its role as a part of society with a commitment for its well-being, public activities are 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.

- The Company sets policy on treatment towards Intellectual property : The Company operates business under the intellectual property law, including copyrights, patents, and other specified intellectual properties, such as using the copyright computer programs and software. For this reason, the contributions to be used in the organization must be checked to assure that those contributions will not infringe anyone's intellectual property.
- The Company sets policy on treatment towards Human Rights : The Company respects the fundamental human rights which is equivalent for employees and encourages employees to have personal coequal rights, freedoms, and equivalences without violation of personal privacy. The Company has fair employment and will not participate in any performances against human rights.

In addition, 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 specify the envelope to one of the following clue recipients :
  - Chairman of the Audit Committee (Independent Director)
  - Company secretary
  - Human Resources Department

By sending to the headquarters of the Company

Asiasoft Corporation Public Company Limited

9 U.M. Tower, Room 9/283-5, 28th Floor,

Ramkhamhaeng Road, Suanluang, Bangkok 10250, Thailand

- Email : auditcom@asiasoft.co.th หรือ corporate@asiasoft.net
- Telephone : 66 2769 8888
- Fax : 66 2717 4250

#### 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 the Corporate Governance section.

#### 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

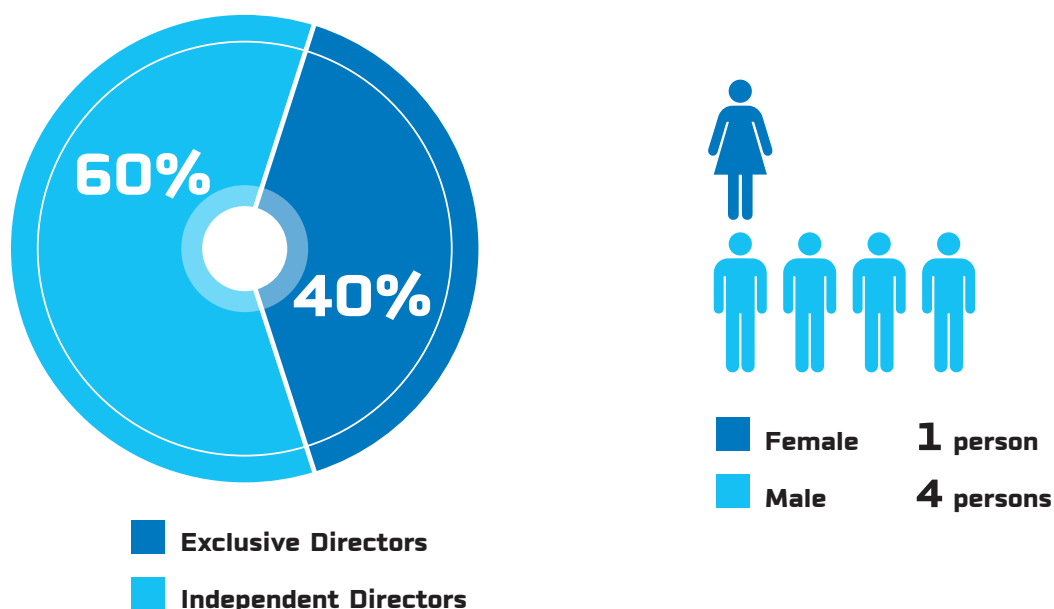
##### The Board's Structure

The Company focuses 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 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 five members, two of whom are executive and three are non-executive and 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 two sub-committees to help supervise operations of the Company, i.e. the Executive Committee and the Audit Committee which consists of three independent directors with a term of office of up to three years. The duties and responsibilities of those Committees have been expressly defined at previous shareholder meetings.

## Portion and Structure of Directors



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.

### The Chairman of the Board

- Acts as the Chairman of the board, shareholders, and non-executive meetings.
- Call the Board of Directors meeting or appoint another person to perform this duty.
- Encourage all board members to debate issues vigorously during meetings, ask questions, and express opinions.
- Cast decisive vote, in case the casting vote in the Board of Directors meeting are equal.



#### Conflict of interest

- The Board of Directors shall consider related transaction that may cause conflict of interest between shareholders, directors, and the management with best prudence, integrity, reasonableness, and independence within good business ethic framework, and disclose complete information for the best benefit of the Company. The Board of Directors shall strictly conform to the criteria and procedures or regulations set by SET and ask the audit committee to provide information about the necessity and appropriateness of such transaction.
- The Board of Directors formulated measures and approval procedure of related transaction between the Company and its subsidiaries or persons who may have conflict of interest. The persons who may have direct and indirect conflict of interest shall not be allowed to make decisions on the matter. The audit committee is required to participate in the consideration and provide opinions on the necessity and reasonableness of the items proposed for the best benefits of the Company. The board of the financial statements prepared by using the generally accepted accounting principles published in the annual report.

#### Balance of power for non-executive directors

The Board of Directors structure comprised three non-executive and independent directors and two executive directors. As of 31 December 2020, the Company had five members of the Board of Directors. The balance of power by non-executive directors was as follows :

- Executive directors : 2 persons (40%)
- Non-executive and independent directors : 3 persons (60%)

#### 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 seven 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.

#### The Orientation of new director

The Board of Directors provided an orientation program for new directors to gain a thorough understanding of the Company's business and management in order to prepare the directors to perform their duties.

#### 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 e-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.

In 2020, the Company organized many Investor Relations activities for analysts and investors, as follows :

| Type of Activities                                      | No. of Events |
|---|---------------|
| Provide information to Analysts, Fund, and Shareholders | 50            |
| Conference call with International fund                 | 2             |
| Meeting Investor, Fund Manager, and Analyst             | 13            |
| Site Visit for Shareholder and Analyst                  | 10            |

### 13.2 Committees

#### Audit Committee

As of 31 December 2020, the Audit Committee had three members as follows :

| Name                             | Position   | At the Meeting During 2020 |
|----------------------------------|--|----------------------------|
| 1. Mr. Chalermphong Jitkuntivong | Independent Director and Chairman of the Audit Committee | 6/6                        |
| 2. Mrs. Monluedee Sookpantararat | Independent Director and the Audit Committee Member      | 6/6                        |
| 3. Pol.Col. Yanaphon Youngyuen   | Independent Director and the Audit Committee Member      | 6/6                        |

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, to propose, revoke or terminate 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 2020, the Executive Committee had three members as follows :

| Name                         | Position                            | At the Meeting During 2020 |
|------------------------------|-------------------------------------|----------------------------|
| 1. Mr. Pramoth Sudjitporn    | Chairman of the Executive Committee | 6/6                        |
| 2. Mr. Kittipong Prucksaroon | 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 three 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 the 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 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 collect 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 one 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 2019, Mazars Ltd. was the external auditor for the Company and subsidiaries both local and overseas (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.)

In 2020, Mazars Ltd. was the external auditor for the Company and subsidiaries both local and overseas (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  | 2020                |                     |                     | 2019                |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | The Company         | Subsidiaries (4)    | Total               | The Company         | Subsidiaries (4)    | Total               |
| <b>Audit Fees (Baht)</b>                             |                     |                     |                     |                     |                     |                     |
| - Statutory Financial Statement                      | 2,050,125.00        | 2,417,634.16        | 4,467,759.16        | 1,952,500.00        | 1,222,243.84        | 3,174,743.84        |
| - Review of Interim Financial Statement (3 Quarters) | 693,000.00          | 1,715,869.02        | 2,408,869.02        | 660,000.00          | 1,296,091.91        | 1,956,091.91        |
| <b>Total Audit Fees</b>                              | <b>2,743,125.00</b> | <b>4,133,503.19</b> | <b>6,876,628.19</b> | <b>2,612,500.00</b> | <b>2,518,335.75</b> | <b>5,130,835.75</b> |
| <b>Other Fees (Baht)</b>                             |                     |                     |                     |                     |                     |                     |
| - Mazars Ltd.  | 56,955.68           | -                   | 56,955.68           | 53,530.00           | 71,510.03           | 125,040.03          |
| <b>Total Other Fees</b>                              | <b>56,955.68</b>    | <b>-</b>            | <b>56,955.68</b>    | <b>53,530.00</b>    | <b>71,510.03</b>    | <b>125,040.03</b>   |
| <b>Total Fees</b>                                    | <b>2,800,080.68</b> | <b>4,133,503.19</b> | <b>6,933,583.87</b> | <b>2,666,030.00</b> | <b>2,589,845.78</b> | <b>5,255,875.78</b> |



# **CORPORATE SOCIAL RESPONSIBILITY**

ASIASOFT ANNUAL REPORT 2020

## 14. CORPORATE SOCIAL RESPONSIBILITY

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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 facilitate 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 a material that the information shall be correct, transparent, and on timely basis through fair and trustworthy easy-to-access channels.
- Board responsibilities : the Board of 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) 2020 published by the 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 2020, the Company was selected as one of the listed companies and achieved a score of 94% from the evaluation of the quality of Annual General Meetings of Shareholders for the year 2020 conducted by the Thai Investors Association. The score was better than last year. The average score of the evaluation of listed companies in 2020 was 93.10%. In 2019, the Company gained a score of 93% while the average score of that year was 93.70%.

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>• Regularly manage to ensure continuous games' update and always improve the services.</li> <li>• Take full responsibility in protecting data of customers with highest security.</li> <li>• Build and maintain good rapport among gamers.</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 and perform 24/7 system maintenance for prompt service.</li> <li>• Assign staff to manage the community administration very closely.</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 maintain all office's equipment in a good condition and up to date for work readiness.</li> <li>• Provide equitable treatment with no deprivation or partial treatment.</li> <li>• Support their career advancement in all levels.</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 relationships 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 training to promote and improve staff's skills and competency.</li> <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 a good relationship with the internet cafe owners.</li> <li>• Support internet cafes to run activities.</li> </ul>   | <ul style="list-style-type: none"> <li>• Organize a competition for the games serviced by the Company.</li> <li>• Build and maintain a good relationship with internet cafe owners.</li> </ul>  |
| Shareholders and Investors    | <ul style="list-style-type: none"> <li>• Operate 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 the business with sincerity and transparency for mutual suitable benefits.</li> </ul>   | <ul style="list-style-type: none"> <li>• Create contracts or agreements reasonably fair to both parties.</li> <li>• Build healthy and close relationships</li> </ul>  |

|                               |   |  |
|-------------------------------|---|--|
| Community and Society         | <ul style="list-style-type: none"> <li>• Encourage and support the educational standard for Thai youths.</li> </ul>   | <ul style="list-style-type: none"> <li>• Provide scholarships and computers to schools and the organization or foundations related to children and youths.</li> <li>• Organize training programs to educate children and youths to develop their work skills and competency.</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> <li>• Shift the work pattern to the "Smart Office".</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> <li>• Apply IT technologies in the working procedure in order to reduce the use of resources e.g., Paper.</li> </ul>  |
| Government and Audit Agencies | <ul style="list-style-type: none"> <li>• Strictly follow laws, regulations, and other related procedures.</li> </ul>  | <ul style="list-style-type: none"> <li>• Regularly conduct an internal audit by the Internal Audit Team in a strict manner.</li> <li>• Organize a training program to educate staff members of the related laws.</li> </ul>  |

Operating the business with high transparency has always been the main focus of the Company. In 2021, the Company has already prepared to announce its firm intention to take part in the anti-corruption project under the scheme so-called "Collective Action Coalition Against Corruption : CAC) with full recognition of how much corruption possibly affects the development of the economy, social and national security.

#### 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 specify the envelope to one of the following clue recipients :
  - Chairman of the Audit Committee (Independent Director)
  - Company secretary
  - Human Resources Department

By sending to the headquarters of the Company

Asiasoft Corporation Public Company Limited  
9 U.M. Tower, Room 9/283-5, 28th Floor, Ramkhamhaeng Road,  
Suanluang, Bangkok 10250, Thailand

- Email : auditcom@asiasoft.co.th หรือ corporate@asiasoft.net
- Telephone : 66 2769 8888
- Fax : 66 2717 4250

### 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 the Corporate Governance section.

### **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 306 employees at Asiasoft.

In 2020, Asiasoft recruited 63 new staff members, 5 new employees a month on 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, marketing, and other positions related to gaming administration and management where specific skills and a strong passion in gaming are required.

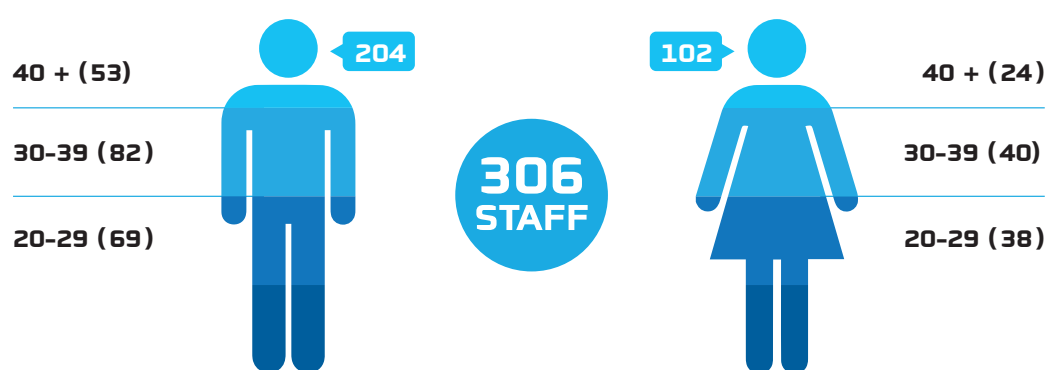
Asiasoft is an organization that aims to create and deliver enjoyment in online entertainment to the society. Clearly, our staff are new-generation employees who understand customers' needs. As we value human capital, the Company has no gender discrimination in employment and recruitment. We welcome all to be our members 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 2020, different trainings and seminars were organized for a number of employees.

In 2020, 17 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.

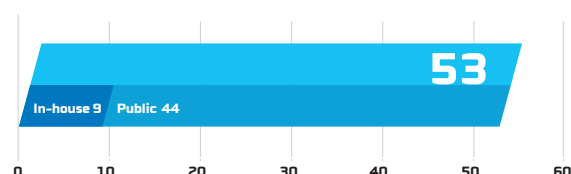


## Asiasoft Staff in 2020

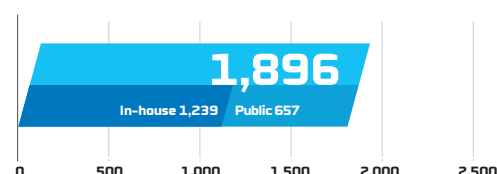


## Knowledge Training and Seminar in 2020

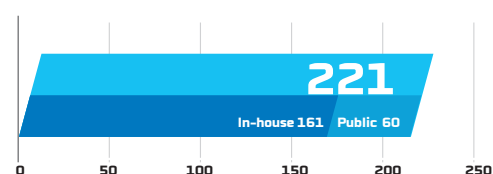
### Total courses



### Total training hours



### Total trainees



\*For example; Personal Data Protection Act: PDPA, Leadership: Practical Leadership Skills, Mobile App Marketing 2020: ASO, Advertising & Monetization, Digital Laws and HR Jobs that HR must know and do right

| Department                  | In-House Training |              | Public Training |            | Total Hours  |
|-----------------------------|-------------------|--------------|-----------------|------------|--------------|
|                             | Participants      | Hours        | Participants    | Hours      |              |
| Management                  | 15                | 155          | 3               | 22         | 177          |
| Business Development        | 1                 | 6            | 0               | 0          | 6            |
| Accounting                  | 3                 | 6            | 3               | 26         | 32           |
| Customer Service Team       | 3                 | 14           | 1               | 7          | 21           |
| Finance                     | 4                 | 53           | 5               | 28         | 81           |
| Human Resources             | 3                 | 41           | 6               | 86         | 127          |
| IT Services                 | 6                 | 18           | 5               | 6          | 24           |
| IT Support                  | 9                 | 124          | 2               | 21         | 145          |
| Legal                       | 1                 | 6            | 1               | 21         | 27           |
| Marketing                   | 37                | 227          | 10              | 42.5       | 269.5        |
| Network & System Management | 4                 | 26           | 4               | 154        | 180          |
| Operation Center            | 5                 | 24           | 1               | 40         | 64           |
| Project - PC Games Team     | 63                | 507          | 16              | 176        | 683          |
| Purchasing & Admin          | 1                 | 6            | 1               | 6          | 12           |
| Project Coordinator Team    | 0                 | 0            | 0               | 0          | 0            |
| Software Development        | 5                 | 18           | 1               | 6          | 24           |
| Sales                       | 1                 | 8            | 1               | 15.5       | 23.5         |
| <b>Total</b>                | <b>161</b>        | <b>1,239</b> | <b>60</b>       | <b>657</b> | <b>1,896</b> |

In addition, Asiasoft emphasizes employee caring in all aspects including basic welfare such as salary, social security, a provident fund for employees to have some savings set aside for when they resign or retire. Asiasoft has made group insurance that covers health, accident, illness, and life coverage for all staff members at all levels. Besides, there are other additional welfares provided as follows :

**Annual Health Check-up :** Regularly, Asiasoft has arranged an Annual Health Check-up for all employees every year at the leading hospital to ensure all staff members are in good health which also means good work performance.



**Asiasoft Staff Party :** The Staff Party was held on 31 January 2020 at Krua Jamlang Planggai to strengthen the relationship between employees and the management as well as to build a strong bond within the organization.



**Gym Zone :** Gym area was arranged to serve the Company's intention to support its staff's well-being. Many devices and equipment are provided for the staff members to use for a workout after work e.g. treadmills, weight training benches, dumbbells, and recumbent bikes.



**Yoga :** In addition to the Gym Zone, the Company has arranged a Yoga session available after work for those interested employees as an alternative to their workouts.



**Recreational Activities :** The Company has managed to provide several activities. For example, Board Games, PlayStation, Xbox, table tennis, Karaoke, and billiards so that all employees can relax during lunch break or after work in which the relationship among staff members can be strengthened.





**Protective Measures for the Employee during the COVID-19 Outbreak :** Due to the situation of the COVID-19 outbreak has widely spread out, the Company has assigned the employees to work from home for a social distancing. However, for those employees required to work in the office, the Company has provided different protective devices for instance, infrared thermometers, alcohol gel dispensers, disinfectants including protective face masks distributed to employees in order to prevent its employees from the pandemic.



Additionally, Asiasoft has created the awareness of social responsibility to all staff members so that the intention to sustainably deliver enjoyment to the online world in the society could finally succeed allowing all people to be happy both physically and virtually by encouraging all employees to share their happiness to other people through various activities as follows.

**ASIASOFT SHARING - Sharing and Offering Opportunities to the Children :** Asiasoft has realized the vast impact of the COVID-19 pandemic. Namely, the lower-income in households which directly affects the children's education, the lower employment rate, etc. Therefore, the Company would like to take part in supporting and offer more opportunities to the society through these 2 following projects :

- **Scholarships Projects to Support Education :** Asiasoft has recently funded the amount of 1,000,000 baht for 400 scholarships (with 2,500 baht per scholarship) to the Community Children Foundation (CCF) under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn to help and support the children's education on 12 August 2020.



• **The Digital Work by TeC powered by ASIASOFT” Training Program** : As knowledge and skills in digital marketing are highly in need in the present, Asiasoft supported the training program in digital marketing under the project called “The Digital Work” to improve the skills of the interested fresh graduates as a preparation before entering the Thai labor market in this digital age. Approximately 1,000 people have participated in this project by the online courses provided in 4 modules (15,000 baht valued) and 40 people who passed the test were selected to continue the offline course called “Digital Marketing Analytics and Optimization” held by Thailand e-Business Center for 3 days (9,990 baht valued).



**Supporting Fund to the “Kao Pua Nong” Project by the Kaokonlakao Foundation and EFF** : Asiasoft has funded the “Kao Pua Nong” Project with the total of 2,000,000 baht to the Kaokonlakao Foundation and the Equitable Education Fund (EEF) on 1 December 2020 by Mr. Athiwara Kongmalai (as known as Toon, BodySlam) appointed a consignee to support and offer the opportunity to the disadvantaged children.



**Used Computers given to the Schools in Need aimed for Children's Educational Opportunity** : On 13 January 2020, Asiasoft offered a total of 10 used computers to Baan Huay Kian School in Phayao Province to be used in classes so the students can use them for further knowledge and give the educational opportunity as equal as other Thai youths.





**PlayPark Auction for Child :** Asiasoft has offered an opportunity to gamers over the country to be a part of social sharing by an auction for premium products from 9 PlayPark's popular games on 15 June 2020. The total auction price was 26,664.50 baht to be given, wholly without any expense deduction, to the Community Children Foundation (CCF) under the Royal Patronage of HRH Princess Maha Chakri Sirindhorn as a supporting fund to help the children's families affected from COVID-19 pandemic crisis.



**Participation in the New Year's Party 2021 :** On 22 December 2020, Asiasoft gave several game souvenirs as a gift in the New Year's Party 2021 to the Central Special Education Center, the rehabilitation center for the young disabilities in education to be ready prior to school age.



### 14.3 Environmental Aspect

Even though the nature of the Company's business does not affect the environment directly, however, the Company always takes this matter into consideration as much as emphasizes pollution prevention measures or any other problems which may affect the environment. For example, reducing the energy consumption, energy-saving campaigns, reducing the use of papers by applying IT technology into the work procedure which is a policy continuously adopted by the Company for years.

All of 2019's projects have been carried out consistently throughout 2020 - the cost reduction of electricity, water, paper use, and other unnecessary equipment. The Company has achieved its target of cost reduction as follows.

The electricity consumption was reduced by 57% from 2019 by the energy-saving campaigns and has turned out to be better than the goal set. This was because there were work plans for the promotion as well as the protective measure to allow the employee to work from home in order to prevent the COVID-19 pandemic.

- Switching off the lights and air-conditioners during lunch break and after work.
- Changing to LED lights.

Similarly, water consumption has been reduced by 57% from 2019.

- Promoted the water-saving campaign as well as the instructions for restroom usage.

With an online document approval, the use of papers was reduced accordingly by turning all document collection and disbursement approvals into the electronic procedure as well as the encouragement to reuse the documents where possible. In 2020, the Company succeeded in reducing the use of papers by 45% compared to those in 2019 and we will continue further in 2021 to promote such campaigns since energy-saving actually means one of the social responsibilities.

## 15. INTERNAL CONTROL AND RISK MANAGEMENT

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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 hires 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 is 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. 1/2020 held on 21 February 2020, 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 tool emphasizes 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 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 has 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 paced environment of the Company's business in order for the Company to have a transparent, auditable and reliable image.

Year 2020, the Audit Committee considers, elects and nominates Baker Tilly as the outsourced internal audit for Asiasoft Corporation Public Company Limited responsible for the performing of the Company's internal audit in the part of General, Financial Reporting, Revenue, Information technology and Finance and Account cycles.

For year 2021, the Audit Committee is in the process of selecting the outsourced internal audit for Playpark Pte. Ltd. which is a subsidiary located in Singapore. The appointment of outsourced internal audit shall be approved by the Audit Committee.

### 15.3 Internal Audit Coordinator

The Board of Directors has assigned internal audit coordinator Mr. Chawanin Tritavornyuenyong as Finance and Account Director to enhance internal control and compliance to the regulations. He gives advice to other departments by encouraging self-control.

#### Detail of internal audit coordinator

Mr. Chawanin Tritavornyuenyong (37 years)

Position : Finance and Account Director

Education :

Master of Science in Finance, Chulalongkorn University  
Bachelor of Business Administration Major in Accounting,  
Assumption University

**Experience :**

Aug 2020 - Present

Finance and Accounting Director,  
Asiasoft Corporation Public Company Limited

June 2019 - July 2020

Chief Financial Officers,  
Warrik Sport Company Limited

Nov 2017 - May 2019

Finance and Accounting Director,  
Royal Plus Company Limited

Nov 2007 - Oct 2017

Senior Manager (Assurance services),  
PricewaterhouseCoopers ABAS, Ltd

**Duties and Responsibilities of the Internal Audit Coordinator**

1. Prepare an annual audit plan that has been considered and approved by the audit committee.
2. Prepare the department annual budget and define key performance indicator for internal audit work.
3. Review audit program of each audit project, in terms of operations, information technology, in order to use resources sufficiently and to effectively and efficiently achieve audit results.
4. Determine appropriateness of information storage systems and Company's asset verification.
5. Evaluate the credibility and correctness of accounting and financial information.
6. Review each departmental operation to ensure compliance with Company's objectives, working policies, and any related laws and regulations. And that the Company has sound internal control in assurance to achieve the objectives set by the Company.
7. Fraud Audit and take legal actions on fraudulent lawsuits.
8. Review the audit results and follow up on agreed recommendations.
9. Prepare an internal audit report to the executive team, the Audit Committee, and the Board of Directors.
10. Select and develop at all levels of internal auditors to be skilled and knowledgeable including evaluate internal auditors performance.
11. Provide consulting service on internal control and risk to other departments.
12. Perform other special tasks as assigned by the executive management and the Audit Committee.
13. Liaise with the executive management, Audit Committee, the Company's auditor and advisors.

## 16. CONNECTED TRANSACTIONS

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### **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 persons 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 persons 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.



**The Connected Transactions between the Company or its Subsidiaries  
or Related Companies and Interested Parties in 2019 and 2020 (Unit : Baht Million)**

| Company or Individual /<br>Type of Business  | Nature of Relationship   | Transaction Description   | Transaction Value according to<br>Consolidated Final Statement         |  | Rationale for Transaction   |
|--|--|---|--|--|---|
|  |  |   | 31 Dec 2019  | 31 Dec 2020  |   |
| <b>Asiasoft International Co., Ltd. (ASI)</b><br>Holding Company   | A subsidiary in which 100% of<br>the shares  | <ul style="list-style-type: none"> <li>Revenues from services</li> <li>Dividend Income</li> </ul>   | -  | -  | <ul style="list-style-type: none"> <li>ASC charged for the accounting service fee</li> </ul>  |
|  |  | <ul style="list-style-type: none"> <li>Revenue from distribution income of @Cash card</li> <li>License and service fee</li> <li>Inter Business Develop (IBD)</li> <li>cost and promotion expenses</li> <li>Revenue from online games</li> <li>Transfer of license fees</li> <li>Interest income</li> <li>Accounts receivable</li> <li>Other receivables from related parties</li> <li>Long-term loan to a related company</li> <li>Interest income</li> <li>Accounts payable</li> <li>Loan from ASC's Director</li> </ul> | 3.98<br>20.08<br>0.43<br>-<br>-<br>0.05<br>1.16<br>-<br>-<br>1.91<br>- | -<br>-<br>1.40<br>23.08<br>0.21<br>-<br>0.02<br>0.01<br>49.65<br>-<br>-<br>1.55<br>- | <ul style="list-style-type: none"> <li>The Company sold the products to ASO for use in its business</li> <li>The revenue from license fee, management, IT service</li> <li>ASO charged IBD cost and other expenses to ASC</li> <li>ASC charged @Cash</li> </ul> |
| <b>Playpark Pte Ltd. (PPSG)</b><br>(Former name Asiasoft Online Pte. Ltd.)<br>Online game service provider in Singapore and Malaysia | A subsidiary in which 100% of<br>the shares  | <ul style="list-style-type: none"> <li>Revenue from online games</li> <li>Transfer of license fees</li> <li>Interest income</li> <li>Accounts receivable</li> <li>Other receivables from related parties</li> <li>Long-term loan to a related company</li> <li>Interest income</li> <li>Accounts payable</li> <li>Loan from ASC's Director</li> </ul>   | 0.43<br>-<br>-<br>0.05<br>1.16<br>-<br>-<br>1.91<br>-                  | 0.21<br>-<br>0.02<br>0.01<br>49.65<br>-<br>-<br>1.55<br>-                            | <ul style="list-style-type: none"> <li>ASC charged @Cash</li> </ul>   |
|  |  | <ul style="list-style-type: none"> <li>License Fee and service fee</li> <li>Revenue from distribution</li> <li>Revenue from online games</li> <li>Inter Business Develop (IBD)</li> <li>cost and promotion expenses</li> <li>Accounts payable</li> <li>Other receivables from related parties</li> <li>Accounts receivable</li> </ul>   | 2.79<br>0.00<br>0.33<br>-<br>0.01<br>0.74<br>0.03                      | 5.83<br>0.00<br>0.46<br>-<br>-<br>1.84<br>0.02                                       | <ul style="list-style-type: none"> <li>The revenue from license and management fee</li> <li>The Company sold the products to CIB for use in its business</li> <li>ASC charged @Cash to CIB</li> <li>CIB charged IBD cost and other expenses to ASC</li> </ul>   |
| <b>CIB Development Sdn. Bhd. (CIB)</b><br>Online game service provider in Malaysia   | A subsidiary in which 61.68%<br>of the shares are held by the<br>Company and has common<br>directors | <ul style="list-style-type: none"> <li>License Fee and service fee</li> <li>Revenue from distribution</li> <li>Revenue from online games</li> <li>Inter Business Develop (IBD)</li> <li>cost and promotion expenses</li> <li>Accounts payable</li> <li>Other receivables from related parties</li> <li>Accounts receivable</li> </ul>   | 2.79<br>0.00<br>0.33<br>-<br>0.01<br>0.74<br>0.03                      | 5.83<br>0.00<br>0.46<br>-<br>-<br>1.84<br>0.02                                       | <ul style="list-style-type: none"> <li>The revenue from license and management fee</li> <li>The Company sold the products to CIB for use in its business</li> <li>ASC charged @Cash to CIB</li> <li>CIB charged IBD cost and other expenses to ASC</li> </ul>   |

|  |  |  |  |                                      |   |
|--|--|--|--|--------------------------------------|---|
| <b>AS Online Sdn. Bhd. (ASM)</b><br>Distributor in Malaysia  | 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 receivables from related parties</li> <li>Accounts payable</li> </ul>   | -<br>-<br>-<br>-                             | -<br>-<br>-<br>-                     | <ul style="list-style-type: none"> <li>ASC charged for the accounting service fee</li> </ul>  |
|  | <b>A Capital Co., Ltd.</b><br>Holding Company  | Revenue from services  | 0.012  | 0.012                                | <ul style="list-style-type: none"> <li>ASC charged for the accounting service fee</li> </ul>  |
| <b>CONG TY TNHH CHAU A MEM (CTCM)</b><br>Online game service provider in Vietnam who sublicensed game from Asiasoft Group only | A sublicensee of online games from Asiasoft Group for online game service in Vietnam         | <ul style="list-style-type: none"> <li>Licence and services fee</li> <li>Revenue from online games</li> <li>Promotion expenses</li> <li>Accounts receivable</li> <li>Accounts payable</li> </ul>   | -<br>1.29<br>0.04<br>20.03<br>0.19           | -<br>0.43<br>-<br>19.59<br>0.00      | <ul style="list-style-type: none"> <li>The Company sub-licensed online games to CTCM for online game service in Vietnam</li> <li>ASC charged @Cash DCUO/ADVN to CTCM</li> <li>CTCM charged marketing cost to ASC</li> <li>ASC and ASI collected the license fee from CTCM under a sublicense agreement</li> </ul> |
|  | <b>Playpark Co., Ltd. (PlayPark)</b><br>(Former name Funbox)<br>Online game service provider | <ul style="list-style-type: none"> <li>Revenue from distribution income of @Card card</li> <li>Revenue from advertising and service</li> <li>Interest income</li> <li>Promotion expenses</li> <li>Accounts receivable</li> <li>Other accounts receivable from related parties</li> <li>Long-term loan to a related company</li> <li>Accrued interest receivable</li> <li>Accounts payable</li> </ul> | -<br>0.03<br>-<br>-<br>-<br>-<br>-<br>-<br>- | -<br>-<br>-<br>-<br>-<br>-<br>-<br>- | <ul style="list-style-type: none"> <li>The distribution income for @Cash card to PlayPark</li> <li>ASC charged to PlayPark for advertising and service</li> <li>The Company has provided a loan to PlayPark for operations</li> </ul>   |

|   |   |  |  |  |  |
|---|---|--|--|--|--|
| <b>PlayPark Inc. (PPI)</b><br>Online game service provider              | An associate in which 40% of the shares   | <ul style="list-style-type: none"> <li>Revenue from online games</li> <li>Revenue from distribution income of @Cash card</li> <li>Revenue from advertising and service</li> <li>Promotion expenses</li> <li>Accounts receivable</li> <li>Other accounts receivable from related parties</li> <li>Accounts payable</li> </ul> | -<br>0.04<br>6.62<br>-<br>4.58<br>9.19<br>0.09 | -<br>0.04<br>8.41<br>-<br>0.01<br>2.94<br>0.04 | <ul style="list-style-type: none"> <li>Online game service income CB(PH)</li> <li>The distribution income for @Cash card to PPI</li> <li>ASC charged management fee, IT Service income</li> <li>PPI charged marketing cost to ASC</li> </ul> |
| <b>PT. Asiasoft (ASID)</b><br>Online game service provider in Indonesia | A subsidiary in which 99.90% of the shares  | <ul style="list-style-type: none"> <li>Revenue from service</li> <li>Other accounts 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>  | -<br>-<br>-<br>0.50<br>0.02<br>-               | 1.40<br>0.14<br>-<br>-<br>-<br>-               | <ul style="list-style-type: none"> <li>ASC charged management fee, IT Service income</li> <li>ASC reimburse of advance payment</li> <li>The Company granted loan to ASID for working capital purpose</li> </ul>                              |
| <b>Playcybergames Co., Ltd. (PCC)</b><br>Online game service provider   | A subsidiary in which 99.99% 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>   | -<br>-<br>-<br>-<br>-<br>-<br>-                | -<br>-<br>-<br>-<br>-<br>-<br>-                | <ul style="list-style-type: none"> <li>ASC charged for the accounting service fee</li> </ul>   |
| <b>Skynet Systems Co., Ltd.</b><br>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>   | 0.26<br>-                                      | -<br>-   | <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

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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 2020, 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. Pramoth Sudjitporn  
Acting Chairman  
On behalf of the Board of Directors

## 18. FINANCIAL HIGHLIGHT

### Statement of Financial Position of Company and Subsidiaries as at 31 December 2018 - 2020

| Balance Sheet (Million Baht)              | 2020          | 2019          | 2018          |
|---|---------------|---------------|---------------|
| Cash an Cash equivalents                  | 324.77        | 145.37        | 63.60         |
| Current Investments                       | 278.73        | -             | -             |
| Trade and Other Receivables               | 43.59         | 63.28         | 64.92         |
| Inventories                               | -             | -             | -             |
| Prepaid License Fees                      | 4.65          | 9.90          | 3.47          |
| Other Current Assets                      | 35.25         | 37.13         | 37.06         |
| Total Current Assets                      | 686.99        | 255.68        | 169.05        |
| Total Non-Current Assets                  | 126.30        | 150.69        | 156.65        |
| <b>Total Asset</b>                        | <b>813.29</b> | <b>406.37</b> | <b>325.70</b> |
| Total Current Liabilities                 | 286.36        | 229.33        | 163.18        |
| Total Non-Current Liabilities             | 34.19         | 35.31         | 17.06         |
| <b>Total Liabilities</b>                  | <b>320.55</b> | <b>264.64</b> | <b>180.24</b> |
| Registered                                | 286.42        | 532.84        | 512.35        |
| Issued and Fully Paid-Up                  | 207.24        | 409.88        | 409.88        |
| Share Premium                             | 6.99          | -             | -             |
| Retained Earnings                         | 248.78        | (256.52)      | (259.14)      |
| Equity Attributable to Owners of Company  | 443.40        | 126.76        | 125.22        |
| Non-controlling Interests of Subsidiaries | 49.34         | 14.97         | 20.24         |
| <b>Total Shareholder's Equity</b>         | <b>492.74</b> | <b>141.73</b> | <b>145.46</b> |

### Statement of Comprehensive Income of Company and Subsidiaries end of 31 December 2018 - 2020

| Profit and Loss (Million Baht)       | 2020            | 2019          | 2018          |
|--------------------------------------|-----------------|---------------|---------------|
| Revenue from Sales and Services      | 1,336.22        | 762.44        | 601.13        |
| Other Income                         | 19.96           | 5.18          | 41.22         |
| <b>Total Revenues</b>                | <b>1,356.18</b> | <b>767.62</b> | <b>642.35</b> |
| Cost of Sales and Services*          | 580.19          | 385.87        | 355.27        |
| Selling and Administrative Expenses* | 411.88          | 377.38        | 268.59        |
| <b>Total Expense</b>                 | <b>992.07</b>   | <b>763.26</b> | <b>623.86</b> |
| Profit (Loss)                        | 307.04          | 4.35          | 14.01         |
| Basic Earning Per Shares             | 0.75            | 0.01          | 0.03          |

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

Statement of Cash Flows of Company and Subsidiaries  
end of 31 December 2018 - 2020

| Cash Flow Statements (Million Baht)                  | 2020     | 2019    | 2018    |
|--|----------|---------|---------|
| Cash Flows from Operating Activities                 | 502.30   | 105.92  | (11.47) |
| Cash Flows from Investing Activities                 | (305.11) | (21.24) | (57.27) |
| Cash Flows from Financing Activities                 | (19.23)  | (3.10)  | (3.60)  |
| Net Increase (Decrease) in Cash and Cash Equivalents | 180.08   | 80.99   | (71.61) |
| Cash and Cash Equivalents at End of Year             | 324.77   | 145.37  | 63.60   |

Financial Ratio

| Financial Ratio             | Financial Statement |       |       |
|-----------------------------|---------------------|-------|-------|
|                             | 2020                | 2019  | 2018  |
| Current Ratio (Time)        | 2.40                | 1.11  | 1.04  |
| Gross Profit Margin (%)*    | 56.58               | 49.39 | 40.90 |
| Net Profit Margin (%)       | 27.28               | 0.57  | 2.33  |
| ROE (%)                     | 107.81              | 3.45  | 10.98 |
| ROA (%)                     | 50.40               | 1.18  | 3.81  |
| Total Asset Turnover (Time) | 1.70                | 2.08  | 1.64  |
| DE (Time)                   | 0.72                | 2.09  | 1.44  |

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



## 19. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL STATUS AND OPERATING RESULTS

### 19.1 Financial Status and Operating Results

#### Overview of Past Operating Results

##### *Business Structure 2020*

The Group has a core business on online revenue both PC and mobile game whereas PC game still is 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 2020, the Company has total revenue of 1,336.2 million baht, increased by 75.3% from the year 2019 which was 762.4 million baht, contributed mainly by new game launch across our groups and overall positive impact of locked down due to the COVID-19 pandemic. In addition to the above factors, and the successful restructuring of the group's operations, our group performance and cash flow position has strengthened as compared to the prior year. Overseas markets had significant growth during 2020 and this is a testament to having a deeper understanding of the behaviours and needs of gamers as well as local knowledge of the mobile games market.

##### *Overview of Performance for 2020*

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

| Business            | Revenue        |            |              |            |              |            |
|---------------------|----------------|------------|--------------|------------|--------------|------------|
|                     | 2020           |            | 2019         |            | 2018         |            |
|                     | THB M          | %          | THB M        | %          | THB M        | %          |
| Online Game Service | 1,310.5        | 98.1       | 741.8        | 97.3       | 552.1        | 91.8       |
| Distribution        | 23.3           | 1.7        | 14.2         | 1.9        | 36.9         | 6.1        |
| Others              | 2.4            | 0.2        | 6.4          | 0.8        | 12.1         | 2.0        |
| <b>Total</b>        | <b>1,336.2</b> | <b>100</b> | <b>762.4</b> | <b>100</b> | <b>601.1</b> | <b>100</b> |

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

**1. Online game service :** In 2020, online revenue was 1,310.5 million baht, versus 741.8 million baht for 2019 and 552.1 million baht for 2018 respectively. New PC and mobile games launched in 2020 and also a positive impact on online industries from lockdown resulted in total revenue increased from 2019 and 2018

by 76.7% and 137.5%, respectively. The Company has sharpened strategic focus on new games to be launched and expect to have revenue growth for 2021 and beyond.

**2. Distribution :** Revenue on payment channel in 2020 of 23.3 million baht, versus 14.2 million baht in 2019 and 36.9 million baht in 2018, from the change of business model and payment channels.

**3. Others :** It comprised of sponsoring, licensing and social network advertising management. In 2020, the revenue was 2.4 million baht, decreased from 2019 and 2018 mainly due to the change of business model and the withdrawal of investment in one of the subsidiaries resulting in this subsidiary was not included in the Group of Company since 2018.

| Geographic      | Revenue (THB M) |              |               |
|-----------------|-----------------|--------------|---------------|
|                 | 2020            | 2019         | 2018          |
| Thailand        | 528.5           | 410.9        | 255.4         |
| Overseas        | 807.7           | 351.5        | 345.8         |
| <b>Total</b>    | <b>1,336.2</b>  | <b>762.4</b> | <b>601.1</b>  |
| <b>% Change</b> | <b>75.3</b>     | <b>26.8</b>  | <b>(28.1)</b> |

The proportion of Company revenue for domestic and overseas in 2020 was 40:60, increased from 2019 and 2018 which had 54:46, 42:58, respectively. This was mainly due to new PC and mobile game launches in 2020 and a positive impact of the pandemic which causes lockdown in Southeast Asia.

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

In 2020, the Company's Costs, Expenses, Finance costs and Income tax was at 999.9 million baht, increased by 30.8% from 2019 which was 746.6 million baht and increased by 59.6% from 2018 which was 626.6 million baht; however, the Company was able to achieve very effective and efficient cost management.

| List   | Consolidated (THB M) |                |                |
|--|----------------------|----------------|----------------|
|  | 2020                 | 2019           | 2018           |
| Costs of Sales and Services  | (597.4)              | (385.9)        | (380.3)        |
| Selling Expenses   | (178.7)              | (149.5)        | (106.5)        |
| Administrative Expenses  | (215.9)              | (172.8)        | (162.1)        |
| Loss on Impairment and Write-off of Intangible and Prepaid License Fee | 17.7                 | -              | 25.0           |
| Expense under Litigation   | -                    | (55.1)         | -              |
| Total Operation Cost   | (974.3)              | (763.3)        | (623.9)        |
| Finance Costs  | (1.3)                | (1.1)          | (0.9)          |
| Income Tax Income (Expense)  | (24.3)               | (0.2)          | (1.8)          |
| <b>Total</b>   | <b>(999.9)</b>       | <b>(764.6)</b> | <b>(626.6)</b> |
| <b>% Change</b>  |                      | <b>30.8</b>    | <b>59.6</b>    |

Cost of sales and services in 2020 increased by 54.8% from 2019 and increased by 57.1% when compared to 2018 mainly due to the increased royalty fees which varied with revenue.

Selling expenses increased 19.5% from 2019 and increased 67.8% from 2018 mainly due to an increase in the channelling service fees and advertising expenses in line with increases in revenues from sales and services.

Administration expenses increased 24.9% and 33.2% from 2019 and 2018, respectively mainly due to the increment of employee cost.

Loss on impairment and write-off of intangible assets and prepaid license fees amounting to 17.6 million baht are the inherent risk of game industries.

Allowance for doubtful account receivable amounting to 17.7 million baht are caused by the Philippine subsidiary and it is one-off items.

#### Net Profit (Loss)

In 2020, the Company ended with a profit of 307.0 million baht, increased by 6877% and 2096% from the year 2019 and 2018, respectively due to the significant growths in revenue and also the effectiveness of Company structure in cost control.

| Net Profit (Loss)<br>(THB M) | 2020  | 2019 | 2018 |
|------------------------------|-------|------|------|
|                              | 307.0 | 4.3  | 14.0 |
| % Change                     |       | 6877 | 2096 |

#### Balance Sheet

##### *Assets*

Total assets as of 31 December 2020 was 813.3 million baht versus total assets as of 2019 at 406.4 million baht, increased of 406.9 million baht or 100.1% as follows :

- Current assets increased 431.3 million baht or 168.7% from 2018 due to these changes :
  - Cash and cash equivalent increased 180.8 million baht from net cash generated from operating activities of 507.6 million baht.
  - Short-term investment increased 278.7 million baht.
  - Account receivables and other receivables reduced 19.7 million baht due to allowance for doubtful account receivable from the Philippine subsidiary.

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

| Receivables                             | 2020        | % of net<br>A/R | 2019      | % of net<br>A/R | 2018      | % of net<br>A/R |
|---|-------------|-----------------|-----------|-----------------|-----------|-----------------|
| Current                                 | 31.6        | 77              | 23        | 58              | 24        | 52              |
| Less Than 3 Months                      | 9.3         | 23              | 15        | 38              | 15        | 33              |
| 3 - 6 Months                            | -           | -               | 1         | 3               | -         | -               |
| 6 - 12 Months                           | -           | -               | -         | -               | -         | -               |
| Over 12 Months                          | -           | -               | 1         | 3               | 7         | 15              |
| <b>Total</b>                            | <b>40.9</b> | <b>100</b>      | <b>40</b> | <b>100</b>      | <b>46</b> | <b>100</b>      |
| Less Allowance for<br>Doubtful Accounts | (0.1)       | (0.2)           | (1)       | (3)             | (2)       | (4)             |
| <b>Trade Accounts<br/>Receivable</b>    | <b>40.8</b> | <b>99.8</b>     | <b>39</b> | <b>97</b>       | <b>44</b> | <b>96</b>       |

In 2020, the Company had current account receivables-3rd and overdue less than 6 months at 40.9 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 the previous collection.

2. Non-Current Asset decreased 24.4 million baht or 16% from last year mainly due to the following :

- Decrease of restricted bank deposit 10 million baht.
- Increase of right of use assets by 17 million baht due to adoption of lease accounting under TFRS 16.
- Decrease of fixed assets (equipment) by 10 million baht which due to depreciation during the year 2020.
- Decrease of intangible asset 20 million baht from amortization and also written off of intangible assets for the year 2020.

#### *Liabilities*

As of 31 December 2020, the Company had total liabilities 320.6 million baht versus total liabilities for the year 2019 at 264.6 million baht, increased by 56 million baht or 21.5% due to the following :

1. Current liabilities increased 56 million baht or 24.4% due mainly to the following :

- Increased trade account payables and other account payables 69.4 million baht from increasing in royalty fee.
- Increase of deferred revenue 23.9 million baht because of the increase in refill but not use.
- Decrease of the current portion of the liability under litigation and other current liabilities by 15.6 million baht and 12.7 million baht, respectively.

#### *Equities*

As a result of strong performance during the past few years due to good preparation and pandemic caused by COVID-19, and Company financial restructuring. The Company was able to generate net profit and clear all deficits to retain earnings in the year 2020. Equity attributable to owners of the parent company as of 31 December 2020 equal to 443.4 million baht which increased from 2019 and 2018 as shown only 126.8 million baht and 125.2 million baht, respectively and resulting in 214% of paid-up capital.

Due to rule from SET on “C” (Caution) sign on securities of a listed company which has an equity ratio of less than 50% of paid-up capital, the Company was posted with “C” (Caution) sign from 10 August 2018. However, the strong performance and Company financial restructuring. The Company was removed of “C” (Caution) on 18 August 2020.

#### Profitability

In 2020, the Company and subsidiaries had a gross profit margin of 55.3% of net revenue (including the one-time items) compared to 2019 and 2018 which had 49.4% and 40.9% respectively. This resulted in positive profitability for 3 consecutive years from 2018.

#### Asset Management Ability

In 2020, the Company and subsidiaries had Return on Assets (ROA) of 50.4% compared to 1.18% of 2019 and 3.81% of 2018.

Total Assets Turnover for 2020 is 1.7 times while 2019 and 2018 are 2.1 and 1.6 times, respectively reflecting the good asset management.

### Liquidity and Capital Adequacy

In 2020, the Company and subsidiaries had a liquidity ratio of 2.4 improved from 2019 and 2018 which had 1.1 and 1.0 times, respectively because the current asset is higher than current liabilities.

Debt to Equity ratio in 2020 was 0.7 improved from 2019 which was 2.1 times. This improvement in D/E ratio resulted in a 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 whereby gamers have become more selective in terms of which games they will spend their time and money on. Hence, the Company is committed to publishing hit games and top-notch services that will appeal to our market and will result in positive financial performance for the Company.

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

3. Changes in Technology and Platforms : Consumer behaviours 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 the region and as a result, the barrier to entry into a new market has been lowered with many online game service providers entering this business by launching their self-developed games. The Company strives to look out for oncoming changes in behaviour and will constantly adapt our business plan to tap into the ever-growing mobile gaming market. Also the Company will continue to focus on PC games with the strategy that let the players access the games easier and faster as well as launching a new co-publishing business model with potential partners. We will continue to develop 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 will negatively affect our relationship with our users and our revenue. To this end, the Company has implemented secure systems to store and to protect our user database and information.

5. Diversifying Channel Partners : the Company has been maintaining a 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 an agreement that is beneficial to our channel partners.

6. Talents in the Online Game Industry in Southeast Asia : the Company believes in keeping and nurturing talents as an integral part of the Company's overall growth. As the game industry in the region has grown significantly in the past decade, the demand for and quality of talents in the game industry has increased too. The Company will stay competitive in terms of remuneration and advances in the 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. Works are in progress to ensure that systems and processes improved are implemented across the region.

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



# FINANCIAL STATEMENT

ASIASOFT ANNUAL REPORT 2020



## 20. FINANCIAL STATEMENT

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### 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 2020, 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 2020, 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>Revenue recognition from online game services</b></p> <p>Referring to Note 5.17 Revenue recognition and Note 9 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 2020, online game service revenue recognized for the Group and the Company was Baht 1,310 million and Baht 524 million, respectively.</p> <p>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.</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 system 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 and reporting information relating to cash refilled and cash used in a game.</li> <li>• 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.</li> <li>• 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.</li> <li>• On a sample basis, tested the recording of transactions with the underlying documents related to revenue and deferred revenue.</li> </ul> |
| Key audit matter   | How my audit addressed the key audit matter  |
| <p><b>Impairment of game licenses</b></p> <p>Referring to Note 5.8 Accounting policies - Impairment of assets and Note 18 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> </ul>   |

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <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

24 February 2021

**Asiasoft Corporation Public Company Limited**
**Statement of Financial Position**
**As at 31 December 2020**

|                                     | Note   | Consolidated         |             | Separate             |             |
|-------------------------------------|--------|----------------------|-------------|----------------------|-------------|
|                                     |        | financial statements |             | financial statements |             |
|                                     |        | 2020                 | 2019        | 2020                 | 2019        |
|                                     |        | Baht                 | Baht        | Baht                 | Baht        |
| Assets                              |        |                      |             |                      |             |
| Current assets                      |        |                      |             |                      |             |
| Cash and cash equivalents           | 10     | 324,772,508          | 145,368,108 | 148,788,314          | 116,383,564 |
| Trade and other receivables         | 11     | 43,590,684           | 63,276,402  | 70,799,657           | 45,811,377  |
| Short-term loans to related parties | 33 (d) | -                    | -           | -                    | -           |
| Other current financial assets      | 12     | 278,730,651          | -           | 163,542,953          | -           |
| Prepaid royalty fees                |        | 4,647,509            | 9,904,216   | 1,331,456            | 749,418     |
| Other current assets                | 13     | 35,251,627           | 37,137,392  | 18,577,374           | 15,189,132  |
| Total current assets                |        | 686,992,979          | 255,686,118 | 403,039,754          | 178,133,491 |
| Non-current assets                  |        |                      |             |                      |             |
| Restricted bank deposits            | 14     | 5,367,986            | 15,760,647  | 5,367,986            | 15,760,647  |
| Investments in subsidiaries         | 15 (a) | -                    | -           | 18,007,549           | 18,007,573  |
| Investments in associates           | 15 (b) | 11,755,064           | 10,118,608  | -                    | -           |
| Equipment                           | 16, 4  | 13,509,415           | 23,315,988  | 6,431,541            | 13,841,800  |
| Right-of-use assets                 | 17, 4  | 17,599,136           | -           | 11,701,433           | -           |
| Intangible assets                   | 18     | 69,323,698           | 90,216,554  | 42,405,737           | 57,594,238  |
| Deferred tax assets                 | 23     | 3,793,403            | 2,230,335   | -                    | -           |
| Other non-current assets            |        | 4,952,321            | 9,044,959   | 4,456,464            | 4,713,802   |
| Total non-current assets            |        | 126,301,023          | 150,687,091 | 88,370,710           | 109,918,060 |
| Total assets                        |        | 813,294,002          | 406,373,209 | 491,410,464          | 288,051,551 |

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 2020

|  | Note   | Consolidated         |             | Separate             |             |
|--|--------|----------------------|-------------|----------------------|-------------|
|  |        | financial statements |             | financial statements |             |
|  |        | 2020                 | 2019        | 2020                 | 2019        |
|  |        | Baht                 | Baht        | Baht                 | Baht        |
| <b>Liabilities and shareholders' equity</b>      |        |                      |             |                      |             |
| <b>Current liabilities</b>                       |        |                      |             |                      |             |
| Short-term borrowings from financial institution | 19     | -                    | 14,625,971  | -                    | 14,625,971  |
| Trade and other payables                         | 20     | 146,027,554          | 76,590,557  | 59,876,051           | 50,533,672  |
| Deferred revenue                                 | 21     | 107,012,331          | 83,080,322  | 42,301,578           | 37,859,642  |
| Current portion of liability under litigation    | 22     | 5,514,221            | 21,077,430  | 5,514,221            | 21,077,430  |
| Current portion of leases liabilities            | 17, 4  | 9,425,644            | 2,864,432   | 5,206,468            | 1,913,824   |
| Short-term loans from director                   | 33 (e) | 477,945              | 477,945     | -                    | -           |
| Other current liabilities                        |        | 17,902,907           | 30,613,400  | 3,614,456            | 2,162,352   |
| <b>Total current liabilities</b>                 |        | 286,360,602          | 229,330,057 | 116,512,774          | 128,172,891 |
| <b>Non-current liabilities</b>                   |        |                      |             |                      |             |
| Lease liabilities                                | 17, 4  | 6,355,501            | 7,206,076   | 5,271,325            | 5,965,261   |
| Liability under litigation                       | 22     | -                    | 5,536,948   | -                    | 5,536,948   |
| Deferred tax liabilities                         | 23     | 4,557,774            | 5,194,160   | -                    | -           |
| Employee benefit obligations                     | 24     | 21,769,338           | 17,375,176  | 12,687,460           | 11,324,627  |
| Other non-current provision                      | 4      | 1,509,823            | -           | 1,509,823            | -           |
| <b>Total non-current liabilities</b>             |        | 34,192,436           | 35,312,360  | 19,468,608           | 22,826,836  |
| <b>Total liabilities</b>                         |        | 320,553,038          | 264,642,417 | 135,981,382          | 150,999,727 |

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 2020

|   | Notes | Consolidated         |               | Separate             |               |
|---|-------|----------------------|---------------|----------------------|---------------|
|   |       | financial statements |               | financial statements |               |
|   |       | 2020                 | 2019          | 2020                 | 2019          |
|   |       | Baht                 | Baht          | Baht                 | Baht          |
| Liabilities and shareholders' equity (Cont'd) |       |                      |               |                      |               |
| Shareholders' equity                          |       |                      |               |                      |               |
| Share capital                                 |       |                      |               |                      |               |
| Authorised share capital                      |       |                      |               |                      |               |
| 572,840,120 ordinary shares of Baht 0.5 each  |       |                      |               |                      |               |
| (31 December 2019:                            |       |                      |               |                      |               |
| 532,840,120 ordinary shares of Baht 1 each)   | 25    | 286,420,060          | 532,840,120   | 286,420,060          | 532,840,120   |
| Issued and paid-up share capital              |       |                      |               |                      |               |
| 414,485,404 ordinary shares of Baht 0.5 each  |       |                      |               |                      |               |
| (31 December 2019:                            |       |                      |               |                      |               |
| 409,877,016 ordinary shares of Baht 1 each)   | 25    | 207,242,702          | 409,877,016   | 207,242,702          | 409,877,016   |
| Premium on share capital                      |       | 1,659,132            | -             | 1,659,132            | -             |
| Capital reserve for share-based payment       | 27    | 5,333,080            | -             | 5,333,080            | -             |
| Retained earnings (deficits)                  |       |                      |               |                      |               |
| Appropriated - legal reserve                  | 26    | 6,181,711            | -             | 6,181,711            | -             |
| Unappropriated                                |       | 248,778,955          | (256,519,763) | 135,012,457          | (272,825,192) |
| Other components of shareholders' equity      |       | (25,797,876)         | (26,596,497)  | -                    | -             |
| Equity attributable to owners of the parent   |       | 443,397,704          | 126,760,756   | 355,429,082          | 137,051,824   |
| Non-controlling interests                     |       | 49,343,260           | 14,970,036    | -                    | -             |
| Total shareholders' equity                    |       | 492,740,964          | 141,730,792   | 355,429,082          | 137,051,824   |
| Total liabilities and shareholders' equity    |       | 813,294,002          | 406,373,209   | 491,410,464          | 288,051,551   |

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 2020**

|   | Notes  | Consolidated<br>financial statements |                    | Separate<br>financial statements |                    |
|---|--------|--------------------------------------|--------------------|----------------------------------|--------------------|
|   |        | 2020                                 | 2019               | 2020                             | 2019               |
|   |        | Baht                                 | Baht               | Baht                             | Baht               |
| Revenues from sales and services  | 9      | 1,336,224,067                        | 762,437,695        | 528,525,342                      | 410,507,072        |
| Cost of sales and services  |        | (580,192,525)                        | (385,872,370)      | (220,414,951)                    | (183,970,857)      |
| <b>Gross profit</b>   |        | <b>756,031,542</b>                   | <b>376,565,325</b> | <b>308,110,391</b>               | <b>226,536,215</b> |
| Other income  | 28     | 19,963,409                           | 5,183,610          | 88,200,587                       | 14,484,687         |
| Selling expenses  |        | (178,702,683)                        | (149,482,821)      | (60,867,113)                     | (86,788,846)       |
| Administrative expenses   |        | (215,996,367)                        | (172,831,603)      | (115,772,749)                    | (94,375,882)       |
| Expense under litigation  |        | -                                    | (55,069,110)       | -                                | (55,069,110)       |
| Loss on impairment of prepaid royalty fee   | 29     | (7,595,087)                          | -                  | -                                | -                  |
| Loss on write off of intangible assets  | 29     | (9,581,836)                          | -                  | (9,581,836)                      | -                  |
| Finance costs   |        | (1,262,174)                          | (1,147,618)        | (1,008,517)                      | (1,058,132)        |
| Share of (loss) profit from investment in associates                              | 15 (b) | 1,636,456                            | (415,468)          | -                                | -                  |
| <b>Profit before income tax expense</b>   |        | <b>364,493,260</b>                   | <b>2,802,315</b>   | <b>209,080,763</b>               | <b>3,728,932</b>   |
| Income tax expense  | 30     | (24,363,971)                         | (160,888)          | -                                | -                  |
| <b>Profit for the year</b>  |        | <b>340,129,289</b>                   | <b>2,641,427</b>   | <b>209,080,763</b>               | <b>3,728,932</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                             | 24     | (1,256,065)                          | (4,319,430)        | -                                | -                  |
| 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          |        | (1,256,065)                          | (4,319,430)        | -                                | -                  |
| <b>Items that will be reclassified subsequently to profit or loss:</b>            |        |                                      |                    |                                  |                    |
| Exchange differences on translation of financial statements in foreign currencies |        | 2,840,453                            | (2,051,195)        | -                                | -                  |
| Total items that will be reclassified subsequently to profit or loss              |        | 2,840,453                            | (2,051,195)        | -                                | -                  |
| <b>Other comprehensive income (expense) for the year, net of tax</b>              |        | <b>1,584,388</b>                     | <b>(6,370,625)</b> | <b>-</b>                         | <b>-</b>           |
| <b>Total comprehensive income (expense) for the year</b>                          |        | <b>341,713,677</b>                   | <b>(3,729,198)</b> | <b>209,080,763</b>               | <b>3,728,932</b>   |

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 2020**

|   | Note | Consolidated         |                    | Separate             |                  |
|---|------|----------------------|--------------------|----------------------|------------------|
|   |      | financial statements |                    | financial statements |                  |
|   |      | 2020                 | 2019               | 2020                 | 2019             |
|   |      | Baht                 | Baht               | Baht                 | Baht             |
| <b>Profit (loss) attributable to:</b>       |      |                      |                    |                      |                  |
| Owners of the parent                        |      | 307,044,258          | 4,350,998          | 209,080,763          | 3,728,932        |
| Non-controlling interests                   |      | 33,085,031           | (1,709,571)        | -                    | -                |
|   |      | <u>340,129,289</u>   | <u>2,641,427</u>   | <u>209,080,763</u>   | <u>3,728,932</u> |
| <b>Total comprehensive income (expense)</b> |      |                      |                    |                      |                  |
| <b>attributable to:</b>                     |      |                      |                    |                      |                  |
| Owners of the parent                        |      | 307,340,453          | 1,540,927          | 209,080,763          | 3,728,932        |
| Non-controlling interests                   |      | 34,373,224           | (5,270,125)        | -                    | -                |
|   |      | <u>341,713,677</u>   | <u>(3,729,198)</u> | <u>209,080,763</u>   | <u>3,728,932</u> |
| <b>Earnings per share</b>                   |      |                      |                    |                      |                  |
| Basic earnings per share                    | 31   | 0.75                 | 0.01               | 0.51                 | 0.01             |
| Diluted earnings per share                  | 31   | 0.74                 | 0.01               | 0.50                 | 0.01             |

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 2020

| Consolidated financial statements    |   |                          |  |   |                |             |  |              |              |                            |             |             |      |
|--------------------------------------|---|--------------------------|--|---|----------------|-------------|--|--------------|--------------|----------------------------|-------------|-------------|------|
| Attributable to owners of the parent |   |                          |  |   |                |             |  |              |              |                            |             |             |      |
| Notes                                | Other components of shareholders' equity  |                          |  |   |                |             |  |              |              |                            |             |             |      |
|                                      | Other comprehensive income (expenses)   |                          |  |   |                |             |  |              |              |                            |             |             |      |
|                                      | 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 shareholders' equity |             |             |      |
|                                      | Baht  | Baht                     | Baht                                     | Baht  | Baht           | Baht        | Baht   | Baht         | Baht         | Baht                       | Baht        | Baht        | Baht |
|                                      | Issued and paid-up share capital  | Premium on share capital | Capital reserve for share-based payments | Retained earnings (Deficits) Appropriated - Legal reserve | Unappropriated |             |  |              |              |                            |             |             |      |
|                                      | Baht  | Baht                     | Baht                                     | Baht  | Baht           |             |  |              |              |                            |             |             |      |
|                                      | 409,877,016   | -                        | -  | -   | (259,142,988)  |             | (13,924,880)                                   | (11,589,319) | (25,514,199) | 125,219,829                | 20,240,161  | 145,459,990 |      |
|                                      | -   | -                        | -  | -   | 2,623,225      |             | (1,082,298)                                    | -            | (1,082,298)  | 1,540,927                  | (5,270,125) | (3,729,198) |      |
|                                      | 409,877,016   | -                        | -  | -   | (256,519,763)  |             | (15,007,178)                                   | (11,589,319) | (26,596,497) | 126,760,756                | 14,970,036  | 141,730,792 |      |
|                                      | 409,877,016   | -                        | -  | -   | (256,519,763)  |             | (15,007,178)                                   | (11,589,319) | (26,596,497) | 126,760,756                | 14,970,036  | 141,730,792 |      |
| 4                                    | -   | -                        | -  | -   | -              |             | -  | -            | -            | -                          | -           | -           |      |
|                                      | 409,877,016   | -                        | -  | -   |                |             |  |              |              |                            | 14,970,036  | 141,730,792 |      |
|                                      | - as restated   |                          |  |   |                |             |  |              |              |                            |             |             |      |
|                                      | Change in shareholders' equity for the year                                       |                          |  |   |                |             |  |              |              |                            |             |             |      |
| 25                                   | Decrease par value of share capital   | (204,938,597)            | -  | -   | -              | 204,938,597 | -  | -            | -            | -                          | -           | -           |      |
| 25, 27                               | Issuance of ordinary shares as a result of warrants exercised                     | 2,304,283                | 1,659,132                                | -   | -              | -           | -  | -            | -            | 3,963,415                  | -           | 3,963,415   |      |
| 27                                   | Share-based payments  | -                        | -  | 5,333,080   | -              | -           | -  | -            | -            | 5,333,080                  | -           | 5,333,080   |      |
| 26                                   | Legal reserve appropriation   | -                        | -  | -   | 6,181,711      | (6,181,711) | -  | -            | -            | -                          | -           | -           |      |
|                                      | Total comprehensive income for the period   | -                        | -  | -   | -              | 306,541,832 | 798,621  | -            | 798,621      | 307,340,453                | 34,373,224  | 341,713,677 |      |
|                                      | Closing balance at 31 December 2020   | 207,242,702              | 1,659,132                                | 5,333,080   | 6,181,711      | 248,778,955 | (14,208,557)                                   | (11,589,319) | (25,797,876) | 443,397,704                | 49,343,260  | 492,740,964 |      |

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 2020

|   | Notes  | Separate financial statements    |                          |  |                              |                |                            |
|---|--------|----------------------------------|--------------------------|--|------------------------------|----------------|----------------------------|
|   |        | Issued and paid-up share capital | Premium on share capital | Capital reserve for share-based payments | Retained earnings (Deficits) |                | Total shareholders' equity |
|   |        | Baht                             | Baht                     | Baht                                     | Appropriated - Legal reserve | Unappropriated | Baht                       |
| <b>Opening balance as at 1 January 2019</b>                   |        | 409,877,016                      | -                        | -  | -                            | (276,554,124)  | 133,322,892                |
| <b>Change in shareholders' equity for the period</b>          |        |                                  |                          |  |                              |                |                            |
| Total comprehensive expenses for the year                     |        | -                                | -                        | -  | -                            | 3,728,932      | 3,728,932                  |
| <b>Closing balance as at 31 December 2019</b>                 |        | 409,877,016                      | -                        | -  | -                            | (272,825,192)  | 137,051,824                |
| <b>Opening balance at 1 January 2020 - as reported</b>        |        | 409,877,016                      | -                        | -  | -                            | (272,825,192)  | 137,051,824                |
| Impact of first-time adoption of new accounting standards     | 4      | -                                | -                        | -  | -                            | -              | -                          |
| <b>Opening balance at 1 January 2020 - as restated</b>        |        | 409,877,016                      | -                        | -  | -                            | (272,825,192)  | 137,051,824                |
| <b>Change in shareholders' equity for the period</b>          |        |                                  |                          |  |                              |                |                            |
| Decrease par value of share capital                           | 25     | (204,938,597)                    | -                        | -  | -                            | 204,938,597    | -                          |
| Issuance of ordinary shares as a result of warrants exercised | 25, 27 | 2,304,283                        | 1,659,132                | -  | -                            | -              | 3,963,415                  |
| Share-based payments  | 27     | -                                | -                        | 5,333,080                                | -                            | -              | 5,333,080                  |
| Legal reserve appropriation                                   | 26     | -                                | -                        | -  | 6,181,711                    | (6,181,711)    | -                          |
| Total comprehensive income for the year                       |        | -                                | -                        | -  | -                            | 209,080,763    | 209,080,763                |
| <b>Closing balance as at 31 December 2020</b>                 |        | 207,242,702                      | 1,659,132                | 5,333,080                                | 6,181,711                    | 135,012,457    | 355,429,082                |

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 2020**

|   |          | Consolidated<br>financial statements |                    | Separate<br>financial statements |                   |
|---|----------|--------------------------------------|--------------------|----------------------------------|-------------------|
|   |          | 2020<br>Baht                         | 2019<br>Baht       | 2020<br>Baht                     | 2019<br>Baht      |
| Notes   |          |                                      |                    |                                  |                   |
| <b>Cash flows from operating activities</b>                   |          |                                      |                    |                                  |                   |
| Profit before income tax expense                              |          | 364,493,260                          | 2,802,315          | 209,080,763                      | 3,728,932         |
| Adjustments for:  |          |                                      |                    |                                  |                   |
| Depreciation and amortisation                                 | 16,17,18 | 55,614,107                           | 44,854,513         | 37,630,754                       | 29,453,456        |
| Increase (Decrease) in doubtful accounts                      |          | (798,844)                            | (726,045)          | -                                | 451,546           |
| Loss on impairment of short-term loans to subsidiaries        |          | -                                    | -                  | -                                | 500,000           |
| Unrealised losses on revaluation of financial assets          |          | (5,408,469)                          | -                  | (3,528,909)                      | -                 |
| Share of (profit) loss from investments in associated company | 15 (b)   | (1,636,456)                          | 415,468            | -                                | -                 |
| Loss on write off of investment in associate                  |          | -                                    | 21,956             | -                                | -                 |
| Gain from reduction of investment in subsidiary               |          | -                                    | -                  | (44,744,775)                     | -                 |
| Loss on impairment of prepaid royalty fee                     | 29       | 7,595,087                            | 1,248,038          | -                                | 1,240,538         |
| Loss on write off of intangible assets                        | 29       | 9,581,836                            | 241,267            | 9,581,836                        | -                 |
| (Gain) loss from disposals of equipment                       |          | 213,611                              | (786,715)          | (171,609)                        | (472,313)         |
| Unrealised loss on exchange rate                              |          | 664,292                              | 1,616,967          | 664,292                          | 1,242,182         |
| Expenses in relation to share-based payments                  | 27       | 5,333,080                            | -                  | 5,333,080                        | -                 |
| Loss from litigation  |          | -                                    | 25,430,453         | -                                | 25,430,453        |
| Employee benefit expenses                                     |          | 2,835,788                            | 1,700,052          | 1,362,832                        | 1,295,713         |
| Finance costs   |          | 1,262,174                            | 1,113,637          | 1,008,517                        | 1,058,132         |
| Cash flows before changes in operating assets and liabilities |          | 439,749,466                          | 77,931,906         | 216,216,781                      | 63,928,639        |
| Changes in operating assets and liabilities:                  |          |                                      |                    |                                  |                   |
| Trade and other receivables                                   |          | 20,484,561                           | 2,073,838          | 19,756,520                       | 11,588,186        |
| Prepaid royalty fees  |          | (1,354,023)                          | (7,619,605)        | (611,853)                        | 902,004           |
| Other current assets  |          | (1,621,182)                          | (634,654)          | (3,178,118)                      | 3,993,343         |
| Other non-current assets                                      |          | 6,807                                | (3,412,928)        | 257,339                          | 653,831           |
| Trade and other payables                                      |          | 74,709,090                           | 11,436,995         | 14,573,276                       | 16,118,258        |
| Deferred revenue  |          | 23,932,009                           | 11,092,320         | 4,441,936                        | 2,343,608         |
| Liabilities under litigation                                  |          | (21,075,983)                         | -                  | (21,075,983)                     | -                 |
| Other current liabilities                                     |          | (14,039,612)                         | 16,036,647         | 1,452,104                        | 1,446,394         |
| Cash generated from operations                                |          | 520,791,133                          | 106,904,519        | 231,832,002                      | 100,974,263       |
| Interest income received                                      |          | 1,226,749                            | 471,628            | 928,105                          | 435,475           |
| Interest paid   |          | (861,217)                            | (653,399)          | (679,485)                        | (597,894)         |
| Income tax paid   |          | (18,861,428)                         | (802,633)          | (1,138,229)                      | (2,570,494)       |
| <b>Net cash generated from operating activities</b>           |          | <b>502,295,237</b>                   | <b>105,920,115</b> | <b>230,942,393</b>               | <b>98,241,350</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 2020**

|   | Notes | Consolidated<br>financial statements |                     | Separate<br>financial statements |                    |
|---|-------|--------------------------------------|---------------------|----------------------------------|--------------------|
|   |       | 2020                                 | 2019                | 2020                             | 2019               |
|   |       | Baht                                 | Baht                | Baht                             | Baht               |
| <b>Cash flows from investing activities</b>                     |       |                                      |                     |                                  |                    |
| Decrease in restricted bank deposits, net                       |       | 10,392,661                           | 9,972,900           | 10,392,661                       | 9,972,900          |
| Cash paid for invest in other current financial assets          |       | (273,322,182)                        | -                   | (160,014,044)                    | -                  |
| Cash received from decrease in investment in related parties    |       | -                                    | 378,024             | -                                | -                  |
| Cash paid for purchase of equipment                             |       | (8,097,449)                          | (5,465,084)         | (4,236,798)                      | (2,651,052)        |
| Cash paid for purchase of intangible assets                     |       | (34,441,974)                         | (27,238,162)        | (28,806,297)                     | (10,938,897)       |
| Cash received from disposals of equipment                       |       | 356,218                              | 829,416             | 306,130                          | 486,021            |
| Cash received from disposals of intangible assets               |       | -                                    | 284,586             | -                                | -                  |
| <b>Net cash used in investing activities</b>                    |       | <b>(305,112,726)</b>                 | <b>(21,238,320)</b> | <b>(182,358,348)</b>             | <b>(3,131,028)</b> |
| <b>Cash flows from financing activities</b>                     |       |                                      |                     |                                  |                    |
| Cash received from short-term loan from director                |       | -                                    | 477,945             | -                                | -                  |
| Decrease from short-term borrowings                             |       |                                      |                     |                                  |                    |
| from financial institution, net                                 | 19    | (14,625,972)                         | (609,632)           | (14,625,972)                     | (609,632)          |
| Cash received from increase share capital                       |       | 3,963,415                            | -                   | 3,963,415                        | -                  |
| Payment of finance lease liabilities                            |       | (8,565,076)                          | (2,964,952)         | (4,842,803)                      | (2,224,715)        |
| <b>Net cash used in financing activities</b>                    |       | <b>(19,227,633)</b>                  | <b>(3,096,639)</b>  | <b>(15,505,360)</b>              | <b>(2,834,347)</b> |
| <b>Translation adjustment of cash and cash equivalents</b>      |       | <b>2,123,457</b>                     | <b>(589,350)</b>    | <b>-</b>                         | <b>-</b>           |
| <b>Net increase in cash and cash equivalents</b>                |       | <b>180,078,335</b>                   | <b>80,995,806</b>   | <b>33,078,685</b>                | <b>92,275,975</b>  |
| Cash and cash equivalents at the beginning of the year          |       | 145,368,108                          | 63,598,231          | 116,383,564                      | 23,333,518         |
| Unrealised exchange gain (loss) on cash and cash equivalents    |       | (673,935)                            | 774,071             | (673,935)                        | 774,071            |
| <b>Cash and cash equivalents at the end of the year</b>         |       | <b>324,772,508</b>                   | <b>145,368,108</b>  | <b>148,788,314</b>               | <b>116,383,564</b> |
| <b>Non-cash transactions</b>                                    |       |                                      |                     |                                  |                    |
| Acquisitions of vehicle assets under financial lease agreements |       | -                                    | 8,789,333           | -                                | 8,789,333          |
| Acquisitions of right-of-use assets under lease agreements      |       | 16,688,174                           | -                   | 7,903,890                        | -                  |
| Increase in intangible assets by other payables                 | 18    | 2,398,885                            | 7,279,512           | 2,398,885                        | 7,279,512          |

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 2020**

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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 24 February 2021.

**2 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.

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 7.

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.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**3 New financial reporting standards****3.1 New financial reporting standards that are effective for accounting period beginning on or after 1 January 2020****(A) Financial instruments**

The new financial standards relate to financial instruments are:

|          |   |
|----------|---|
| 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 |

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. These standards do not have material impact on the Group's financial statements.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**3 New financial reporting standards (cont'd)****3.1 New financial reporting standards that are effective for accounting period beginning on or after 1 January 2020**  
(cont'd)**(B) TFRS 16 Leases**

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 4.

**3.2 New financial reporting standards that are effective for accounting period beginning on or after 1 January 2021**

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

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

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December 2020

## 4 Impact of first-time adoption of new financial reporting standards

This note explains the impact of the first-time adoption of TFRS 16 Leases on the Group and Company's financial statements and discloses the new accounting policies that have been applied from 1 January 2020 under the modified retrospective approach and the comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognised in the statement of financial position as at 1 January 2020.

The impact of first-time adoption of new accounting standards on the consolidated and separate statement are as follows:

| Statement of financial position             | Consolidated financial statement |               |                | Separate financial statement |               |                |
|---|----------------------------------|---------------|----------------|------------------------------|---------------|----------------|
|   | 31 December 2019                 | TFRS 16       | 1 January 2020 | 31 December 2019             | TFRS 16       | 1 January 2020 |
|   | Thousand Baht                    | Thousand Baht | Thousand Baht  | Thousand Baht                | Thousand Baht | Thousand Baht  |
| <b>Assets</b>                               |                                  |               |                |                              |               |                |
| <b>Non-current assets</b>                   |                                  |               |                |                              |               |                |
| Equipment (Note 16)                         | 23,316                           | (11,029)      | 12,287         | 13,842                       | (8,581)       | 5,261          |
| Right-of-use assets (Note 17)               | -                                | 16,663        | 16,663         | -                            | 14,215        | 14,215         |
| <b>Liabilities and shareholders' equity</b> |                                  |               |                |                              |               |                |
| <b>Liabilities</b>                          |                                  |               |                |                              |               |                |
| <b>Current liabilities</b>                  |                                  |               |                |                              |               |                |
| Current portion of lease liabilities        | 2,865                            | 2,016         | 4,881          | 1,914                        | 2,016         | 3,930          |
| <b>Non-Current liabilities</b>              |                                  |               |                |                              |               |                |
| Lease liabilities                           | 7,206                            | 2,207         | 9,413          | 5,965                        | 2,207         | 8,172          |
| Other non-current provision                 | -                                | 1,411         | 1,411          | -                            | 1,411         | 1,411          |
| <b>Shareholders' equity</b>                 |                                  |               |                |                              |               |                |
| Unappropriated retained earnings (deficits) | (256,520)                        | -             | (256,520)      | (272,825)                    | -             | (272,825)      |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December 2020

## 4 Impact of first-time adoption of new financial reporting standards (cont'd)

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of TAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2020 of the Group and the Company were range between 4.08% to 7.00% and 7.00%, respectively.

For leases previously classified as finance leases applying TAS 17, the Group recognised the carrying amount of the lease asset and lease liability immediately before adoption of TFRS 16 as the carrying amount of the right-of-use asset and the lease liability at the date of initial application.

|   | Consolidated<br>financial statement<br>Thousand Baht | Separate<br>financial statement<br>Thousand Baht |
|---|--|--|
| Operating lease commitments disclosed as at 31 December 2019                  | 33,270   | 25,994   |
| <u>Less:</u> Short-term leases recognised on a straight-line basis as expense | (2,333)  | (1,947)  |
| <u>Less:</u> Low value leases recognised on a straight-line basis as expense  | (6,899)  | (360)  |
| <u>Less:</u> Contracts reassessed as service agreements                       | (18,465)   | (18,212)   |
|   | 5,573  | 5,475  |
| <u>Less:</u> Deferred interest expenses                                       | (1,350)  | (1,252)  |
| Additional lease liabilities from TFRS 16 adoption                            | 4,223  | 4,223  |
| Finance lease liabilities as at 31 December 2019                              | 10,071   | 7,879  |
| Lease liabilities recognised as at 1 January 2020                             | 14,294   | 12,102   |
| Of which are:   |  |  |
| Current lease liabilities   | 4,881  | 3,930  |
| Non-current lease liabilities   | 9,413  | 8,172  |
|   | 14,294   | 12,102   |

The recognised right-of-use assets relate to the following types of assets:

|                           | Consolidated financial<br>information<br>1 January 2020<br>Thousand Baht | Separate financial<br>information<br>1 January 2020<br>Thousand Baht |
|---------------------------|--|--|
| Building improvements     | 5,634  | 5,634  |
| Server                    | 8,726  | 6,278  |
| Vehicles                  | 2,303  | 2,303  |
| Total right-of-use assets | 16,663   | 14,215   |

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies**

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

**5.1 Group Accounting - Investments in subsidiaries and associates****5.1.1 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.

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-measurement 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.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies (cont'd)****5.1 Group Accounting - Investments in subsidiaries and associates (cont'd)****5.1.1 Subsidiaries (cont'd)**

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.

**5.1.2 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.

**5.1.3 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.

**5.1.4 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.



Asiasoft Corporation Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

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**5 Accounting policies (cont'd)**

**5.1 Group Accounting - Investments in subsidiaries and associates (cont'd)**

**5.1.4 Associates (cont'd)**

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.

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.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies (cont'd)****5.2 Foreign currency translation****5.2.1 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.

**5.2.2 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.

**5.2.3 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.

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**5 Accounting policies (cont'd)****5.3 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.

**5.4 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any impairment of trade receivables based on assessment of impairment of trade receivables are disclosed in Note 5.5.6. The amount of the impairment 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.

**5.5 Financial asset****5.5.1 Classification**

From 1 January 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies (cont'd)****5.5 Financial asset (cont'd)****5.5.2 Recognition and derecognition**

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

**5.5.3 Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

**5.5.4 Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies (cont'd)****5.5 Financial asset (cont'd)****5.5.4 Debt instruments (cont'd)**

- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of profit or loss.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

**5.5.5 Equity instruments**

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in other income statement (FVOCI), there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/losses in the statement of profit or loss.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies (cont'd)****5.5 Financial asset (cont'd)****5.5.6 Impairment**

From 1 January 2020, the Group applies the TFRS 9 simplified approach in measuring the impairment of trade and other receivables, which applies lifetime expected credit loss, from initial recognition, for all trade and other receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade and other receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

The Group chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 January 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade and other receivables. The Group applied historical credit loss adjusted with the management's judgement in estimating the expected credit loss as disclosed in note 11.

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies (cont'd)****5.5 Financial asset (cont'd)****5.5.6 Impairment**

When measuring expected credit losses, the Group reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item.

**5.6 Equipment**

Equipment is stated at cost less accumulated depreciation and impairment losses (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 5.8).

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



**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies (cont'd)****5.7 Intangible assets****Game licenses**

Purchased of game licenses are carried at cost less accumulated amortization. Amortisation of PC games are calculated using straight-line basis over their estimated useful life of 2-4 years while Mobile games are calculated using sum of year digit over their estimate useful life 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.

**Right for use of golf club**

Right for use of golf club are carried at cost less impairment losses (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 impairment losses. Amortisation is calculated using straight-line basis over its estimated useful life of 20 years.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies (cont'd)****5.8 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.

**5.9 Leases - where the Group is the lessees**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies (cont'd)****5.9 Leases - where the Group is the lessees (cont'd)**

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

**5.10 Financial liabilities****5.10.1 Classification**

Financial instruments issued by the Group are classified as either financial liabilities or equity securities by considering contractual obligations.

•Where the Group has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Group's own equity instruments.

•Where the Group has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

**5.10.2 Measurement**

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5 Accounting policies (cont'd)****5.10 Financial liabilities****5.10.3 Derecognition and modification**

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Group assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated/modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

**5.11 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.

**5.12 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.

**5 Accounting policies (cont'd)**

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**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5.12 Current and deferred income taxes (cont'd)**

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.

**5.13 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.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020****5.13 Employee benefits (cont'd)****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.

**5.14 Share-based payment**

The Group receives services from employees as consideration for equity instruments (options) of the Group companies. The fair value of the options is recognised as an expense over the vesting period, with a corresponding increase in equity. The fair value of the options is determined by:

- including any market performance conditions (e.g. the entity's share price);
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest.

At the end of each reporting period, the Group reviews the number of options that are expected to vest.

It recognises the impact of the revision, if any, in profit or loss with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

The option granted by the Company to the employees of subsidiaries is treated as a capital contribution.

**5 Accounting policies (cont'd)**

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5.15 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.

**5.16 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.

**5.17 Revenue recognition**

Revenue comprises the fair value of performance obligation in contracts with the game developer included other customers that occur from the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, and discounts after eliminating sales within the Group. The amount paid in advance by gamers via the refill channels and did not purchased an item in game is presented as deferred revenue in the statement of financial position. Revenue from publishing of the online game after perform follow the obligation in contracts with the game developer is recognised as revenue when the gamers purchased an item in game in the statement of comprehensive income.

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.

**5.18 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.



**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**5.19 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.

**6 Financial risk management****6.1 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.

**6.1.1 Market risk****(A) 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.

**(B) Interest rate risk**

The Group's interest rate risk arises from lease liabilities and amounts due to related parties. 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.

**6.1.2 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.

**5 Accounting policies (cont'd)**

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**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**6.1 Financial risk factors (cont'd)****6.1.2 Credit risk (cont'd)****Impairment of financial assets**

The Group has financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Financial asset measured at fair value through profit or loss

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

The Group applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The details of expected credit loss are in Note 11.

**6.1.3 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.

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December 2020

## 6.1 Financial risk factors (cont'd)

## 6.1.3 Liquidity risk (cont'd)

## Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

| Maturity of financial liabilities  | Consolidated financial statements |              |              |                |                |
|------------------------------------|-----------------------------------|--------------|--------------|----------------|----------------|
|                                    | Within 1 year                     | 1 - 5 years  | Over 5 years | Total          | Book value     |
|                                    | Thousand                          | Thousand     | Thousand     | Thousand       | Thousand       |
|                                    | Baht                              | Baht         | Baht         | Baht           | Baht           |
| <b>As at 31 December 2020</b>      |                                   |              |              |                |                |
| Short-term borrowings from         |                                   |              |              |                |                |
| financial institutions             | -                                 | -            | -            | -              | -              |
| Trade and other payables           | 146,028                           | -            | -            | 146,028        | 146,028        |
| Short-term loan from director      | 478                               | -            | -            | 478            | 478            |
| Liability under litigation         | 5,514                             | -            | -            | 5,514          | 5,514          |
| Lease liabilities                  | 9,426                             | 6,356        | -            | 15,782         | 15,782         |
| <b>Total financial liabilities</b> | <b>161,446</b>                    | <b>6,356</b> | <b>-</b>     | <b>167,802</b> | <b>167,802</b> |

## 6 Financial risk management (cont'd)

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 6.1 Financial risk factors (cont'd)

## 6.1.3 Liquidity risk (cont'd)

| Maturity of financial liabilities  | Consolidated financial statements |               |              |                |                |
|------------------------------------|-----------------------------------|---------------|--------------|----------------|----------------|
|                                    | Within 1 year                     | 1 - 5 years   | Over 5 years | Total          | Book value     |
|                                    | Thousand                          | Thousand      | Thousand     | Thousand       | Thousand       |
|                                    | Baht                              | Baht          | Baht         | Baht           | Baht           |
| <b>As at 31 December 2019</b>      |                                   |               |              |                |                |
| Short-term borrowings from         |                                   |               |              |                |                |
| financial institutions             | 14,626                            | -             | -            | 14,626         | 14,626         |
| Trade and other payables           | 76,591                            | -             | -            | 76,591         | 76,591         |
| Short-term loan from director      | 478                               | -             | -            | 478            | 478            |
| Liability under litigation         | 21,077                            | 5,537         | -            | 26,614         | 26,614         |
| Lease liabilities                  | 2,864                             | 7,206         | -            | 10,070         | 10,070         |
| <b>Total financial liabilities</b> | <b>115,636</b>                    | <b>12,743</b> | <b>-</b>     | <b>128,379</b> | <b>128,379</b> |
| Maturity of financial liabilities  | Separate financial statements     |               |              |                |                |
|                                    | Within 1 year                     | 1 - 5 years   | Over 5 years | Total          | Book value     |
|                                    | Thousand                          | Thousand      | Thousand     | Thousand       | Thousand       |
|                                    | Baht                              | Baht          | Baht         | Baht           | Baht           |
| <b>As at 31 December 2020</b>      |                                   |               |              |                |                |
| Short-term borrowings from         |                                   |               |              |                |                |
| financial institutions             | -                                 | -             | -            | -              | -              |
| Trade and other payables           | 59,876                            | -             | -            | 59,876         | 59,876         |
| Liability under litigation         | 5,514                             | -             | -            | 5,514          | 5,514          |
| Lease liabilities                  | 5,206                             | 5,271         | -            | 10,477         | 10,477         |
| <b>Total financial liabilities</b> | <b>70,596</b>                     | <b>5,271</b>  | <b>-</b>     | <b>75,867</b>  | <b>75,867</b>  |

## 6 Financial risk management (cont'd)

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 6.1 Financial risk factors (cont'd)

## 6.1.3 Liquidity risk (cont'd)

| Maturity of financial liabilities  | Separate financial statements |               |              |               |               |
|------------------------------------|-------------------------------|---------------|--------------|---------------|---------------|
|                                    | Within 1 year                 | 1 - 5 years   | Over 5 years | Total         | Book value    |
|                                    | Thousand                      | Thousand      | Thousand     | Thousand      | Thousand      |
|                                    | Baht                          | Baht          | Baht         | Baht          | Baht          |
| <b>As at 31 December 2019</b>      |                               |               |              |               |               |
| Short-term borrowings from         |                               |               |              |               |               |
| financial institutions             | 14,626                        | -             | -            | 14,626        | 14,626        |
| Trade and other payables           | 50,534                        | -             | -            | 50,534        | 50,534        |
| Liability under litigation         | 21,077                        | 5,537         | -            | 26,614        | 26,614        |
| Lease liabilities                  | 1,914                         | 5,965         | -            | 7,879         | 7,879         |
| <b>Total financial liabilities</b> | <b>88,151</b>                 | <b>11,502</b> | <b>-</b>     | <b>99,653</b> | <b>99,653</b> |

## 6.2 Fair value

Disclosures of fair value measurements by level are as below:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: 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 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December 2020

## 6.2 Fair value (cont'd)

The following table shows fair values and carrying amounts of financial assets and liabilities by category.

|                                | Consolidated financial statements |               |                |               |
|--------------------------------|-----------------------------------|---------------|----------------|---------------|
|                                | As at 31 December 2020            |               |                |               |
|                                | Fair value                        |               |                |               |
|                                | through profit                    | Amortised     | Total carrying | Fair value    |
|                                | or loss (FVPL)                    | cost          | amount         |               |
|                                | Thousand Baht                     | Thousand Baht | Thousand Baht  | Thousand Baht |
| <b>Financial assets</b>        |                                   |               |                |               |
| Cash and cash equivalents      | -                                 | 324,773       | 324,773        | 324,773       |
| Trade and other receivables    | -                                 | 43,591        | 43,591         | 43,591        |
| Other current financial assets | 278,731                           | -             | 278,731        | 278,731       |
| Restricted bank deposits       | -                                 | 5,368         | 5,368          | 5,368         |
|                                | 278,731                           | 373,732       | 652,463        | 652,463       |
| <b>Financial liabilities</b>   |                                   |               |                |               |
| Trade and other payables       | -                                 | 146,028       | 146,028        | 146,028       |
| Short-term loans from director | -                                 | 478           | 478            | 478           |
| Liability under litigation     | -                                 | 5,514         | 5,514          | 5,514         |
| Lease liabilities              | -                                 | 15,782        | 15,782         | 15,782        |
|                                | -                                 | 167,802       | 167,802        | 167,802       |

## 6 Financial risk management (cont'd)

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December 2020

## 6.2 Fair value (cont'd)

The following table shows fair values and carrying amounts of financial assets and liabilities by category.  
(cont'd)

| Consolidated financial statements |               |                |               |
|-----------------------------------|---------------|----------------|---------------|
| As at 31 December 2019            |               |                |               |
| Fair value                        |               |                |               |
| through profit                    | Amortised     | Total carrying |               |
| or loss (FVPL)                    | cost          | amount         | Fair value    |
| Thousand Baht                     | Thousand Baht | Thousand Baht  | Thousand Baht |
| <b>Financial assets</b>           |               |                |               |
| Cash and cash equivalents         | -             | 145,368        | 145,368       |
| Trade and other receivables       | -             | 63,276         | 63,276        |
| Restricted bank deposits          | -             | 15,761         | 15,761        |
|                                   | -             | 224,405        | 224,405       |
| <b>Financial liabilities</b>      |               |                |               |
| Short-term borrowings             |               |                |               |
| from financial institutions       | -             | 14,626         | 14,626        |
| Trade and other payables          | -             | 76,591         | 76,591        |
| Short-term loans from director    | -             | 478            | 478           |
| Liability under litigation        | -             | 26,614         | 26,614        |
| Lease liabilities                 | -             | 10,070         | 10,070        |
|                                   | -             | 128,379        | 128,379       |

## 6 Financial risk management (cont'd)



## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December 2020

## 6.2 Fair value (cont'd)

The following table shows fair values and carrying amounts of financial assets and liabilities by category.  
(cont'd)

|                                | Separate financial statements    |                   |                          |               |
|--------------------------------|----------------------------------|-------------------|--------------------------|---------------|
|                                | As at 31 December 2020           |                   |                          |               |
|                                | Fair value                       |                   |                          |               |
|                                | through profit<br>or loss (FVPL) | Amortised<br>cost | Total carrying<br>amount | Fair value    |
|                                | Thousand Baht                    | Thousand Baht     | Thousand Baht            | Thousand Baht |
| <b>Financial assets</b>        |                                  |                   |                          |               |
| Cash and cash equivalents      | -                                | 148,788           | 148,788                  | 148,788       |
| Trade and other receivables    | -                                | 70,800            | 70,800                   | 70,800        |
| Other current financial assets | 163,543                          | -                 | 163,543                  | 163,543       |
| Restricted bank deposits       | -                                | 5,368             | 5,368                    | 5,368         |
|                                | 163,543                          | 224,956           | 388,499                  | 388,499       |
| <b>Financial liabilities</b>   |                                  |                   |                          |               |
| Trade and other payables       | -                                | 59,876            | 59,876                   | 59,876        |
| Liability under litigation     | -                                | 5,514             | 5,514                    | 5,514         |
| Lease liabilities              | -                                | 10,477            | 10,477                   | 10,477        |
|                                | -                                | 75,867            | 75,867                   | 75,867        |

**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2020**
**6 Financial risk management (cont'd)**
**6.2 Fair value (cont'd)**

The following table shows fair values and carrying amounts of financial assets and liabilities by category.  
(cont'd)

|                              | Separate financial statements    |                   |                          |               |
|------------------------------|----------------------------------|-------------------|--------------------------|---------------|
|                              | As at 31 December 2019           |                   |                          |               |
|                              | Fair value                       |                   |                          |               |
|                              | through profit<br>or loss (FVPL) | Amortised<br>cost | Total carrying<br>amount | Fair value    |
|                              | Thousand Baht                    | Thousand Baht     | Thousand Baht            | Thousand Baht |
| <b>Financial assets</b>      |                                  |                   |                          |               |
| Cash and cash equivalents    | -                                | 116,384           | 116,384                  | 116,384       |
| Trade and other receivables  | -                                | 45,811            | 45,811                   | 45,811        |
| Restricted bank deposits     | -                                | 15,761            | 15,761                   | 15,761        |
|                              | -                                | 177,956           | 177,956                  | 177,956       |
| <b>Financial liabilities</b> |                                  |                   |                          |               |
| Short-term borrowings        |                                  |                   |                          |               |
| from financial institutions  | -                                | 14,626            | 14,626                   | 14,626        |
| Trade and other payables     | -                                | 50,534            | 50,534                   | 50,534        |
| Liability under litigation   | -                                | 26,614            | 26,614                   | 26,614        |
| Lease liabilities            | -                                | 7,879             | 7,879                    | 7,879         |
|                              | -                                | 99,653            | 99,653                   | 99,653        |

The following table presents fair value of financial assets and liabilities recognised or disclosed by their fair value hierarchy.

| Assets   | Level 1              |                    |
|--|----------------------|--------------------|
|  | Consolidated         | Separate financial |
|  | financial statements | statements         |
|  | 2020                 | 2020               |
|  | Thousand Baht        | Thousand Baht      |
| <b>Financial assets at fair value through profit or loss</b> |                      |                    |
| Investment in mutual fund (Note 12)                          | 278,731              | 163,543            |
| <b>Total assets</b>  | 278,731              | 163,543            |

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**7 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.

**7.1 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 5.7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

**7.2 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.

**7.3 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.

Asiasoft Corporation Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

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**7 Critical accounting estimates, assumptions, and judgements (cont'd)**

**7.4 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.

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 24.

**8 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.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**9 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.

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 the internet that perform based on the agreement of publisher with the game developer.
- The distribution segment is a business which 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.

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9 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 2020 and 2019.

|   | For the years ended 31 December   |         |                                    |        |        |       | Unit: Thousand Baht |           |
|---|-----------------------------------|---------|------------------------------------|--------|--------|-------|---------------------|-----------|
|   | Online game segment <sup>1)</sup> |         | Distribution segment <sup>2)</sup> |        | Others |       | Consolidation       |           |
|   | 2020                              | 2019    | 2020                               | 2019   | 2020   | 2019  | 2020                | 2019      |
| Revenue from sales and services from external customers | 1,310,483                         | 741,837 | 23,322                             | 14,227 | 2,419  | 6,374 | 1,336,224           | 762,438   |
| Segment profit  | 738,699                           | 361,646 | 14,969                             | 9,008  | 2,364  | 5,911 | 756,032             | 376,565   |
| Loss on impairment of prepaid royalty fees              | (7,595)                           | -       | -                                  | -      | -      | -     | (7,595)             | -         |
| Loss on write-off of intangible assets                  | (9,582)                           | -       | -                                  | -      | -      | -     | (9,582)             | -         |
| Unallocated income (expenses):                          |                                   |         |                                    |        |        |       |                     |           |
| Interest income   |                                   |         |                                    |        |        |       | 1,227               | 534       |
| Other income  |                                   |         |                                    |        |        |       | 18,736              | 4,650     |
| Selling and administrative expenses                     |                                   |         |                                    |        |        |       | (394,699)           | (377,384) |
| Finance costs   |                                   |         |                                    |        |        |       | (1,262)             | (1,148)   |
| Share of profit (loss) from investments in associates   |                                   |         |                                    |        |        |       | 1,636               | (415)     |
| Income tax expense                                      |                                   |         |                                    |        |        |       | (24,364)            | (161)     |
| Non-controlling interests                               |                                   |         |                                    |        |        |       | (33,085)            | 1,710     |
| Gain attributable to owners of the parent for the year  |                                   |         |                                    |        |        |       | 307,044             | 4,351     |

<sup>1)</sup> The online game segment is a business segment which provides online game services through the internet that perform based on the agreement of publisher with the game developer.

<sup>2)</sup> The distribution segment is a business segment which provides payment channel services.

## Asiasoft Corporation Public Company Limited

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For the year ended 31 December 2020

## 9 Operating segments (cont'd)

## Geographic information

Revenue from external customers for the years ended 31 December 2020 and 2019 based on locations of the Company and subsidiaries, are made up as follows:

|             | Consolidated         |               |
|-------------|----------------------|---------------|
|             | financial statements |               |
|             | 2020                 | 2019          |
|             | Thousand Baht        | Thousand Baht |
| Thailand    | 528,533              | 410,927       |
| Singapore   | 408,309              | 123,601       |
| Malaysia    | 174,004              | 100,790       |
| Philippines | 217,624              | 127,120       |
| Other       | 7,754                | -             |
| Total       | 1,336,224            | 762,438       |

## 10 Cash and cash equivalents

|                                 | Consolidated         |               | Separate             |               |
|---------------------------------|----------------------|---------------|----------------------|---------------|
|                                 | financial statements |               | financial statements |               |
|                                 | 2020                 | 2019          | 2020                 | 2019          |
|                                 | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Cash on hand                    | 154                  | 205           | 28                   | 36            |
| Deposit held at call with banks | 324,619              | 145,163       | 148,760              | 116,348       |
| Total cash and cash equivalents | 324,773              | 145,368       | 148,788              | 116,384       |

As at 31 December 2020, deposits held at call with banks bore interest at rates ranging from 0.050% to 0.500% per annum (31 December 2019: from 0.125% to 1.300% per annum).

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

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## 11 Trade and other receivables

|   | Consolidated         |               | Separate             |               |
|---|----------------------|---------------|----------------------|---------------|
|   | financial statements |               | financial statements |               |
|   | 2020                 | 2019          | 2020                 | 2019          |
|   | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Trade accounts receivable                                       |                      |               |                      |               |
| - third parties   | 40,910               | 40,064        | 16,017               | 29,418        |
| <u>Less</u> Expected credit losses                              |                      |               |                      |               |
| (2019: Allowance for doubtful accounts under TAS 101)           | (97)                 | (936)         | -                    | -             |
| Trade accounts receivable, net                                  | 40,813               | 39,128        | 16,017               | 29,418        |
| Trade accounts receivable                                       |                      |               |                      |               |
| - related parties (Note 33)                                     | 19,401               | 20,030        | 19,429               | 24,691        |
| <u>Less</u> Expected credit losses                              |                      |               |                      |               |
| (2019: Allowance for doubtful accounts under TAS 101) (Note 33) | (19,400)             | (19,400)      | (19,400)             | (19,400)      |
| Trade accounts receivable, net                                  | 1                    | 630           | 29                   | 5,291         |
| Trade accounts receivable, net                                  | 40,814               | 39,758        | 16,046               | 34,709        |
| Amounts due from related parties (Note 33)                      | 189                  | -             | 54,754               | 11,102        |
| Interest receivable - related parties (Note 33)                 | -                    | -             | -                    | 15            |
| <u>Less</u> Expected credit losses                              |                      |               |                      |               |
| (2019: Allowance for doubtful accounts under TAS 101) (Note 33) | -                    | -             | -                    | (15)          |
| Accrued income from third parties                               | -                    | -             | -                    | -             |
| Other receivables from third parties                            | 3,472                | 24,362        | -                    | -             |
| <u>Less</u> Expected credit losses                              |                      |               |                      |               |
| (2019: Allowance for doubtful accounts under TAS 101) (Note 33) | (884)                | (844)         | -                    | -             |
| Trade and other receivables, net                                | 43,591               | 63,276        | 70,800               | 45,811        |



## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 11 Trade and other receivables (cont'd)

Outstanding trade accounts receivable can be analysed as follows:

|  | Consolidated         |               | Separate             |               |
|--|----------------------|---------------|----------------------|---------------|
|  | financial statements |               | financial statements |               |
|  | 2020                 | 2019          | 2020                 | 2019          |
|  | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| <b>Third parties</b>                             |                      |               |                      |               |
| Trade accounts receivable                        |                      |               |                      |               |
| Current  | 31,589               | 23,529        | 10,870               | 17,963        |
| Overdue less than 3 months                       | 9,004                | 15,211        | 5,115                | 11,455        |
| 3 - 6 months                                     | 207                  | 728           | 32                   | -             |
| 6 - 12 months                                    | 32                   | -             | -                    | -             |
| Over 12 months                                   | 78                   | 596           | -                    | -             |
| Total  | 40,910               | 40,064        | 16,017               | 29,418        |
| <u>Less</u> Expected credit losses               |                      |               |                      |               |
| (2019: Allowance for doubtful accounts           |                      |               |                      |               |
| under TAS 101)                                   | (97)                 | (936)         | -                    | -             |
| Trade accounts receivable - third parties, net   | 40,813               | 39,128        | 16,017               | 29,418        |
| <b>Related parties</b>                           |                      |               |                      |               |
| Trade accounts receivable                        |                      |               |                      |               |
| Current  | 1                    | 630           | 29                   | 716           |
| Overdue less than 3 months                       | -                    | -             | -                    | 25            |
| 3 - 6 months                                     | -                    | -             | -                    | 19            |
| 6 - 12 months                                    | -                    | -             | -                    | 12            |
| Over 12 months                                   | 19,400               | 19,400        | 19,400               | 23,919        |
| Total  | 19,401               | 20,030        | 19,429               | 24,691        |
| <u>Less</u> Expected credit losses               |                      |               |                      |               |
| (2019: Allowance for doubtful accounts           |                      |               |                      |               |
| under TAS 101)                                   | (19,400)             | (19,400)      | (19,400)             | (19,400)      |
| Trade accounts receivable - related parties, net | 1                    | 630           | 29                   | 5,291         |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December 2020

## 12 Other current financial assets

Other current financial assets as at 31 December 2020 comprise the following:

|   | Consolidated<br>financial statement | Separate<br>financial statement |
|---|-------------------------------------|---------------------------------|
|   | Thousand Baht                       | Thousand Baht                   |
| <b>Financial assets measured at fair value through profit or loss</b> |                                     |                                 |
| Beginning balance   | -                                   | -                               |
| Addition  | 323,323                             | 210,014                         |
| Disposal  | (50,000)                            | (50,000)                        |
| Change in investment value  | 5,408                               | 3,529                           |
| Total other current financial assets                                  | 278,731                             | 163,543                         |

## 13 Other current assets

|                              | Consolidated<br>financial statements |               | Separate<br>financial statements |               |
|------------------------------|--------------------------------------|---------------|----------------------------------|---------------|
|                              | 2020                                 | 2019          | 2020                             | 2019          |
|                              | Thousand Baht                        | Thousand Baht | Thousand Baht                    | Thousand Baht |
| Account receivable           |                                      |               |                                  |               |
| - Revenue department         | 2,880                                | 2,972         | -                                | -             |
| Withholding taxes refundable | 7,036                                | 7,442         | 7,292                            | 6,153         |
| Prepaid expenses             | 15,847                               | 19,558        | 10,547                           | 8,283         |
| Undue input vat              | 4,453                                | 4,260         | 262                              | 195           |
| Others                       | 5,036                                | 2,905         | 476                              | 558           |
| Total other current assets   | 35,252                               | 37,137        | 18,577                           | 15,189        |

## 14 Restricted bank deposits

The Group pledged the fixed deposits with the banks to secure credit facilities amount of Baht 5.37 million (31 December 2019: Baht 15.76 million).

## Asiasoft Corporation Public Company Limited

### Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 15 Investments in subsidiaries and associates

### 15 (a) Investment in subsidiaries

The Group had the following subsidiaries as at 31 December 2020

| Name   | 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 (%) |       |
|--|--|---|---|--------|---|--------|--|-------|
|  |  |   | 2020  | 2019   | 2020  | 2019   | 2020   | 2019  |
| Direct   |  |   |   |        |   |        |  |       |
| Subsidiaries which held by Asiasoft Corporation Public Company Limited |  |   |   |        |   |        |  |       |
| A Capital Co., Ltd.  | Thailand                                       | Investment                                    | 100.00  | 100.00 | 100.00  | 100.00 | -  | -     |
| Asiasoft International Co., Ltd.                                       | Thailand                                       | Investment                                    | 100.00  | 100.00 | 100.00  | 100.00 | -  | -     |
| Playcybergames Co., Ltd.   | Thailand                                       | Publisher of online games                     | 99.99   | 99.99  | 99.99   | 99.99  | 0.01   | 0.01  |
| CIB Development Sdn. Bhd.  | Malaysia                                       | Publisher of online games                     | 61.68   | 61.68  | 61.68   | 61.68  | 38.32  | 38.32 |
| Miryn Innovation Co., Ltd.   | Thailand                                       | Developer of game application on mobile phone | -   | 65.00  | -   | 65.00  | -  | 35.00 |
| Playpark Co., Ltd.   | Thailand                                       | Publisher of online games                     | 99.99   | 99.99  | 99.99   | 99.99  | 0.01   | 0.01  |
| Playpark Pte Ltd.  | Singapore                                      | Publisher of online games                     | 100.00  | 100.00 | 100.00  | 100.00 | -  | -     |
| AS Online Sdn Bhd.   | Malaysia                                       | Publisher of online games                     | 100.00  | 100.00 | 100.00  | 100.00 | -  | -     |
| PT. Asiasoft   | Indonesia                                      | Publisher of online games                     | 99.99   | 99.99  | 99.99   | 99.99  | 0.01   | 0.01  |
| Playpark Inc.  | Philippines                                    | Publisher of online games                     | 40.00   | 40.00  | 40.00   | 40.00  | 60.00  | 60.00 |
| Indirect   |  |   |   |        |   |        |  |       |
| Subsidiaries which held by A Capital Company Limited                   |  |   |   |        |   |        |  |       |
| SKynet Systems Co., Ltd.   | Thailand                                       | Developer of mobile applications              | -   | -      | 57.04   | 57.04  | 42.96  | 42.96 |
| Subsidiaries which held by CIB Development Sdn. Bhd.                   |  |   |   |        |   |        |  |       |
| CIB Net Station 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 2020

## 15 Investments in subsidiaries and associates (cont'd)

## 15 (a) Investment in subsidiaries (cont'd)

Movements of investment in subsidiaries can be analysed as follows:

| For the year ended 31 December         | Separate<br>financial statements |               |
|--|----------------------------------|---------------|
|  | 2020                             | 2019          |
|  | Thousand Baht                    | Thousand Baht |
| Opening net book amount                | 18,008                           | 18,008        |
| Acquisitions                           | -                                | -             |
| Write off investment during the period | 13,000                           | -             |
| Reversal of impairment                 | (13,000)                         | -             |
| Closing net book amount                | 18,008                           | 18,008        |
| <b>As at 31 December</b>               |                                  |               |
| Cost                                   | 668,734                          | 681,734       |
| <u>Less</u> Allowance for impairment   | (650,726)                        | (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.

On 9 September 2020, Miryn Innovation Co., Ltd., a 65% owned subsidiary, completed the liquidation process.

Asiasoft Corporation Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

15 Investments in subsidiaries and associates (cont'd)

15 (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.     |          | Unit: Thousand Baht |          |
|------------------------------|---------------------------|----------|--|-------------------|---------|-------------------------|---------|-------------------|----------|---------------------|----------|
|                              | As at 31 December         |          |  | As at 31 December |         | As at 31 December       |         | As at 31 December |          | As at 31 December   |          |
|                              | 2020                      | 2019     |  | 2020              | 2019    | 2020                    | 2019    | 2020              | 2019     | 2020                | 2019     |
| <b>Current</b>               |                           |          |  |                   |         |                         |         |                   |          |                     |          |
| Assets                       | 76,812                    | 19,454   |  | 6,064             | 83      | 298                     | 325     | 65,746            | 50,569   | 148,920             | 70,431   |
| Liabilities                  | (54,677)                  | (30,352) |  | (5,922)           | (2,039) | (2,297)                 | (2,302) | (40,092)          | (54,423) | (102,988)           | (89,116) |
| Total current net assets     | 22,135                    | (10,898) |  | 142               | (1,956) | (1,999)                 | (1,977) | 25,654            | (3,854)  | 45,932              | (18,685) |
| <b>Non-current</b>           |                           |          |  |                   |         |                         |         |                   |          |                     |          |
| Assets                       | 8,209                     | 5,784    |  | 3                 | 3       | 6,543                   | 7,290   | 18,582            | 21,745   | 33,337              | 34,822   |
| Liabilities                  | -                         | -        |  | -                 | -       | -                       | -       | (13,640)          | (11,245) | (13,640)            | (11,245) |
| Total non-current net assets | 8,209                     | 5,784    |  | 3                 | 3       | 6,543                   | 7,290   | 4,942             | 10,500   | 19,697              | 23,577   |
| Net assets (liabilities)     | 30,344                    | (5,114)  |  | 145               | (1,953) | 4,544                   | 5,313   | 30,596            | 6,646    | 65,629              | 4,892    |
| Accumulated NCI              | 16,334                    | 1,333    |  | (51)              | (54)    | 4,997                   | 5,320   | 28,063            | 8,359    | 49,343              | 14,958   |

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15 Investments in subsidiaries and associates (cont'd)

15 (a) Investment in subsidiaries (cont'd)

Summarised financial information on subsidiaries with material non-controlling interests (cont'd)

Summarised statement of comprehensive income

|  | CIB Development Sdn. Bhd. |         | PT. Asiasoft        |       | Skynet system Co.,Ltd. |         | Playpark Inc.       |         | Unit: Thousand Baht |         |
|--|---------------------------|---------|---------------------|-------|------------------------|---------|---------------------|---------|---------------------|---------|
|  | For the years ended       |         | For the years ended |       | For the years ended    |         | For the years ended |         | For the years ended |         |
|  | 31 December               | 2020    | 31 December         | 2020  | 31 December            | 2020    | 31 December         | 2020    | 31 December         | Total   |
| Revenue  | 173,993                   | 100,790 | 7,754               | -     | 54                     | 460     | 216,657             | 127,080 | 398,458             | 228,330 |
| Profit (Loss) before income tax                      | 38,422                    | 2,423   | 2,123               | (449) | (774)                  | (1,070) | 39,749              | (9,626) | 79,520              | (8,722) |
| Income tax expense                                   | (2,749)                   | (518)   | (37)                | -     | -                      | -       | (18,102)            | 357     | (20,888)            | (161)   |
| Post-tax profit (loss) from continuing Operations    | 35,673                    | 1,905   | 2,086               | (449) | (774)                  | (1,070) | 21,647              | (9,269) | 58,632              | (8,883) |
| Other comprehensive income                           | -                         | -       | -                   | -     | -                      | -       | (1,256)             | -       | (1,256)             | -       |
| Total comprehensive income (expense)                 | 35,673                    | 1,905   | 2,086               | (449) | (774)                  | (1,070) | 20,391              | (9,269) | 57,376              | (8,883) |
| Profit (Loss) allocated to non-controlling interests | 15,083                    | 544     | 3                   | 1     | (323)                  | (342)   | 18,321              | (1,911) | 33,084              | (1,708) |

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Notes to the Consolidated and Separate Financial Statements

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15 Investments in subsidiaries and associates (cont'd)

15 (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<br>31 December |         | For the years ended<br>31 December |       | For the years ended<br>31 December |         | For the years ended<br>31 December |         | For the years ended<br>31 December |          |
|  | 2020                               | 2019    | 2020                               | 2019  | 2020                               | 2019    | 2020                               | 2019    | 2020                               | 2019     |
| <b>Cash flow from operating activities</b>             |                                    |         |                                    |       |                                    |         |                                    |         |                                    |          |
| Cash (used in) generated from operations               | 65,136                             | 2,089   | 5,508                              | 1,138 | (23)                               | (319)   | 39,003                             | (1,637) | 109,624                            | 1,271    |
| Interest paid  | -                                  | -       | -                                  | -     | -                                  | -       | -                                  | -       | -                                  | -        |
| Income tax paid  | (2,772)                            | (518)   | -                                  | -     | -                                  | -       | (20,278)                           | (838)   | (23,050)                           | (1,356)  |
| Net cash (used in) generated from operating activities | 62,364                             | 1,571   | 5,508                              | 1,138 | (23)                               | (319)   | 18,725                             | (2,475) | 86,574                             | (85)     |
| Net cash used in investing activities                  | (3,225)                            | (6,519) | -                                  | (500) | -                                  | (3,113) | (24,275)                           | (3,416) | (27,500)                           | (13,548) |
| Net cash generated from financing activities           | (304)                              | -       | -                                  | -     | -                                  | 1,950   | -                                  | -       | (304)                              | 1,950    |
| Net (decrease) increase in cash and cash equivalents   | 58,835                             | (4,948) | 5,508                              | 638   | (23)                               | (1,482) | (5,550)                            | (5,891) | 58,770                             | (11,683) |
| Cash and cash equivalents at beginning of year         | 6,772                              | 11,131  | 12                                 | 294   | 229                                | 1,711   | 6,980                              | 12,732  | 13,993                             | 25,868   |
| Exchange gain (loss) on cash and cash equivalents      | (307)                              | 589     | 11                                 | (920) | -                                  | -       | 2,926                              | 139     | 2,630                              | (192)    |
| Cash and cash equivalents at end of year               | 65,300                             | 6,772   | 5,531                              | 12    | 206                                | 229     | 4,356                              | 6,980   | 75,393                             | 13,993   |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

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## 15 Investments in subsidiaries and associates (cont'd)

## 15 (b) Investment in associates

## Investments accounted for using equity method

The amounts recognised in the statement of financial position are as follows:

| At 31 December | Consolidated         |               |
|----------------|----------------------|---------------|
|                | financial statements |               |
|                | 2020                 | 2019          |
|                | Thousand Baht        | Thousand Baht |
| Associates     | 11,755               | 10,119        |
|                | 11,755               | 10,119        |

The amounts recognised in profit or loss are as follows:

| For the years ended 31 December | Consolidated         |               |
|---------------------------------|----------------------|---------------|
|                                 | financial statements |               |
|                                 | 2020                 | 2019          |
|                                 | Thousand Baht        | Thousand Baht |
| Associates                      | 1,636                | (415)         |
|                                 | 1,636                | (415)         |



**Asiasoft Corporation Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
**For the year ended 31 December 2020**

**15 Investments in subsidiaries and associates (cont'd)**

**15 (b) Investment in associates (cont'd)**

Nature of investment in associates the year 2020 and 2019:

| Name of entity                        | Place of business/<br>country of<br>incorporation | % of ownership<br>interest |       | Nature of the<br>relationship | Measurement<br>method | Cost method              |                          |                          | Equity method            |                          |                          | Dividend                 |                          |
|---------------------------------------|---|----------------------------|-------|-------------------------------|-----------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                       |   | 2020                       | 2019  |                               |                       | 2020<br>Thousand<br>Baht | 2019<br>Thousand<br>Baht | 2020<br>Thousand<br>Baht | 2020<br>Thousand<br>Baht | 2019<br>Thousand<br>Baht | 2020<br>Thousand<br>Baht | 2020<br>Thousand<br>Baht | 2019<br>Thousand<br>Baht |
| <b>Indirect</b>                       |   |                            |       |                               |                       |                          |                          |                          |                          |                          |                          |                          |                          |
| Thaware Communication Company Limited | Thailand  | 40.00                      | 40.00 | Services on website           | Equity                | 4,327                    | 4,327                    | 11,755                   | 10,119                   | -                        | -                        | -                        | -                        |
| <u>Less</u> Provision for impairment  |   |                            |       |                               |                       | -                        | -                        | -                        | -                        | -                        | -                        | -                        | -                        |
| of investment in associates           |   |                            |       |                               |                       |                          |                          |                          |                          |                          |                          |                          |                          |
| Total investments in associates, net  |   |                            |       |                               |                       | 4,327                    | 4,327                    | 11,755                   | 10,119                   | -                        | -                        | -                        | -                        |

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020****15 Investments in subsidiaries and associates (cont'd)****15 (b) Investment in associates (cont'd)**

Movements of investment in associates can be analysed as follows:

|  | <b>Consolidated financial<br/>statements<br/>Thousand Baht</b> |
|--|--|
| <hr/>                                      |  |
| <b>For the year ended 31 December 2020</b> |  |
| Opening net book amount                    | 10,119   |
| Share of profit                            | 1,636  |
|  | <hr/>  |
| Closing net book amount                    | 11,755   |
|  | <hr/> <hr/>  |
| <b>As at 31 December 2020</b>              |  |
| Cost                                       | 11,755   |
| <u>Less</u> Allowance for impairment       | -  |
|  | <hr/>  |
| Net book amount                            | 11,755   |
|  | <hr/> <hr/>  |

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.

Asiasoft Corporation Public Company Limited

Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

15 Investments in subsidiaries and associates (cont'd)

15 (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                                    | 2020          | 2019          |
|--|---------------|---------------|
|  | Thousand Baht | Thousand Baht |
| <b>Current assets</b>                                |               |               |
| Cash and cash equivalents                            | 2,847         | 7,607         |
| Other current assets (excluding cash)                | 22,825        | 10,993        |
| Total current assets                                 | 25,672        | 18,600        |
| Non-current Assets                                   | 3,203         | 4,694         |
|  | 28,875        | 23,294        |
| <b>Current liabilities</b>                           |               |               |
| Other current liabilities (including trade payables) | (6,862)       | (4,964)       |
| Total current liabilities                            | (6,862)       | (4,964)       |
| Net assets   | 22,013        | 18,330        |

Summarised statement of comprehensive income

| For the years ended 31 December     | 2020          | 2019          |
|-------------------------------------|---------------|---------------|
|                                     | Thousand Baht | Thousand Baht |
| Revenues                            | 89,052        | 83,769        |
| Cost of sales                       | (60,198)      | (55,128)      |
| Selling and administrative expenses | (24,291)      | (29,194)      |
| Depreciation and amortisation       | (473)         | (483)         |
| Total comprehensive income          | 4,090         | (1,036)       |

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020****15 Investments in subsidiaries and associates (cont'd)****15 (b) Investment in associates (cont'd)**

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.

**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>2020</b>              | <b>2019</b>          |
|                                 | <b>Thousand Baht</b>     | <b>Thousand Baht</b> |
| Opening net assets 1 January    | 18,330                   | 19,366               |
| Profit (Loss) for the year      | 4,090                    | (1,036)              |
| Dividend paid                   | -                        | -                    |
| Closing net assets              | 22,420                   | 18,330               |
| Interest in associates (40.00%) | 8,968                    | 7,332                |
| Goodwill                        | 2,787                    | 2,787                |
| Carrying value                  | 11,755                   | 10,119               |

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 2020**
**16 Equipment**

|   | Consolidated financial statements |               |               |               |               |
|---|-----------------------------------|---------------|---------------|---------------|---------------|
|   | Furniture &                       |               |               |               | Total         |
|   | Building                          | Server        | equipment     | Vehicles      |               |
|   | improvements                      |               |               |               |               |
|   | Thousand Baht                     | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht |
| <b>At 1 January 2019</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 31 December 2019</b>                        |                                   |               |               |               |               |
| Opening net book amount   | 1,322                             | 9,006         | 9,339         | 3,070         | 22,737        |
| 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)      |
| Exchange differences  | (30)                              | (312)         | (120)         | (8)           | (470)         |
| 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        |
| <b>For the year ended 31 December 2020</b>                        |                                   |               |               |               |               |
| Opening net book amount   | 897                               | 16,062        | 4,046         | 2,311         | 23,316        |
| Adjustment from adoption of TFRS 16<br>on 1 January 2020 (Note 4) | -                                 | (8,726)       | -             | (2,303)       | (11,029)      |
| Additions   | 510                               | 6,493         | 1,094         | -             | 8,097         |
| Disposal/write off, net   | (134)                             | (346)         | (90)          | -             | (570)         |
| Depreciation charge   | (431)                             | (4,651)       | (1,874)       | (2)           | (6,958)       |
| Exchange differences  | 4                                 | 629           | 20            | -             | 653           |
| Closing net book amount   | 846                               | 9,461         | 3,196         | 6             | 13,509        |
| <b>At 31 December 2020</b>  |                                   |               |               |               |               |
| Cost  | 13,424                            | 196,339       | 89,129        | 6,427         | 305,319       |
| <u>Less</u> Accumulated depreciation                              | (12,578)                          | (186,878)     | (85,933)      | (6,421)       | (291,810)     |
| Net book amount   | 846                               | 9,461         | 3,196         | 6             | 13,509        |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

## For the year ended 31 December 2020

## 16 Equipment (cont'd)

|  | Separate financial statements |               |                                   |               |               |
|--|-------------------------------|---------------|-----------------------------------|---------------|---------------|
|  | Building                      |               | Furniture & fixture and equipment |               | Total         |
|  | improvements                  | Server        | equipment                         | Vehicles      |               |
|  | Thousand Baht                 | Thousand Baht | Thousand Baht                     | Thousand Baht | Thousand Baht |
| <b>At 1 January 2019</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 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        |
| <b>For the year ended 31 December 2020</b>                     |                               |               |                                   |               |               |
| Opening net book amount  | 733                           | 8,357         | 2,441                             | 2,311         | 13,842        |
| Adjustment from adoption of TFRS 16 on 1 January 2020 (Note 4) | -                             | (6,278)       | -                                 | (2,303)       | (8,581)       |
| Additions  | 510                           | 3,393         | 375                               | -             | 4,278         |
| Disposals/write off, net                                       | (134)                         | -             | (1)                               | -             | (135)         |
| Depreciation charge  | (263)                         | (1,398)       | (1,309)                           | (2)           | (2,972)       |
| Closing net book amount  | 846                           | 4,074         | 1,506                             | 6             | 6,432         |
| <b>At 31 December 2020</b>                                     |                               |               |                                   |               |               |
| Cost   | 12,902                        | 87,603        | 67,735                            | 3,512         | 171,752       |
| <u>Less</u> Accumulated depreciation                           | (12,056)                      | (83,529)      | (66,229)                          | (3,506)       | (165,320)     |
| Net book amount  | 846                           | 4,074         | 1,506                             | 6             | 6,432         |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 17 Right-of-use assets, net and Lease liabilities, net

The statement of financial position included following transactions relating to leases.

|                                 | Consolidated         |                | Separate             |                |
|---------------------------------|----------------------|----------------|----------------------|----------------|
|                                 | financial statements |                | financial statements |                |
|                                 | 31 December 2020     | 1 January 2020 | 31 December 2020     | 1 January 2020 |
|                                 | Thousand Baht        | Thousand Baht  | Thousand Baht        | Thousand Baht  |
| <b>Right-of-use assets, net</b> |                      |                |                      |                |
| Building improvements           | 6,803                | 5,634          | 2,817                | 5,634          |
| Server                          | 9,135                | 8,726          | 7,223                | 6,278          |
| Vehicles                        | 1,661                | 2,303          | 1,661                | 2,303          |
| Total right-of-use assets, net  | 17,599               | 16,663         | 11,701               | 14,215         |
| <b>Lease liabilities, net</b>   |                      |                |                      |                |
| Current                         | 9,426                | 2,864          | 5,206                | 1,914          |
| Non-current                     | 6,356                | 7,206          | 5,271                | 5,965          |
| Total lease liabilities, net    | 15,782               | 10,070         | 10,477               | 7,879          |

During 2020, additions to the right-of-use assets of the Group and the Company were Baht 9.48 million and Baht 2.99 million, respectively.

The statement of income included following transactions related to leases.

| For the years ended 31 December 2020  | Consolidated         | Separate             |
|---|----------------------|----------------------|
|   | financial statements | financial statements |
|   | Thousand Baht        | Thousand Baht        |
| <b>Depreciation charge of right-of-use assets</b>   |                      |                      |
| Building improvements   | 4,990                | 2,817                |
| Server  | 2,542                | 2,043                |
| Vehicles  | 642                  | 642                  |
| Total depreciation for right-of-use assets  | 8,174                | 5,502                |
| Finance cost relating to leases   | 1,017                | 791                  |
| Expenses relating to short-term leases  |                      |                      |
| (included in cost of sales and administrative expenses)                                       | 9,171                | 5,511                |
| Expenses relating to leases of low value assets that are not shown above as short-term leases |                      |                      |
| (included in cost of sales and administrative expenses)                                       | 979                  | 573                  |

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020****17 Right-of-use assets, net and Lease liabilities, net (cont'd)**

The Group has adopted TFRS 16 from 1 January 2020 under the modified retrospective approach and the comparative figures have not been restated. The impact from the adoption of new financial reporting standards on the lease liabilities as at 1 January 2020 has been presented in Note 4.

The total cash outflow for leases of the Group and the Company in 2020 were Baht 2.96 million and Baht 2.22 million, respectively.

**Finance leases - 2019**

As at 31 December 2019, the Group and the Company leased server and vehicle with a carrying amount of Baht 10.07 million and Baht 7.88 million, respectively, under finance leases expiring within 5 years. Finance lease liabilities were included in borrowings until 31 December 2019 but were reclassified to lease liabilities on 1 January 2020 in the process of adopting the new leasing standard.

|  | <b>Consolidated</b>         | <b>Separate</b>             |
|--|-----------------------------|-----------------------------|
|  | <b>financial statements</b> | <b>financial statements</b> |
| <b>At 31 December 2019</b>                           | <b>Thousand Baht</b>        | <b>Thousand Baht</b>        |
| Not later than one year                              | 3,586                       | 2,315                       |
| Later than 1 year but not later than 5 years         | 7,519                       | 6,501                       |
|  | 11,105                      | 8,816                       |
| <u>Less</u> Future finance charges on finance leases | (1,035)                     | (937)                       |
| Present value of finance lease liabilities           | 10,070                      | 7,879                       |

The present value of finance lease liabilities is as follows:

|  | <b>Consolidated</b>         | <b>Separate</b>             |
|--|-----------------------------|-----------------------------|
|  | <b>financial statements</b> | <b>financial statements</b> |
| <b>At 31 December 2019</b>                   | <b>Thousand Baht</b>        | <b>Thousand Baht</b>        |
| Not later than one year                      | 2,864                       | 1,914                       |
| Later than 1 year but not later than 5 years | 7,206                       | 5,965                       |
|  | 10,070                      | 7,879                       |



## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 18 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 2019</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 31 December 2019</b> |                                   |                   |                            |                       |           |           |
| Opening net book amount                    | 59,228                            | 8,920             | 2,256                      | 21,096                | -         | 91,500    |
| Additions                                  | 28,734                            | 6,182             | -                          | -                     | -         | 34,916    |
| Acquisition                                | -                                 | -                 | -                          | -                     | -         | -         |
| Disposal/write-off, net                    | -                                 | (75)              | -                          | -                     | -         | (75)      |
| Amortisation charged                       | (27,131)                          | (1,931)           | -                          | (5,772)               | -         | (34,834)  |
| Reversal impairment                        | (241)                             | -                 | -                          | -                     | -         | (241)     |
| Exchange differences                       | 34                                | (56)              | (130)                      | (897)                 | -         | (1,049)   |
| 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    |
| <b>For the year ended 31 December 2020</b> |                                   |                   |                            |                       |           |           |
| Opening net book amount                    | 60,624                            | 13,040            | 2,126                      | 14,427                | -         | 90,217    |
| Additions                                  | 25,549                            | 3,847             | -                          | -                     | -         | 29,396    |
| Disposal/write-off, net                    | (13,818)                          | -                 | -                          | -                     | -         | (13,818)  |
| Amortisation charged                       | (38,110)                          | (2,372)           | -                          | -                     | -         | (40,482)  |
| Reversal impairment                        | 3,011                             | -                 | -                          | -                     | -         | 3,011     |
| Exchange differences                       | 203                               | -                 | 32                         | 765                   | -         | 1,000     |
| Closing net book amount                    | 37,459                            | 14,515            | 2,158                      | 15,192                | -         | 69,324    |
| <b>At 31 December 2020</b>                 |                                   |                   |                            |                       |           |           |
| Cost                                       | 373,940                           | 58,522            | 3,441                      | 76,960                | 51,133    | 563,996   |
| <u>Less</u> Accumulated amortisation       | (260,775)                         | (44,007)          | -                          | (35,171)              | (9,324)   | (349,277) |
| <u>Less</u> Allowance for impairment       | (75,706)                          | -                 | (1,283)                    | (26,597)              | (41,809)  | (145,395) |
| Net book amount                            | 37,459                            | 14,515            | 2,158                      | 15,192                | -         | 69,324    |

**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2020**
**18 Intangible assets (cont'd)**

|  | Separate financial statements |                   |               |
|--|-------------------------------|-------------------|---------------|
|  | Game licenses                 | Computer software | Total         |
|  | Thousand Baht                 | Thousand Baht     | Thousand Baht |
| <b>At 1 January 2019</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        |
| Disposal/write-off, net                    | -                             | -                 | -             |
| Amortisation charged                       | (22,537)                      | (1,467)           | (24,004)      |
| Impairment charged                         | -                             | -                 | -             |
| 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        |
| <b>For the year ended 31 December 2020</b> |                               |                   |               |
| Opening net book amount                    | 49,677                        | 7,917             | 57,594        |
| Additions                                  | 21,848                        | 1,701             | 23,549        |
| Write-off, net                             | (12,592)                      | -                 | (12,592)      |
| Amortisation charged                       | (27,510)                      | (1,646)           | (29,156)      |
| Reversal of impairment                     | 3,011                         | -                 | 3,011         |
| Closing net book amount                    | 34,434                        | 7,972             | 42,406        |
| <b>At 31 December 2020</b>                 |                               |                   |               |
| Cost                                       | 86,892                        | 50,789            | 137,681       |
| <u>Less</u> Accumulated amortisation       | (52,458)                      | (42,817)          | (95,275)      |
| <u>Less</u> Allowance for impairment       | -                             | -                 | -             |
| Net book amount                            | 34,434                        | 7,972             | 42,406        |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 19 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 |               |
|  | 2020                 | 2019          | 2020                 | 2019          |
|  | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| <b>For the years ended 31 December</b> |                      |               |                      |               |
| Beginning balance                      | 14,626               | 15,236        | 14,626               | 15,236        |
| Additions                              | 1,739                | 52,619        | 1,739                | 52,619        |
| Repayments                             | (16,365)             | (53,229)      | (16,365)             | (53,229)      |
| Ending balance                         | -                    | 14,626        | -                    | 14,626        |

The interest rate exposure on the borrowings of the Group and the Company is as follows:

|                  | Consolidated         |               | Separate             |               |
|------------------|----------------------|---------------|----------------------|---------------|
|                  | financial statements |               | financial statements |               |
|                  | 2020                 | 2019          | 2020                 | 2019          |
|                  | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Borrowings:      |                      |               |                      |               |
| - at fixed rates | -                    | 14,626        | -                    | 14,626        |
| Total borrowings | -                    | 14,626        | -                    | 14,626        |

As at 31 December 2019, the short-term borrowings from financial institutions bore interest at rates from 2.85% - 4.04% per annum and due within 4 - 6 months.

**Credit facility**

As at 31 December 2020, the Group has an outstanding unused credit facility at Baht 25 million (31 December 2019: Baht 22.22 million)

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

**20 Trade and other payables**

|   | Consolidated         |               | Separate             |               |
|---|----------------------|---------------|----------------------|---------------|
|   | financial statements |               | financial statements |               |
|   | 2020                 | 2019          | 2020                 | 2019          |
|   | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Trade account payables - third party                  | 14,752               | 6,286         | 3,206                | 812           |
| Trade account payables - related parties<br>(Note 33) | -                    | 191           | 1,588                | 2,193         |
| Other payables - third party                          | 9,117                | 4,643         | 2,409                | 2,132         |
| Accrued royalty fee                                   | 48,100               | 33,492        | 19,558               | 22,766        |
| Payables for purchases of intangible assets           | 2,399                | 7,280         | 2,399                | 7,280         |
| Accrued expenses                                      | 71,660               | 24,699        | 30,716               | 15,351        |
| Total trade and other payables                        | 146,028              | 76,591        | 59,876               | 50,534        |

**21 Deferred revenue**

Revenue recognised in the current reporting period from beginning balance performance obligations as follows:

| For the years ended 31 December             | Consolidated         |               | Separate             |               |
|---|----------------------|---------------|----------------------|---------------|
|   | financial statements |               | financial statements |               |
|   | 2020                 | 2019          | 2020                 | 2019          |
|   | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Beginning balance                           | 83,080               | 71,988        | 37,860               | 35,516        |
| Additions                                   | 1,404,842            | 686,984       | 530,746              | 328,796       |
| Revenue recognised from online game service | (1,380,910)          | (675,892)     | (526,304)            | (326,452)     |
| Ending balance                              | 107,012              | 83,080        | 42,302               | 37,860        |

**22 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 2020

**23 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 |               |
|   | 2020                 | 2019           | 2020                 | 2019          |
|   | Thousand Baht        | Thousand Baht  | Thousand Baht        | Thousand Baht |
| <b>Deferred tax assets:</b>                             |                      |                |                      |               |
| Deferred tax assets to be recovered within 12 months    | 3,793                | 2,230          | -                    | -             |
| Deferred tax assets to be recovered after 12 months     | -                    | -              | -                    | -             |
|   | 3,793                | 2,230          | -                    | -             |
| <b>Deferred tax liabilities:</b>                        |                      |                |                      |               |
| Deferred tax liabilities to be settled within 12 months | -                    | -              | -                    | -             |
| Deferred tax liabilities to be settled after 12 months  | (4,558)              | (5,194)        | -                    | -             |
|   | (4,558)              | (5,194)        | -                    | -             |
| <b>Deferred tax assets (liabilities), net</b>           | <b>(765)</b>         | <b>(2,964)</b> | <b>-</b>             | <b>-</b>      |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 23 Deferred income taxes (cont'd)

The gross movement and the deferred income tax account is as follows:

|   | Consolidated<br>financial statements |               | Separate<br>financial statements |               |
|---|--------------------------------------|---------------|----------------------------------|---------------|
|   | 2020                                 | 2019          | 2020                             | 2019          |
|   | Thousand Baht                        | Thousand Baht | Thousand Baht                    | Thousand Baht |
| Deferred income tax, net - 1 January                | (2,964)                              | (4,159)       | -                                | -             |
| Charged (credited) to profit or loss                | 3,794                                | (110)         | -                                | -             |
| Charged (credited) to other<br>comprehensive income | -                                    | -             | -                                | -             |
| Exchange differences                                | (1,595)                              | 1,305         | -                                | -             |
| Deferred income tax, net - 31 December              | (765)                                | (2,964)       | -                                | -             |

The movement in deferred tax assets and liabilities is as follows:

|   | Consolidated financial statements |                |               |
|---|-----------------------------------|----------------|---------------|
|   | Credited<br>(charged) to          |                |               |
| As at 31 December                             | 2019                              | profit or loss | 2020          |
|   | Thousand Baht                     | Thousand Baht  | Thousand Baht |
| <b>Deferred tax assets</b>                    |                                   |                |               |
| Deferred revenue and license fees             | 2,230                             | 1,563          | 3,793         |
| Accumulated depreciation - equipment          | -                                 | -              | -             |
|   | 2,230                             | 1,563          | 3,793         |
| <b>Deferred tax liabilities</b>               |                                   |                |               |
| Accumulated depreciation – equipment          | (5,194)                           | 636            | (4,558)       |
| <b>Deferred tax assets (liabilities), net</b> | <b>(2,964)</b>                    | <b>2,199</b>   | <b>(765)</b>  |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

**24 Employee benefit obligations**

The amounts recognised in the statement of financial position are determined as follows:

|  | Consolidated         |               | Separate             |               |
|--|----------------------|---------------|----------------------|---------------|
|  | financial statements |               | financial statements |               |
|  | 2020                 | 2019          | 2020                 | 2019          |
|  | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Present value of post-employment benefit obligations | 21,769               | 17,375        | 12,687               | 11,325        |
| Liability in the statement of financial position     | 21,769               | 17,375        | 12,687               | 11,325        |

Movements in the employee benefit obligations over the year are as follows:

|  | Consolidated         |               | Separate             |               |
|--|----------------------|---------------|----------------------|---------------|
|  | financial statements |               | financial statements |               |
|  | 2020                 | 2019          | 2020                 | 2019          |
|  | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Opening book amount  | 17,375               | 11,403        | 11,325               | 10,029        |
| Current service costs                                      | 2,174                | 1,307         | 1,032                | 1,003         |
| Past service cost  | -                    | -             | -                    | -             |
| Interest costs   | 658                  | 393           | 330                  | 293           |
| Loss on remeasurement of retirement of benefit obligations | 1,256                | 4,319         | -                    | -             |
| Employer direct benefit payment                            | -                    | -             | -                    | -             |
| Exchange rate differences                                  | 306                  | (47)          | -                    | -             |
| Closing book amount  | 21,769               | 17,375        | 12,687               | 11,325        |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 24 Employee benefit obligations (cont'd)

The amounts recognised into profit or loss are as follows:

|                                | Consolidated         |               | Separate             |               |
|--------------------------------|----------------------|---------------|----------------------|---------------|
|                                | financial statements |               | financial statements |               |
|                                | 2020                 | 2019          | 2020                 | 2019          |
|                                | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Current service costs          | 2,174                | 1,307         | 1,032                | 1,003         |
| Past service cost              | -                    | -             | -                    | -             |
| Interest costs                 | 658                  | 393           | 330                  | 293           |
| Total, included in staff costs | 2,832                | 1,700         | 1,362                | 1,296         |

Of the total charge, Baht 2.83 million and Baht 1.36 million (2019: Baht 1.70 million and Baht 1.30 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 |               |
|                                 | 2020                 | 2019          | 2020                 | 2019          |
|                                 | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Loss on remeasurements          |                      |               |                      |               |
| of employee benefit obligations | (1,256)              | (4,319)       | -                    | -             |
| Employer direct benefit payment | -                    | -             | -                    | -             |



## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 24 Employee benefit obligations (cont'd)

The principal actuarial assumptions used were as follows:

|                             | Consolidated         |              | Separate             |              |
|-----------------------------|----------------------|--------------|----------------------|--------------|
|                             | financial statements |              | financial statements |              |
|                             | 2020                 | 2019         | 2020                 | 2019         |
|                             | %                    | %            | %                    | %            |
| Discount rate               | 2.92 - 4.15          | 2.92 - 5.14  | 2.92                 | 2.92         |
| Future salary increase rate | 5.00 - 10.00         | 5.00 - 10.00 | 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 |               |
|   | 2020                 | 2019          | 2020                 | 2019          |
|   | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| <b>Impact on defined benefit obligations:</b> |                      |               |                      |               |
| <b>Discount rate</b>                          |                      |               |                      |               |
| Decrease 1%                                   | 3,024                | 2,402         | 1,273                | 1,253         |
| Increase 1%                                   | 2,533                | 2,024         | 1,123                | 1,098         |
| <b>Salary increase rate</b>                   |                      |               |                      |               |
| Decrease 1%                                   | 2,697                | 2,087         | 1,320                | 1,174         |
| Increase 1%                                   | 3,153                | 2,426         | 1,487                | 1,321         |
| <b>Resignation rate</b>                       |                      |               |                      |               |
| Decrease 1%                                   | 143                  | 110           | 67                   | 59            |
| Increase 1%                                   | 112                  | 86            | 52                   | 46            |

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 2020

## 24 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 2020 | -                                 | 1,672         | 1,757         | 104,517       | 107,946       |

|                     | 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 2020 | -                             | 1,672         | -             | 12,451        | 14,123        |

The weighted average duration of the retirement benefit is 23.89 years. (2019: 23.67 years).

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020**

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**25 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.

At the Annual General Meeting of the Shareholders for the year 2020 which was held on 23 April 2020, the shareholders approved the reduction of the authorised share capital of the Company from Baht 532,840,120 to Baht 512,346,270 by the reduce authorised share capital of 20,493,850 shares at a par value of Baht 1 each, due to Warrants (AS-WB) is expired, including amending the Memorandum of Association to reflect the reduction of authorised share capital of the Company. The Company registered the reduction in its registered with Ministry of Commerce on 28 April 2020.

On 28 May 2020, the shareholder exercised the warrant (AS-W1) for 177 shares at the price of Baht 2 per share totaling Baht 354, which consisted of issued and paid-up share capital for Baht 177 and share premium capital for Baht 177.

On 1 July 2020, the Company registered the reduction of the authorised share capital with the Ministry of Commerce by reducing the authorised share capital of the Company from Baht 512,346,270.00 paid-up share capital of Baht 409,877,193.00 to the authorised share capital of Baht 256,173,135.00 paid-up capital of Baht 204,938,596.50 by reduction the par value of shares from Baht 1.00 to Baht 0.50 each including amending the Memorandum of Association to reflect the reduction of authorised share capital of the Company in accordance with the approval in Annual General Meeting of the Shareholders for the year 2020 on 23 April 2020 in order to offset the partial of a deficit.

On 2 July 2020, the Company registered the increase of the authorised share capital with the Ministry of Commerce including amending the Memorandum of Association to reflect the increase of authorised share capital of the Company in accordance with the approval in Annual General Meeting of the Shareholders for the year 2020 as follows:

- increase in authorised share capital of the Company and issuance new warrant (AS-WB) not exceed 20,493,850 shares at par value Baht 0.50, for exercise of warrants.
- increase of the authorised share capital of the Company by issuance the General Mandate of the new issued share 40,000,000 shares at the par value of Baht 0.50 per share, totaling Baht 20,000,000.

On September 2020, the Company issued for 4,608,211 shares as a result of warrants (AS-WB), which consisted of paid-up share capital for Baht 2,304,105.50 and share premium capital for Baht 1,658,955.96.

**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020****25 Share capital (cont'd)**

Reconciliations of number of authorised share capital and issued and paid-up share capital for the year ended 31 December 2020 are as follows:

|  | Authorised<br>share capital | Issued and paid-up<br>share capital |
|--|-----------------------------|-------------------------------------|
| Number of ordinary shares at 1 January 2020 (shares)   | 532,840,120                 | 409,877,016                         |
| Decrease authorised share capital due to               |                             |                                     |
| Warrants (AS-WB) was expired (shares)                  | (20,493,850)                | -                                   |
| Issuance of ordinary shares as a result                |                             |                                     |
| of warrants exercised (AS-W1) (shares)                 | -                           | 177                                 |
| Issuance of ordinary shares as a result                |                             |                                     |
| of warrants exercised (AS-WB) (Note 27) (shares)       | 20,493,850                  | 4,608,211                           |
| Increase of the authorised share capital               |                             |                                     |
| for issuance the General Mandate (shares)              | 40,000,000                  | -                                   |
| Number of ordinary shares at 31 December 2020 (shares) | 572,840,120                 | 414,485,404                         |
| Par value (Baht per share)                             | 0.50                        | 0.50                                |
| At 31 December 2020 (Baht)                             | 286,420,060                 | 207,242,702                         |

**26 Legal reserve**

Under the Public Limited Company Act B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital of the Company. The reserve is not available for dividend distribution.

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 27 Share-based payment - Warrants

## Warrants issued and offered to directors and employees of the Company (AS-WB)

The Company issued and offered warrants to directors and employees (AS-WB) of the Company and its subsidiaries, which are in registered form and are non-transferable. The warrants have no offered price and their terms do not exceed 3 years from the issued date in a maximum of 20,493,850 units. The exercise price of Baht 0.86 per share. The exercise of one warrant to one ordinary share. The warrants can exercise according to the terms as designated by the company.

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

|                         | Consolidated          |            | Separate              |            |
|-------------------------|-----------------------|------------|-----------------------|------------|
|                         | financial information |            | financial information |            |
|                         | Average               |            | Average               |            |
|                         | exercise price        |            | exercise price        |            |
|                         | Baht per share        | Option     | Baht per share        | Option     |
| At 14 August 2020       | -                     | -          | -                     | -          |
| Granted                 |                       |            |                       |            |
| by the Company (AS –WB) | 0.86                  | 20,493,850 | 0.86                  | 20,493,850 |
| Forfeited               | -                     | -          | -                     | -          |
| Exercised               | 0.86                  | 4,608,211  | 0.86                  | 4,608,211  |
| Expired                 | -                     | -          | -                     | -          |
| At 31 December 2020     | 0.86                  | 15,885,639 | 0.86                  | 15,885,639 |

As at 31 December 2020, the Company has 15,885,639 outstanding warrants were exercisable.

As at 31 December 2020, the Group and the Company recognised the value of warrants over the vesting period. The expense in relation to warrants are recognised as an expense in the consolidated and company income statements with a corresponding credit to the consolidated and company shareholders' equity of THB 5,333,080.

**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2020**
**28 Other income**

|  | <b>Consolidated</b>         |                      | <b>Separate</b>             |                      |
|--|-----------------------------|----------------------|-----------------------------|----------------------|
|  | <b>financial statements</b> |                      | <b>financial statements</b> |                      |
|  | <b>2020</b>                 | <b>2019</b>          | <b>2020</b>                 | <b>2019</b>          |
|  | <b>Thousand Baht</b>        | <b>Thousand Baht</b> | <b>Thousand Baht</b>        | <b>Thousand Baht</b> |
| Interest income                                    | 1,227                       | 534                  | 928                         | 475                  |
| Gain from reduction of<br>investment in subsidiary | -                           | -                    | 44,745                      | -                    |
| Other income                                       | 18,736                      | 4,650                | 42,527                      | 14,010               |
| Total other income                                 | 19,963                      | 5,184                | 88,200                      | 14,485               |

**29 Expenses by nature**

The following expenditure items, classified by nature, have been charged in arriving at the operating profit (loss):

|   | <b>Consolidated</b>         |                      | <b>Separate</b>             |                      |
|---|-----------------------------|----------------------|-----------------------------|----------------------|
|   | <b>financial statements</b> |                      | <b>financial statements</b> |                      |
|   | <b>2020</b>                 | <b>2019</b>          | <b>2020</b>                 | <b>2019</b>          |
|   | <b>Thousand Baht</b>        | <b>Thousand Baht</b> | <b>Thousand Baht</b>        | <b>Thousand Baht</b> |
| Salaries, wages and other employee benefits | 223,760                     | 169,172              | 104,271                     | 81,966               |
| Monthly royalty fee                         | 418,056                     | 245,619              | 157,948                     | 128,017              |
| Depreciation                                | 15,132                      | 10,020               | 8,474                       | 5,449                |
| Amortisation                                | 40,482                      | 34,834               | 29,156                      | 24,004               |
| Loss on write off of intangible assets      | 9,582                       | -                    | 9,582                       | -                    |
| Loss on impairment of prepaid royalty fee   | 7,595                       | -                    | -                           | -                    |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 30 Income tax

|  | Consolidated         |               | Separate             |               |
|--|----------------------|---------------|----------------------|---------------|
|  | financial statements |               | financial statements |               |
|  | 2020                 | 2019          | 2020                 | 2019          |
|  | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| <b>Current tax:</b>                                |                      |               |                      |               |
| Current tax on profit for the year                 | 20,570               | 271           | -                    | -             |
| Adjustment in respect of prior year                | -                    | -             | -                    | -             |
| Total current tax                                  | 20,570               | 271           | -                    | -             |
| <b>Deferred tax:</b>                               |                      |               |                      |               |
| Origination and reversal of temporary differences: |                      |               |                      |               |
| - Deferred tax assets                              | 3,817                | 584           | -                    | -             |
| - Deferred tax liabilities                         | (23)                 | (694)         | -                    | -             |
| Total deferred tax (income) expense                | 3,794                | (110)         | -                    | -             |
| Total income tax expense                           | 24,364               | 161           | -                    | -             |

The tax on the Group's profit 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 |               |
|   | 2020                 | 2019          | 2020                 | 2019          |
|   | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Profit before income tax  | 407,293              | 2,802         | 209,081              | 3,729         |
| Tax rate  | 17 - 30%             | 17 - 30%      | 20%                  | 20%           |
| Tax calculated at tax rate  | 83,501               | 3,657         | 41,816               | 746           |
| Tax effect of:  |                      |               |                      |               |
| Adjustment in respect of prior year                               | 451                  | -             | -                    | -             |
| Income not subject to tax   | (24,719)             | (4,528)       | (19,221)             | (3,889)       |
| Expenses not deductible for tax purpose                           | 33,864               | 4,834         | 31,950               | 3,902         |
| Used tax benefit from previously unrecognised deferred tax assets | (68,733)             | (3,802)       | (54,545)             | (759)         |
| Tax charge  | 24,364               | 161           | -                    | -             |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 31 Earnings per share

Basic earnings per share attributable to shareholders of the parent is calculated by dividing net earnings attributable to shareholders of the parent by the weighted average number of paid-up ordinary shares in issue during the year.

The diluted earnings per share attributable to shareholders of the parent 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 follows:

The Company has issued and offered warrants to directors and employees (AS-WB) of the Company and its subsidiaries. The warrants have no offered price and their terms do not exceed 3 years from the issued date (the issued date is 14 August 2020) at a maximum of 20,493,850 units. The exercise price is at Baht 0.86 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 16 - 20 March and 16 - 20 September throughout the term of warrants. The first exercise date will be on 16 - 20 September 2020.

The outstanding warrants as at 31 December 2020 which were issued and offered to directors and employees (AS-WB) of the Company and its subsidiaries affect the diluted earnings per share since the exercise price of the outstanding warrants is lower than the average market price of the Company's shares during the period ended 31 December 2020.

The basic earnings per share are calculated as follows:

|   | Consolidated         |         | Separate             |         |
|---|----------------------|---------|----------------------|---------|
|   | financial statements |         | financial statements |         |
|   | 2020                 | 2019    | 2020                 | 2019    |
| Earnings attributable to ordinary shareholders of the Company (Thousand Baht) | 307,044              | 4,351   | 209,081              | 3,729   |
| Weighted average number of ordinary shares outstanding (Thousand shares)      | 411,148              | 409,877 | 411,148              | 409,877 |
| Basic earnings per share (Baht per share)                                     | 0.75                 | 0.01    | 0.51                 | 0.01    |

The diluted earnings per share are calculated as follows:

|   | Consolidated         |         | Separate             |         |
|---|----------------------|---------|----------------------|---------|
|   | financial statements |         | financial statements |         |
|   | 2020                 | 2019    | 2020                 | 2019    |
| Earnings attributable to ordinary shareholders of the Company (Thousand Baht) | 307,044              | 4,351   | 209,081              | 3,729   |
| Weighted average number of ordinary shares outstanding (Thousand shares)      | 414,486              | 409,877 | 414,486              | 409,877 |
| Diluted earnings per share (Baht per share)                                   | 0.74                 | 0.01    | 0.50                 | 0.01    |



**Asiasoft Corporation Public Company Limited****Notes to the Consolidated and Separate Financial Statements****For the year ended 31 December 2020****32 Commitments****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 2020 and 2019, the Group are committed to pay initial license fees and minimum guarantee as follows:

|                      | <b>Consolidated</b>         |                      | <b>Separate</b>             |                      |
|----------------------|-----------------------------|----------------------|-----------------------------|----------------------|
|                      | <b>financial statements</b> |                      | <b>financial statements</b> |                      |
|                      | <b>2020</b>                 | <b>2019</b>          | <b>2020</b>                 | <b>2019</b>          |
|                      | <b>Thousand Baht</b>        | <b>Thousand Baht</b> | <b>Thousand Baht</b>        | <b>Thousand Baht</b> |
| Initial license fees | 12,143                      | 18,123               | 9,273                       | 18,706               |
| Minimum guarantee    | 40,719                      | 33,717               | 19,272                      | 24,520               |

**33 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 43%. The remaining of 57% are widely held.

The significant investments in subsidiaries and associates are set out in Note 15.

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 33 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 |               |
|  | 2020                 | 2019          | 2020                 | 2019          |
|  | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| <b>Revenues from license fees and services</b> |                      |               |                      |               |
| Subsidiaries                                   | -                    | -             | 27,798               | 13,658        |
| Related parties                                | -                    | -             | -                    | -             |
|  | -                    | -             | 27,798               | 13,658        |
| <b>Revenues from selling card</b>              |                      |               |                      |               |
| Subsidiaries                                   | -                    | -             | 669                  | 2,221         |
| Related parties                                | 429                  | -             | 428                  | 1,295         |
|  | 429                  | -             | 1,097                | 3,516         |
| <b>Interest income</b>                         |                      |               |                      |               |
| Subsidiaries                                   | -                    | -             | 24                   | 39            |
|  | -                    | -             | 24                   | 39            |
| <b>Other income</b>                            |                      |               |                      |               |
| Related parties                                | 3,316                | -             | 3,316                | -             |
|  | 3,316                | -             | 3,316                | -             |

## (b) Purchases of goods and services and others

| For the years ended 31 December        | Consolidated         |               | Separate             |               |
|--|----------------------|---------------|----------------------|---------------|
|  | financial statements |               | financial statements |               |
|  | 2020                 | 2019          | 2020                 | 2019          |
|  | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| <b>License fees and management fee</b> |                      |               |                      |               |
| Subsidiaries                           | -                    | -             | 23,040               | 20,035        |
|  | -                    | -             | 23,040               | 20,035        |
| <b>Cost from selling card</b>          |                      |               |                      |               |
| Subsidiaries                           | -                    | -             | 686                  | -             |
|  | -                    | -             | 686                  | -             |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 33 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

|  | Consolidated         |               | Separate             |               |
|--|----------------------|---------------|----------------------|---------------|
|  | financial statements |               | financial statements |               |
|  | 2020                 | 2019          | 2020                 | 2019          |
|  | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| <b>Trade accounts receivable</b>             |                      |               |                      |               |
| Subsidiaries                                 | -                    | -             | 29                   | 4,661         |
| Related parties                              | 19,401               | 20,030        | 19,400               | 20,030        |
| Total  | 19,401               | 20,030        | 19,429               | 24,691        |
| <u>Less</u> Expected credit losses           |                      |               |                      |               |
| (2019: Allowance for doubtful                |                      |               |                      |               |
| accounts under TAS 101)                      | (19,400)             | (19,400)      | (19,400)             | (19,400)      |
|  | 1                    | 630           | 29                   | 5,291         |
| <b>Amounts due from and</b>                  |                      |               |                      |               |
| <b>accrued interest from related parties</b> |                      |               |                      |               |
| Subsidiaries - other receivables             | 189                  | -             | 54,754               | 11,102        |
| - accrued interest                           | -                    | -             | -                    | 15            |
| Total  | 189                  | -             | 54,754               | 11,117        |
| <u>Less</u> Expected credit losses           |                      |               |                      |               |
| (2019: Allowance for doubtful                |                      |               |                      |               |
| accounts under TAS 101)                      | -                    | -             | -                    | (15)          |
|  | 189                  | -             | 54,754               | 11,102        |
| <b>Trade and other payables</b>              |                      |               |                      |               |
| Subsidiaries                                 | -                    | -             | 1,588                | 2,002         |
| Related parties                              | -                    | 191           | -                    | 191           |
|  | -                    | 191           | 1,588                | 2,193         |

**Asiasoft Corporation Public Company Limited**
**Notes to the Consolidated and Separate Financial Statements**
**For the year ended 31 December 2020**
**33 Related party transactions (cont'd)**

The following significant transactions were carried out with related parties: (cont'd)

**(d) Short-term loans to related parties**

|  | Consolidated         |               | Separate             |               |
|--|----------------------|---------------|----------------------|---------------|
|  | financial statements |               | financial statements |               |
|  | 2020                 | 2019          | 2020                 | 2019          |
|  | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| <b>Short-term loans to related parties</b> |                      |               |                      |               |
| Subsidiaries                               | -                    | -             | -                    | 500           |
| <u>Less</u> Allowance for impairment       | -                    | -             | -                    | (500)         |
|  | -                    | -             | -                    | -             |

The movements of short-term loans to related parties are shown below:

|  | Separate financial<br>statements<br>Thousand Baht |
|--|---|
| <b>For the year ended 31 December 2020</b> |   |
| Opening balance                            | -   |
| Addition during the year                   | 12,976  |
| Repayment of loan during the year          | (13,476)  |
| Reversal of loss on impairment             | 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 2020

## 33 Related party transactions (cont'd)

The following significant transactions were carried out with related parties: (cont'd)

## (e) Short-term loan from director

|                                      | Consolidated         |               |
|--------------------------------------|----------------------|---------------|
|                                      | financial statements |               |
|                                      | 2019                 | 2019          |
|                                      | Thousand Baht        | Thousand Baht |
| <b>Short-term loan from director</b> |                      |               |
| Key management                       | 478                  | 478           |
|                                      | 478                  | 478           |

Short-term loans to director are loans without collateral, repayable within one year and carry interest at rate 1.10% per annum.

## (f) 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 |               |
|                              | 2020                 | 2019          | 2020                 | 2019          |
|                              | Thousand Baht        | Thousand Baht | Thousand Baht        | Thousand Baht |
| Short-term employee benefits | 25,207               | 19,811        | 14,053               | 11,096        |
| Retirement benefits          | 1,661                | 1,389         | 631                  | 600           |
|                              | 26,868               | 21,200        | 14,684               | 11,696        |

## Asiasoft Corporation Public Company Limited

## Notes to the Consolidated and Separate Financial Statements

For the year ended 31 December 2020

## 34 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:

| Foreign currency | Consolidated financial statements   |          |                       |          |                       |         |
|------------------|-------------------------------------|----------|-----------------------|----------|-----------------------|---------|
|                  | Financial assets                    |          | Financial liabilities |          | Average exchange rate |         |
|                  | 2020                                | 2019     | 2020                  | 2019     | 2020                  | 2019    |
|                  | Thousand                            | Thousand | Thousand              | Thousand | Baht                  | Baht    |
|                  | Baht per 1 unit of foreign currency |          |                       |          |                       |         |
| USD              | 913                                 | 3,106    | 852                   | 2,459    | 30.0371               | 30.1540 |
| EUR              | -                                   | -        | 11                    | 9        | 36.8764               | 33.7311 |
| MYR              | 10,003                              | 2,191    | 88                    | 21       | 7.4357                | 7.3222  |
| SGD              | 4,194                               | 552      | 19                    | 124      | 22.6632               | 22.3245 |
| PHP              | -                                   | 7,746    | -                     | 275      | 0.6261                | 0.5946  |
| IDR              | 2,588,248                           | 11,138   | 1,960,268             | -        | 0.0021                | 0.0022  |

| Foreign currency | Separate financial statements       |          |                       |          |                       |         |
|------------------|-------------------------------------|----------|-----------------------|----------|-----------------------|---------|
|                  | Financial assets                    |          | Financial liabilities |          | Average exchange rate |         |
|                  | 2020                                | 2019     | 2020                  | 2019     | 2020                  | 2019    |
|                  | Thousand                            | Thousand | Thousand              | Thousand | Baht                  | Baht    |
|                  | Baht per 1 unit of foreign currency |          |                       |          |                       |         |
| USD              | 405                                 | 1,751    | 475                   | 2,118    | 30.0371               | 30.1540 |
| EUR              | -                                   | -        | 11                    | 9        | 36.8764               | 33.7311 |
| MYR              | -                                   | -        | -                     | -        | 7.4357                | 7.3222  |
| SGD              | 2,000                               | -        | 66                    | 84       | 22.6632               | 22.3245 |
| PHP              | -                                   | 7,746    | -                     | -        | 0.6261                | 0.5946  |
| IDR              | -                                   | -        | -                     | -        | 0.0021                | 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 2020**

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**35 Events occurring after the reporting date**

At the Extraordinary General Shareholders Meeting, which was held on 8 January 2021, the shareholders consider and approved the follows:

- Decrease the register capital Baht 51,234,538.50 from the register capital Baht 286,420,060 with paid up capital of Baht 207,242,702 to be the register capital Baht 235,185,521.50 with paid up capital of Baht 207,242,702 by cancelling the unissued shares to reserve for exercise of warrants (AS-W1) and
- Decrease the register capital Baht 20,000,000 from the register capital Baht 235,185,521.50 with paid up capital of Baht 207,242,702 to be the register capital Baht 215,185,521.50 with paid up capital of Baht 207,242,702 by cancelling the unissued shares to reserve for issuance the General Mandate, included approve the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the registered capital. The Company registered the increase of share capital with the Ministry of Commerce on 18 January 2021.
- The allotment and preliminary details of warrants to purchase newly issued ordinary shares of Asiasoft Corporation Public Company Limited No. 2 (AS-W2) to the Company's existing shareholders proportionately to their shareholding.
- Increase registered capital Baht 41,448,540 for issuance and allotment of warrants AS-W2 to purchase newly-issued ordinary shares to the Company's existing shareholders proportionately to their shareholding with Share 82,897,080 at par value Baht 0.50 from the register capital Baht 215,185,521.50 with paid up capital of Baht 207,242,702 to be the register capital Baht 256,634,061.50 with paid up capital of Baht 207,242,702, and approve the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the increasing of the registered capital. The Company registered the increase of share capital with the Ministry of Commerce on 18 January 2021.

At the Board of Directors' meeting held on 24 February 2021, the Board agreed to propose the shareholders at the Annual General Meeting of the Shareholders to consider and approve the follows:

- Approved to pay dividends for the operating results of the fiscal year 2020 from retained earnings in cash at the rate of Baht 0.30 per share or total approximately amount of Baht 124,345,621.20. The Company has specified the name list of shareholders who are eligible to receive dividends (Record Date) on 12 March 2021 and the dividend payment to shareholders on 7 May 2021.
- Approved to decrease the register capital Baht 130,325 from the register capital Baht 256,634,061.50 with paid up capital of Baht 207,242,702 to be the register capital Baht 256,503,736.50 with paid up capital of Baht 207,242,702 by cancelling the unissued shares 260,650 shares with par value of Baht 0.50 per share, and approve the amendment to Clause 4 of the Memorandum of Association of the Company to be in line with the reduction of the registered capital.



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