

Vision

We aim to develop the telecommunication infrastructure to accommodate the customer for using high-speed internet with the best quality and service in Thailand.

Mission

- To expand the capability of the fiber optic network in Nakornratchasima, Chiangmai, Khonkaen and Bangkok Metropolitan to accommodate the consumer to use the high-speed internet service with best quality and stability and to expand the network to service in other provinces
- To develop the software “Cloud Solution” to provide service for the Transport and Logistic business and other businesses such as service business
- To downsize the IT solution segment to meet the optimum level and maintain good margin customer and expand business to project base for both private and government sector.
- To develop the label product to become high quality and meet specific qualification required by customer in manufacturing smart phone, electric appliance and electronic business
- To expand to the relevant business by merger and acquisition

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General Information

Company

Name	Simat Technologies Public Company Limited
Nature of business	<ol style="list-style-type: none"> 1. To provide total solution of Information Technologies services 2. To provide broadband internet services
Office address	<p>No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road, Lamplatew sub-district, Ladkrabang district, Bangkok 10520</p> <p>Tel : (66) 0 2326 0999</p> <p>Fax : (66) 0 2326 1014</p>
Registration date	<p>Registered as public Company on 18 July 2006</p> <p>Register no. 0107549000122</p> <p>Listed in the Stock Exchange of Thailand (MAI) on 12 December 2007</p>
Paid-up share capital	<p>Baht 525,513,051 (525,513,051 common shares at par value of Baht 1 each)</p> <p>Share registered: 816,618,970 common shares</p>
Registrar	<p>Thailand Securities Depository Co., Ltd.</p> <p>The Stock Exchange of Thailand Building,</p> <p>93 Rachadapisek Road, Dindaeng,</p> <p>Bangkok 10400</p> <p>Tel : (66) 0 20099999</p> <p>Fax : (66) 0 20099991</p>
Auditor	<p>Mr. Sathien Vongsanan, CPA license no. 3495 or</p> <p>Mr. Atipong Atipongsakul, CPA license no. 3500 or</p> <p>Mr. Vichai Ruchitanont, CPA license no. 4054 or</p> <p>Miss Kulthida Phasurakul, CPA license no. 5946 or</p> <p>Miss Patcharee Siriwongsin, CPA license no. 9037</p> <p>ANS Audit Co., Ltd.</p> <p>No. 100/31-32, 16th floor, 100/2 Vongvanich Bldg. Tower B, Rama 9 road, Huaykwang, Bangkok 10310</p> <p>Tel : (66) 0 2645 0109</p> <p>Fax : (66) 0 2645 0110</p>
Investor relation coordinator	<p>Mr. Thammanoon Korkiatwanich</p> <p>Ms. Thikumporn Yodsakultip</p> <p>Tel : (66) 0 2326 0999 ext. 1211, 1213</p> <p>Fax : (66) 0 2326 1014</p>
Company website	www.simat.co.th

Subsidiary companies

Name	Hinsitsu (Thailand) Company Limited
Nature of business	Sticker/Label manufacturing and Silk Screen printing generally used in electrical appliance industry, electronic equipment industry and other industries
Office address	No. 20/2 (A5), Moo 4, Theparak road, Bangplee-yai sub-district, Bangplee district, Samutprakarn 10540 Tel : (66) 0 2759 4344 Fax : (66) 0 2759 4354
Registration date	Registered as Company limited on 12 May 2003 Register no. 0115546003838
Paid-up share capital	Baht 100,000,000 (1,000,000 common shares at par value of Baht 100 each) Share registered: 1,000,000 shares
% of share holding by Company	70%
Name	Simat Label Company Limited
Nature of business	To provide services of design, develop and conversion of printed objects with glue for customer in manufacturers of electric appliance and electronics with provision and development of specific raw materials and design of production process to meet the specific requirements of the customer need
Office address	No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road, Lamplatew sub-district, Ladkrabang district, Bangkok 10520 Tel : (66) 0 2326 0999 Fax : (66) 0 2326 1014
Registration date	Registered as Company limited on 9 April 2008 Register no. 0105551041025
Paid-up share capital	Baht 34,000,000 (3,400,000 common shares at par value of Baht 10 each) Share registered: 3,400,000 common shares
% of share holding by Company	100% by indirect shareholding through Hinsitsu (Thailand) Co., Ltd. held by Company at 70%
Name	Hinsitsu Precision (Thailand) Company Limited
Nature of business	Business sticker production Buy and sell stickers, label, main plates and raw materials for making stickers.
Office address	No. 20/2 (A5), Moo 4, Theparak road, Bangplee-yai sub-district, Bangplee district, Samutprakarn 10540 Tel : (66) 0 2759 4344 Fax : (66) 0 2759 4354
Registration date	Registered as Company limited on 08 April 2015 Register no. 0115559007594
Paid-up share capital	Baht 23,000,000 (230,000 common shares at par value of Baht 100 each) Share registered: 400,000 shares

% of share holding by Company 78.27% by indirect shareholding through Hinsitsu (Thailand) Co., Ltd.
held by Company at 55%

Name Simat Telecom Company limited (Formerly “E-Tech Distribution”)
Nature of business To provide maintenance services of fiber optic network
Office address No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road,
 Lamplatew sub-district, Ladkrabang district, Bangkok 10520
 Tel : (66) 0 2326 0999 Fax : (66) 0 2326 1014
Registration date Registered as Company limited on 13 March 2009
 Register no. 0105552026640
Paid-up share capital Baht 5,000,000 (500,000 common shares at par value of Baht 10 each)
 Share registered: 500,000 shares
% of share holding by Company 100%

Associate companies

Name Sino Trading and Services Corporation
Nature of business Provides of hardware and maintenance services
Office address No. 27, Dang Tat street, Tan Dinh Ward, District 1, Ho Chi Minh City, Vietnam
 Tel : +84-8-38482619
 Fax : +84-8-38437064
Registration number 4103012126
Paid-up share capital VND 6,300,000,000 (630,000 common shares at par value of VND 10,000 each)
% of share holding by Company 40%

Name RGTECH Simat Company Limited
Nature of business Provides of a full range of information technology services, including
 distribution of hardware equipment. Software development And providing
 maintenance services
Office address No. 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung road,
 Lamplatew sub-district, Ladkrabang district, Bangkok 10520
 Tel : (66) 0 2326 0999
 Fax : (66) 0 2326 1014
Registration date Registered as Company limited on 7 January 2020
 Register no. 0105563002283
Paid-up share capital Baht 2,500,000 (250,000 common shares at par value of Baht 10 each)
 Share registered: 1,000,000 shares
% of share holding by Company 49%

Financial Highlights

Consolidated Financial Statements	2020	2019	2018
Unit : Baht Million			
Revenues from sales and services	1,021	2,009	1,694
Gross profit	307	456	279
Net profit	66	101	-476
Net profit for Parent Company	41	69	-492
Total assets	1,715	1,705	1,403
Shareholders' equity	659	619	568
Unit : Baht			
Par value	1.00	1.00	1.00
Earnings per share	0.08	0.13	-1.01
Dividends per share	-	-	-
Total assets per share	3.25	3.24	2.67
Shareholders' equity per share	1.25	1.18	1.08
Financial ratio			
Net profit margin	6%	5%	-28%
Gross profit margin	30%	23%	16%
Net profit / Total assets	4%	6%	-34%
Net profit / Shareholders' equity	10%	16%	-87%
Debt / Equity	160%	175%	147%



Message from the Board of Directors

Thailand economy in year 2020 was slow down dramatically from the effect of the pandemic of COVID-19 which effect to all businesses in Thailand and the Company's business as well including the decrease in revenue and profit of IT business, Label business and Broadband business according to the economic situation. However, the Silkscreen printing business still can retain revenue and control cost very well so the profit is higher than the prior year. The government project to provide high speed internet in Zone C group 4 North-Eastern Region 2 for the value of 2,248 MB with 5 years term generated revenue and profit for the year 2020 less than prior year due to the majority of revenue of Phase 1 has been recognized in year 2019 while the additional costs of amendment of installation of phase 1 was recognized in year 2020. These additional costs made this business generated loss in year 2020 which caused by the delay of delivery and inspection of work of the installment 2 and 3 of Phase 1. The delay arises from the force majeure which came from the tropical storm named "Podul" and "Kajiki" attacked in the north-east area during end of August till year-end of 2019 and the effect from the preventive measures of COVID-19 by the emergency decree during the beginning of year 2020. However, the Company has completely finished the implementation of Phase 1 already and the Company shall recognize the service revenue for almost 100% of phase 2 since December 1st, 2020. Then, year 2021, the Company will fully recognize revenue of phase 2 for the whole year and expect that the revenue and profit shall grow as planned in the next year.

For the year 2021, it is deemed a challenging year for the Group as the Company has the target to have more incoming government projects though the existing project has the repetitive revenue and profit for the next 5 years. Moreover, the Company has the plan to spin off Hinsitsu (Thailand) Public Company Limited, a subsidiary, and the IPO process shall finish within end of year 2021.

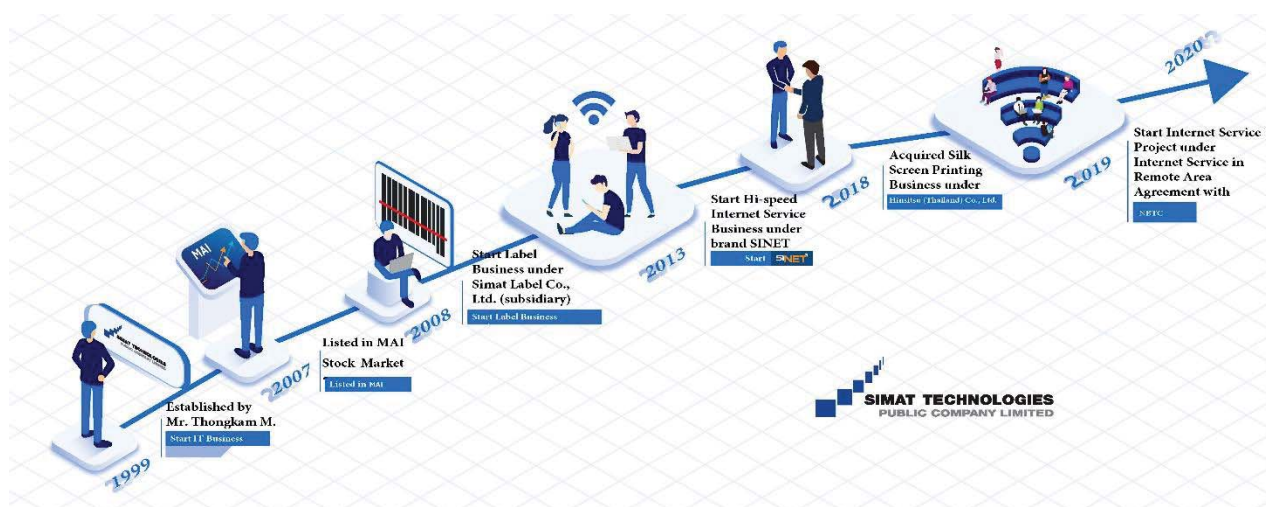
Utmost hope that all target in 2021 will receive well support from all Shareholders; and the Board including all staff is ready to dedicate our entire effort and endeavors to push Simat Technologies Public Company Limited steps forward to the goal purposed.



(Mr. Thongkam Manasilapapan)

Vice Chairman and Chairman of Executive Committee

Significant Change and Development



In 1999, the Company is established by Mr. Thongkam Manasilapapan under the name “Simat Mobile Computer” which engages in sales of mobile computer business and then the business expands to become the Total Information Technology Solution Services under the name “Simat Technologies Public Company Limited”.

In 2007, the Company is listed in the MAI Stock Exchange.

In 2008, the Company established Simat Label Company Limited (“Subsidiary”) in which the Company holds 86 percent of its shares at present. This subsidiary engages in business of manufacturing and sales of label products.

In 2008, the Company also expands its business to Vietnam by investing in Sino Trading and Services Corporation (“Associate”) in which the Company holds 40% of its shares for expanding its market to Vietnam.

In 2013, the Company expands to the broadband business to provide the Hi-Speed internet services through FTTx network for the cuty area of Nakornratchasima and Chiangmai provinces under the brand “Si-net”.

In 2018, the Company expanded to Silk Screen printing business by investment in acquisition shares of Hinsitsu (Thailand) Co., Ltd. at 70% of total common shares.

In 2019, the Company has started providing high speed internet service under the contract to provide hi-speed internet in remote area in Northeastern with NBTC.

In 2020, the company has delivered Phase 1, 1st - 3rd installments for the project, the high speed internet service in remote areas of the Northeast. In addition, it has officially opened the Phase 2 of the project.

Board of Directors

**Mr. Thawatchai Arunyik****Chairman of the Board of Directors**

Percentage of Shareholding: 0%

Specialized Experience: Business Administration

Family Relationship among Management: -None-

Participation in Board of Directors Meeting in 2020: 6/7

Remark: According to resolution of the Board of Directors' Meeting no. 1/2020 on February 28, 2020; Mr. Thawatchai Arunyik was appointed to be Director as replacement of Mr. Narat Saraman, who resigned on November 20, 2019 and appointed to be Chairman of the Board of Directors as well effective since February 28, 2020 onward.

Education :

- Bachelor of Science, University of the East, Manila, Philippines

Work Experience:

Period	Position	Institute / Company
2020 - Present	Chairman of the Board of Directors	Simat Technologies PLC
2018 - Present	Independent Director	MCOT PLC
2014 - Present	Independent Director/ Chairman of Remuneration Committee	Airports Authority of Thailand PLC
2018 - Present	Independent Director	Designated Areas for Sustainable Tourism Administration
2014 - 2015	Chairman of the Board of Directors	Thailand Privilege Card Co., Ltd.
2014 - 2015	Governor	Tourism Authority of Thailand
2010 - 2014	Deputy Governor – Domestic Marketing	Tourism Authority of Thailand


Mr. Thongkam Manasilapapan
Vice Chairman of the Board of Directors

Percentage of Shareholding: 11.70% (including related person(s))

Authorized Director who sign to bind the Company as specified in affidavit

Specialized Experience: Expert in IT Business

Family Relationship among Management: -None-

Participation in Board of Directors Meeting in 2020: 7/7

Remark: According to resolution of the Board of Directors' Meeting no. 1/2020 on February 28, 2020; Mr. Thongkam Manasilapapan was appointed to be Vice Chairman effective since February 26, 2018 onward.

Education:

- Bachelor of Engineering (Civil Engineering), South East Asia University
- Certificate of Managing Information System (Cert. MIS) University of California), USA
- Executive MBAs, Chulalongkorn University
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work Experience:

Period	Position	Institute / Company
2020 - Present	Vice Chairman of the Board of Directors	Simat Technologies Public Company Limited
1999 - Present	Chairman of the Board of Directors / Chairman of Executive Committee	Simat Technologies Public Company Limited
1995 - 2021	Director	S. Siri Transport Co., Ltd.
2008 - 2019	Director	Simat Label Co., Ltd.
2008 - Present	Director	Sino Trading & Service Corp.
2009 - 2019	Director	E-Tech IT Sdn., Bhd.
2009 - 2021	Director	Simat Telecom Co., Ltd.

**Mr. Thammanoon Korkiatwanich****Director**

Percentage of Shareholding: 0.11% (including related person(s))

Authorized director who can sign on behalf of the Company according to the affidavit

Specialized experience: expert in accounting, finance and financial audit

Relationship among management: None

Participation in Board of Directors Meeting in 2020: 7/7

Education:

- BBA (Accounting), Assumption University
- MBA, National Institute of Development Administration (NIDA)
- Certified Public Accountant, License no. 7331
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Institute / Company
2010 - present	Director / Executive Director	Simat Technology Plc.
2006 - Present	Chief Financial Officer	Simat Technology Plc.
2018 - 2021	Director	Hinsitsu (Thailand) Plc.
2019 - 2021	Director	Hinsitsu Precision (Thailand) Co., Ltd.
2008 - 2021	Director	Simat Label Co., Ltd.
2009 - 2021	Director	Simat Telecom Co., Ltd.
2020 - Present	Director	RG Tech Simat Co., Ltd.
2005 - 2006	Audit Manager	PricewaterhouseCoopers ABAS Co., Ltd.
1999 - 2005	Auditor Assistant	PricewaterhouseCoopers ABAS Co., Ltd.

**Mr. Thanayous Kositsakul****Director**

Percentage of Shareholding: 0.06% (including related person(s))

Specialized experience: expert in Financial and Management

Relationship among management: None

Participation in Board of Directors Meeting in 2020: 5/7

- Education:

- Master Degree in Master of Science in Finance, University of Colorado at Denver, USA
- BBA Faculty of Commerce and Accountancy Chulalongkorn University

Work experience:

Period	Title	Institute / Company
2018 - Present	Director	Simat Technologies PLC
2015 - Present	Managing Director	Toyota GND Chonburi Co., Ltd.
1998 - Present	Managing Director	Toyota Charoenkha (1961) Co., Ltd.
2012 - Present	Managing Director	KH Cycle (Thailand) Co., Ltd.
2009 - Present	Managing Director	T.A.F.F. Co., Ltd.

**Mr. Teeranut Thangsatapornpong****Director**

Percentage of Shareholding: 0% (including related person(s))

Authorized Director who sign to bind the Company as specified in affidavit

Specialized experience: expert in investment

Relationship among management: None

Participation in Board of Directors Meeting in 2020: 6/7

Education:

- Master Degree in Master's Degree of Arts (Economics), Thammasat University
- Bachelor Degree of Arts (Economics), Thammasat University
- Certified Investment and Securities Analyst (CISA) Securities Analysts Association, Thailand
- Training in Director Certification Program (DCP), Thai Institute of Directors

Work experience:

Period	Title	Institute / Company
2018 - present	Director	Simat Technology Plc.
2019 - present	Director	Simat Label Company Limited
2019 - present	Director	Hinsitsu Precision (Thailand) Co., Ltd.
2018 - present	Director / Chairman of the Risk Management Committee / Executive Director / Chief Financial Officer	Hinsitsu (Thailand) Plc.
2017 - present	Audit Committee / Independent Director	Filter Vision Plc.
2015 - present	Audit Committee / Independent Director	Chayo Group Plc.
2015 - 2016	Assistant Managing Director	KTB Securities (Thailand) Company Limited
2011 - 2015	Chief Financial Officer	Globlex Securities Company Limited
2010 - 2011	Senior Director of Finance	Securities companies For Securities
2010	Senior Director, Investment Banking	Business Public Company Limited
2002 - 2010	Chief Investment Officer	KT Zimico Securities Company Limited
1999 - 2002	Fund manager	Wattanacherdchu Company Limited
1996 - 1999	Stock analyst	B-Fit Securities Public Company Limited

**Mr. Boonlerd lewpornchai****Director**

Percentage of Shareholding: 0% (including related person(s))

Specialized experience: expert in the business of information technology.

Relationship among management: None

Remark: According to resolution of the Board of Directors' Meeting no. 1/2021 on February 24, 2021; Mr. Boonlerd lewpornchai was appointed to be Director replacement of Gen. Vidhya Chovichien effective since February 24, 2021 onward.

Education:

- Master of Engineering (Industrial Engineering), Chulalongkorn University
- Master of Business Administration (Finance) Kasetsart University
- Bachelor of Laws Thammasat University
- Bachelor of Engineering (Industrial Engineering) Kasetsart University

Work experience:

Period	Title	Institute / Company
2021 - present	Director / Chief Executive Officer	Simat Technology Plc.
2017 - present	Audit Committee	Ocean Commerce PCL.
2020 - 2021	Executive Director / Deputy Chief Executive Officer	One To One Contacts PCL.
2019 - 2020	Executive Director / Chief Financial Officer	Inter Far East Energy Corporation Plc.
2010 - 2020	Audit Committee	Sky ICT Plc.
2016 - 2017	Chief Financial Officer	Equator Solar Co., Ltd.
2010 - 2016	General manager	Vita Food Factory (1989) Co., Ltd.

**Mr. Panom Ratanarat****Director**

Percentage of Shareholding: 0% (including related person(s))

Specialized experience: expert in financial and accounting

Relationship among management: None

Remark: According to resolution of the Board of Directors' Meeting no. 1/2021 on February 24, 2021; Mr. Panom Ratanarat was appointed to be Director replacement of Mr. Narongrit Rerkpatanapipat effective since February 24, 2021 onward.

Education:

- Master of Business Administration Ramkhamhaeng University
- Bachelor of Business Administration (Finance and Banking Branch) Ramkhamhaeng University
- Director Accreditation Program (DAP) training from the Thai Institute of Directors Association

Work experience:

Period	Period	Period
2021 - present	Company Directors	Simat Technology Public Company Limited
2021 - present	Independent Director and Audit Committee	MPG Corporation Public Company Limited
2020 - Present	Company Directors	One To One Contacts Public Company Limited
2019 - 2020	Director and Executive Director	Ubis Asia Public Company Limited
2018 - present	Company Directors	TMC Industry Public Company Limited
2014 - 2017	Director of Debt	RHB Securities (Thailand) Public Company Limited
2010 - 2002	Loan Officer	Bank of Ayudhya Public Company Limited

**Mr. Tanawat Ueasiripan****Director**

Percentage of Shareholding: 0.0002% (including related person(s))

Specialized experience: expert in the business of information technology.

Relationship among management: None

Remark: According to resolution of the Board of Directors' Meeting no.1/2021 on February 24, 2021; Mr. Tanawat Ueasiripan was appointed to be Director replacement of Mr. Worachai Charoenprasittiporn effective since February 24, 2021 onward.

Education:

- Bachelor of Business Administration in Management University of the Thai Chamber of Commerce

Work experience:

Period	Period	Period
2021 - present	Director	Simat Technology Plc.
2021 - present	Director	One To One Contacts Plc.
2004 - 2018	Sales and purchasing manager	Anju Enterprise (Thailand) Co., Ltd.
2004 - 2018	Purchasing Manager	China Diamonds (Hong Kong) Co., Ltd.
2004 - 2018	Managing Director	China-Cut Company Limited

**Ranchana Rajatanavin, Ph.D.****Independent Director / Chairman of Audit Committee**

Percentage of Shareholding: 0%

Specialized experience: expert in finance and banking

Relationship among management: None

Participation in Board of Directors Meeting in 2020: 7/7

Participation in Audit Committee Meeting in 2020: 4/4

Education:

BBA (Finance and Banking), Ramkhamheng University

M.B.A. (Business Administration) Salem State College, Massachusetts, U.S.A.

- Ph.D. (International Business) Concentration: Finance and Marketing, Asian Institute of Technology, Thailand
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Institute / Company
2007 – Present	Chairman of Audit Committee	Simat Technologies PLC
Nov' 2017 - Present	Director	AQ Village Co., Ltd.
Nov' 2017 - Present	Director	AQ Property Management Co., Ltd.
Nov' 2017 - Present	Director	AQ Marketing Service Co., Ltd.
Nov' 2017 - Present	Director	Aquarius Estate Co., Ltd.
Nov' 2017 - Present	Director	Aquarius Hotel and Resort Co., Ltd.
Nov' 2017 - Present	Director	Villa Nakarin Co., Ltd.
Nov' 2017 - Present	Director	Baanchidtara Co., Ltd.
Nov' 2017 - Present	Director	Thanon Property Co., Ltd.
Nov' 2017 - Present	Director	Vitoonthanakorn Co., Ltd.
Nov' 2017 – Present	Director	Freezone Asset Co., Ltd.
Feb' 2019 – May' 2019	Special Instructor	Sripathum University
Jun' 2017 – Jan' 2019	Director of Business Incubator	Sripathum University
Jun' 2017 – Nov' 2017	Head of Finance	Sripathum University
Oct' 2015 - Present	Director	AQ Estate PCL.
2005 – May'09	Head of Finance and Banking	Faculty of Business Administrative, Sripathum University
2004 – 2005	Professor of Finance and Banking	Faculty of Business Administrative, Sripathum University

Nature of relationship

Number of Company's share holding: None

To have/have not interest in Parent / Subsidiary / Associate or juristic person with Conflict of interest at Present and during the past 2 years

- As the director participated in management, employee, worker or consultant who receives the salary: None
- As the professional service provider: None
- Business relationship: None

Act as a Director/Others at Present

- Other Listed Companies: Yes
- Non-Listed Companies: Yes
- Other juristic person with Conflict of interest: None

Executive Management

**Mr. Thongkam Manasilapapan****Chairman of Executive Committee**

Percentage of Shareholding: 11.70% (including related person(s))

Authorized Director who sign to bind the Company as specified in affidavit

Specialized Experience: Expert in IT Business

Family Relationship among Management: -None-

Education:

- Bachelor of Engineering (Civil Engineering), South East Asia University
- Certificate of Managing Information System (Cert. MIS) University of California), USA
- Executive MBAs, Chulalongkorn University
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work Experience:

Period	Position	Institute / Company
2020 - Present	Vice Chairman of the Board of Directors	Simat Technologies Public Company Limited
1999 - Present	Chairman of the Board of Directors / Chairman of Executive Committee	Simat Technologies Public Company Limited
1995 - 2021	Director	S. Siri Transport Co., Ltd.
2008 - 2019	Director	Simat Label Co., Ltd.
2008 - Present	Director	Sino Trading & Service Corp.
2009 - 2019	Director	E-Tech IT Sdn., Bhd.
2009 - 2021	Director	Simat Telecom Co., Ltd.

**Mr. Boonlerd lewpornchai****Chief Executive Officer**

Percentage of Shareholding: 0% (including related person(s))

Specialized experience: expert in the business of information technology.

Relationship among management: None

Remark: According to resolution of the Board of Directors' Meeting no. 3/2021 on March 10, 2021; Mr. Boonlerd lewpornchai was appointed to be Chief Executive Officer effective since March 11, 2021 onward.

Education:

- Master of Engineering (Industrial Engineering), Chulalongkorn University
- Master of Business Administration (Finance) Kasetsart University
- Bachelor of Laws Thammasat University
- Bachelor of Engineering (Industrial Engineering) Kasetsart University

Work experience:

Period	Title	Institute / Company
2021 - present	Director / Chief Executive Officer	Simat Technology Plc.
2017 - present	Audit Committee	Ocean Commerce PCL.
2020 - 2021	Executive Director / Deputy Chief Executive Officer	One To One Contacts PCL.
2019 - 2020	Executive Director / Chief Financial Officer	Inter Far East Energy Corporation Plc.
2010 - 2020	Audit Committee	Sky ICT Plc.
2016 - 2017	Chief Financial Officer	Equator Solar Co., Ltd.
2010 - 2016	General manager	Vita Food Factory (1989) Co., Ltd.

**Mr. Tanawat Ueasiripan****Chief Operating Officer**

Percentage of Shareholding: 0.0002% (including related person(s))

Specialized experience: expert in the business of information technology.

Relationship among management: None

Remark: According to resolution of the Board of Directors' Meeting no. 3/2021 on March 10, 2021; Mr. Tanawat Ueasiripan was appointed to be Chief Operating Officer effective since March 11, 2021 onward.

Education:

- Bachelor of Business Administration in Management University of the Thai Chamber of Commerce

Work experience:

Period	Period	Period
2021 - present	Director	Simat Technology Plc.
2021 - present	Director	One To One Contacts Plc.
2004 - 2018	Sales and purchasing manager	Anju Enterprise (Thailand) Co., Ltd.
2004 - 2018	Purchasing Manager	China Diamonds (Hong Kong) Co., Ltd.
2004 - 2018	Managing Director	China-Cut Company Limited

**Mr. Thammanoon Korkiatwanich****Chief Financial Officer**

Percentage of Shareholding: 0.11% (including related person(s))

Authorized director who can sign on behalf of the Company according to the affidavit

Specialized experience: expert in accounting, finance and financial audit

Relationship among management: None

Education:

- BBA (Accounting), Assumption University
- MBA, National Institute of Development Administration (NIDA)
- Certified Public Accountant, License no. 7331
- Training in Director Accreditation Program (DAP), Thai Institute of Directors

Work experience:

Period	Title	Institute / Company
2010 - present	Director / Executive Director	Simat Technology Plc.
2006 - Present	Chief Financial Officer	Simat Technology Plc.
2018 - 2021	Director	Hinsitsu (Thailand) Plc.
2019 - 2021	Director	Hinsitsu Precision (Thailand) Co., Ltd.
2008 - 2021	Director	Simat Label Co., Ltd.
2009 - 2021	Director	Simat Telecom Co., Ltd.
2020 - Present	Director	RG Tech Simat Co., Ltd.
2005 - 2006	Audit Manager	PricewaterhouseCoopers ABAS Co., Ltd.
1999 - 2005	Auditor Assistant	PricewaterhouseCoopers ABAS Co., Ltd.


Ms. Tasanaporn Yodmongkol
Deputy Chief Financial Officer

Percentage of Shareholding: 0% (including related person(s))

Specialized experience: expert in the Financial and accounting

Relationship among management: None

Remark: According to resolution of the Board of Directors' Meeting no. 3/2021 on March 10, 2021; Ms. Tasanaporn Yodmongkol was appointed to be Deputy Chief Financial Officer effective since March 11, 2021 onward.

Education:

- Master of Business Administration (Marketing), Kasetsart University
- Bachelor of Accounting, Ramkhamhaeng University
- Bachelor of Science (Agricultural and Resource Economics), Kasetsart University

Work experience:

Period	Period	Period
2021 - present	Deputy Chief Financial Officer	Simat Technology Plc.
2017 - present	Auditor Assistant	R.K Pro Audit Co., Ltd.
2019 - 2020	Finance Director	Sky ICT Plc.
2010 - 2019	Finance Director	Karn Corn Co., Ltd.
2014 - 2016	Finance Director	Vita Food Factory (1989) Co., Ltd.

**Mr. Nattachai Prasertwongkool****Senior Vice President – Sales & Marketing**

Percentage of Shareholding: 0% (including related person(s))

Specialized experience: expert in Governmental Project

Relationship among management: None

Education:

- Master in Engineering (Telecommunication), Kasetsart University

Work Experience:

Period	Position	Institute / Company
2019 - Present	Senior Vice President – Sales & Marketing	Simat Technologies PLC
2019 - Present	Secretary General – Fiscal Budget Monitoring Commission	Senator
2018 – Present	Chief Marketing Officer	OICE AUTOMATION LIMITED
2017 – Present	Entrepreneur	Box Sixteen Cafe

**Mr. Thanapon Pansarakam****Senior Vice President - IT**

Percentage of Shareholding: 0% (including related person(s))

Specialized experience: expert in IT Business

Relationship among management: None

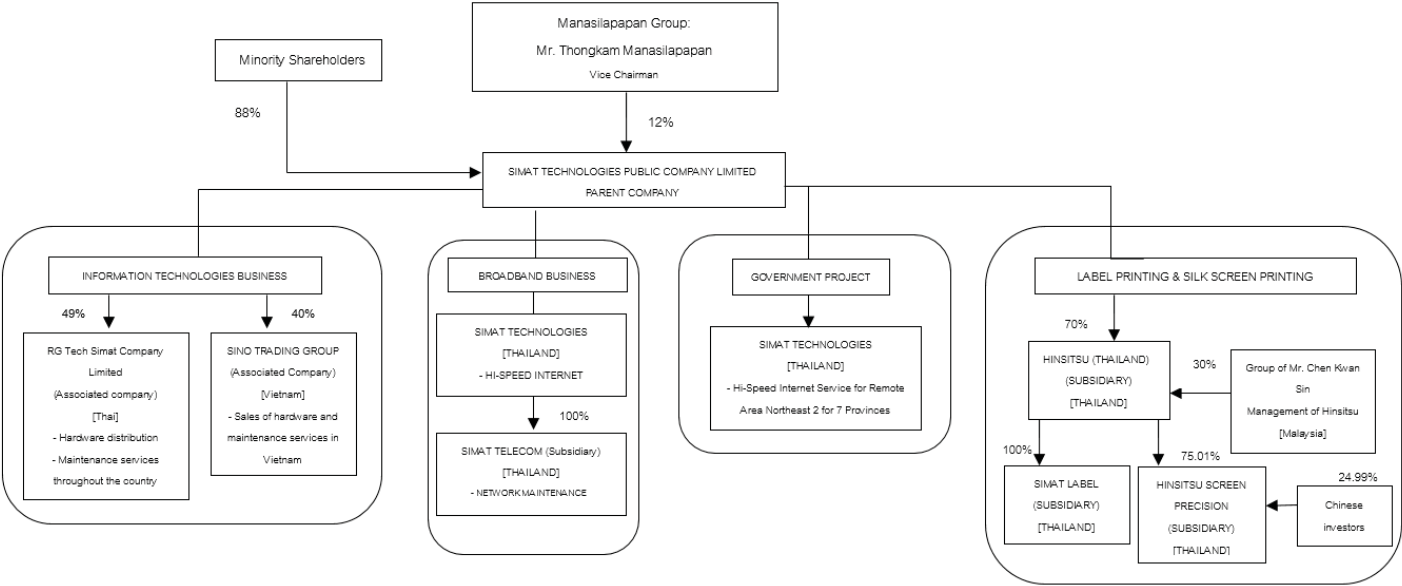
Education:

- Bachelor of Engineering (Computer Engineering) Rajamangkala University of Technology Isan
- Training New Entrepreneurs Creation : NEC), Department of Industrial Promotion

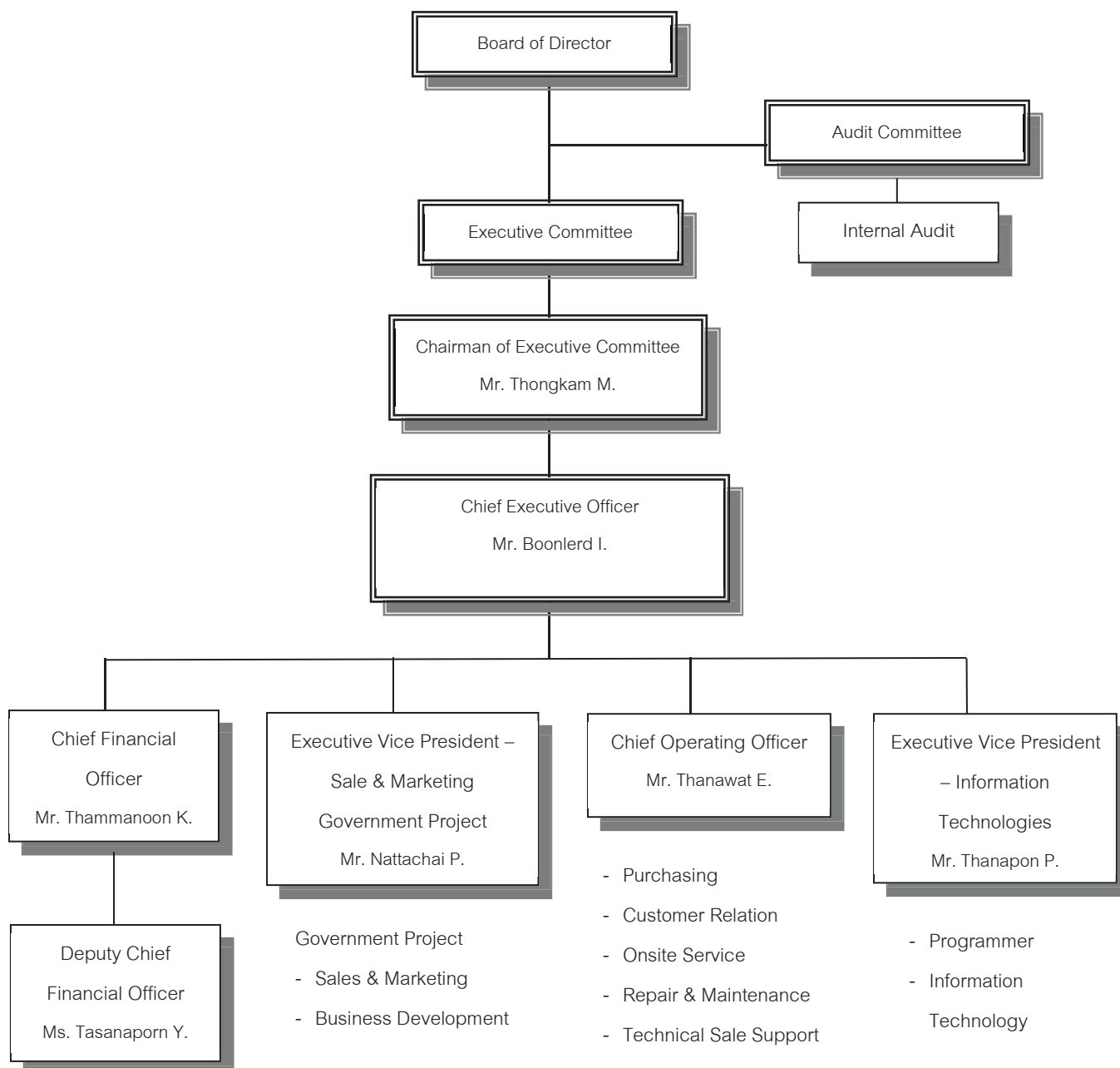
Work Experience:

Period	Position	Institute / Company
2019 - Present	Executive Director	Simat Technologies PLC
2015 - Present	Project Manager	Simat Technologies PLC
2017 - 2018	Software Development Manager	Simat Soft Co., Ltd.
2014 - 2015	Chief Technology Officer	Speed Plus Solution Co., Ltd.
2011 - 2013	Programmer	Simat Soft Co., Ltd.

Shareholding Structure of Company and subsidiaries



Organization Chart



Head Office

- Accounting & Finance
- Admin & HRM
- Inventory
- Investor Relation

Major Shareholders and Dividend Policy

Top ten of shareholders and the amount of shares on the closing registration date as of March 16, 2021.

Item	Shareholders	No. of shares	%
1	Mr. Thongkam Manasilapapan	37,795,729	7.16%
2	Mr. Nattapong Seetavorarat	34,000,000	6.44%
3	Mr. Pinyo Rukhaphanmethee	27,239,000	5.16%
4	SPK Center Company Limited	25,000,000	4.74%
5	Miss Pantharee Manomaiphan	23,003,800	4.36%
6	Ms. Chutikan Manasilapapan	21,004,905	3.98%
7	Mr. BoonEua ChitThanom	18,707,500	3.55%
8	Mr. Suwit Cheewatham	18,625,000	3.53%
9	Mrs. Sasitorn Phong-on	17,330,000	3.28%
10	Thai NVDR Company Limited	13,048,527	2.47%
	Other shareholders	291,862,328	55.32%
	Total	525,513,051	100.00%

Simat Technologies Public Company Limited has a policy to declare dividends to shareholders at the rate of not less than 50 percent of net profit after deduction of corporate income tax and reserves according to the law. However, the Company may declare dividends at the rate lower than what was mentioned above if it is necessary for the Company to use such net profit for expansion of the Company's operation.

Nature of Business

Business Structure

Broadband Internet Services	Governmental Project Services	Silk Screen Printing Business		Label Printing Business	Total Information Technologies Solution Services
Simat Technologies PCL.		Hinsitsu (Thailand)	Hinsitsu Precision	Simat Label	RGTECH Simat
The Parent Company		Subsidiary (70% Shareholding)	Subsidiary (78.27% Shareholding by Hinsitsu)	Subsidiary (100% Shareholding by Hinsitsu)	Associated (49% Shareholding)

Nature of Products or Services

Total Information Technology Solution Services

The Company provides services of the Total Information Technology Solution by sales of computer hardware, software development and nationwide maintenance services. The target customer groups are the retail business, warehouse, logistics, manufacturing and government project which require the efficient information collection technologies.

- (1) Group of hardware products and software sold together with said hardware. Principal hardware products that the Company provides are mobile or hand-held computers and devices that support barcode and RFID technologies. Hardware devices that the Company provides have operating system for stand-alone usage. The Company has developed particularized software which is MobileNet system. This software enables hand-held computers of the Company to connect with customer's database and other computers from long distance. Typically, the Company will sell MobileNet together with hardware of the Company.
- (2) Group of software products engaged by Simat Soft (subsidiary) focus on software development by design and analysis the program based on the need of particular customers (customized software) including with the software relating to the information technologies which help gather information real time and accurate especially the information about inventories or any other assets with a large number of items and difficult to audit and help organization to manage business efficiently. Simat Soft has the tax privileges under BOI for exemption of corporate income tax for 8 years. BOI and SIPA has the policy to support either government or private sector to develop software to support the expansion of IT market.
- (3) Business of maintenance service providing for hardware device and software sold by the Company and also maintenance of customers' computer devices used with products sold by the Company.

Manufacturing and sales of label product

Label business is engaged by Simat Label (subsidiary) to provide services of design, develop and conversion of printed objects with glue for customer in manufacturers of electric appliance and electronics with provision and development of specific raw materials and design of production process to meet the specific requirements of the customer need. Revenue is continuous revenue from customer's repetitive order / The order increases as the customer's sale increases since the printed object with glue is attached at the customer's product / Profit is higher than sales of low grade or low price label as the company's product is unique by customer's need such as heat resistance, elastic or low level of tolerance. The target customer group is the manufacturers of smart phones, electric appliances and electronic parts.

Manufacturing and sales of Silk Screen product

Silk Screen printing business operated by Hinsitsu (Thailand) Co., Ltd. (Subsidiary) provides design, develop and produce Silk Screen and sticker label used in Electrical Appliance, electronics and communication equipment for customers in Electrical Appliance and electronics industries by supply and develop raw material as well as design manufacturing process for specific products as required by customers. Revenue is repetitive order since products deemed a part of Electrical Appliance and electronics parts, which must obtain regular orders up to sales volume of products. Customer groups are Electrical Appliance and electronics equipment business.

Broadband business

Broadband business which provides the hi-speed internet through optical fiber network (FTTx) for city of Nakornratchasima, Chiangmai, Khonkaen and Bangkok Metropolitan under the brand of "Sinet". The target customers are home-use consumer and Small and medium enterprise (SME).

Governmental Project Business

The Company entered into the contract of Project "High Speed Internet in Remote Area (Zone C) Group 4 Northeastern 2" with National Broadcasting and Telecommunication Commission ("NBTC") at project value of 2,248 MB with project details summarized as follows:

Project Name:	High Speed Internet in Remote Area (Zone C) Group 4 Northeastern 2
Target Area:	Comprises of Kalasin, Mahasarakham, Yasothorn, Roi-Ed, Srisaket, Amnat Charoen and Ubon Ratchathani
Project Value:	2,248 MB
Scope of Work:	Divided into 5 categories as follows: <ol style="list-style-type: none"> 1) Provide service of public wi-fi in target villages 2) Provide service center building of high speed internet for Universal Service Obligation (USO Net) 3) Provide service room of high speed internet for Universal Service Obligation (USO Wrap) 4) Provide service of public high speed internet for schools

- 5) Provide service of public high speed internet for Tambon Health

Promotion Hospital

Operation Period: Divided into 3 Phases as follows

- 1) Phase 1 Provide service equipment, installation, test run before services (300 days)
- 2) Phase 2 Continuous Management and Maintenance for 5 years (60 month)
- 3) Phase 3 Delivery equipment after the end of Phase 2 (60 days)

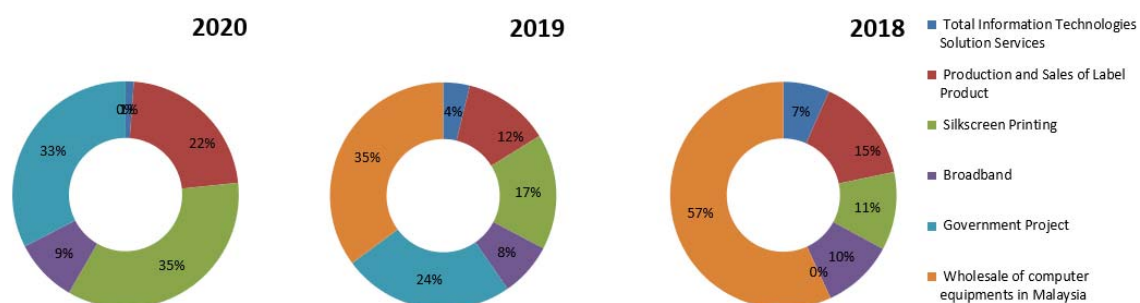
Revenue Recognition: Start revenue recognition in Quarter 1/2019 onwards.

Nature of Business

Business segment	Country	Operate by	% Holding	Nature of business	Nature of revenue and profit	Main customer group
Total Information Technologies Solution Services	Thailand	RGTECH Simat (Associated)	49%	To provide total Information Technologies services including sales of hardware, software development and nationwide maintenance services	Revenue from sales of hardwares increases as the branch expansion increase of main customer group in retail business and the replacement of equipment / Fixed revenue from the maintenance contract / Project base revenue from both government and private project / With total solution including software development and nationwide maintenance services, profit is higher than sales of hardware only	Retail/ Transport and logistic/ FMCG / Manufacturing/ Government project
	Vietnam	SINO TRADING Group (Associate)	40%	Sales of hardwares and maintenance services		
Silkscreen Printing Business	Thailand	Hinsitsu (Thailand)	70%	A manufacture of Silk-Screen Printing Product such as a control panel of electric appliance for microwave, washing machine, etc.	Continuous revenue from customer's repetitive order / The order increases as the customer's sale increases / High margin products with high skilled and high printing technologies	Manufacturers of electric appliances
	Thailand	Hinsitsu Precision (Thailand) (78.27% Shareholding by Hinsitsu)	55%	Business sticker production Buy and sell stickers, label, main plates and raw materials for making stickers.		
Label Printing Business	Thailand	Simat Label (Subsidiary)	86%	To provide services of design, develop and conversion of printed objects with glue for customer in manufacturers of electric appliance and electronics with provision and development of specific raw materials and design of production process to meet the specific requirements of the customer need	Continuous revenue from customer's repetitive order / The order increases as the customer's sale increases since the printed object with glue is attached at the customer's product / Profit is higher than sales of low grade or low price label as the company's product is unique by customer's need such as heat resistance, elastic or low level of tolerance	Manufacturers of electric appliances and electronic parts
Internet Broadband	Thailand	Parent Company	-	To provide high-speed internet through fiber optic network in area of Nakornratchasima, Chiangmai, Khonkaen and Bangkok Metropolitan under the brand "SINET"	Repetitive revenue or monthly revenue / Fixed cost is high such as depreciation and the first-time installation cost when first time customer applies / Profit will arise when the number of customer increases above the break-even point	Home-use consumer / Small and medium enterprise (SME)
		Simat Telecom (Subsidiary)	100%			
Government Project	Thailand	Parent Company	-	The contract with NBTC to provide high speed internet in remote area (Zone C) Group 4 Northeast 2. The project has 2 phase which are the Phase 1 to delivery & install the equipments and the Phase 2 to provide internet service & maintenance for 5 years	Revenue is divided into 2 categories. 1) Revenue recognition in Phase 1 is to recognize revenue according to the percentage of completion for the delivery and installation of equipment. 2) The repetitive revenue from internet service and maintenance for 5 years after Phase 1 is completed.	Government project

Revenue Structure

Revenue Structure by Business	Total Information Technologies Solution Services	Production and Sales of Label Product	Silkscreen Printing	Broadband	Government Project	Total Domestic	Wholesale of computer equipments in Malaysia	Total
Unit: Million Baht								
Year 2020	12 1%	226 22%	357 35%	93 9%	332 33%	1,020 100%	- 0%	1,020 100%
Year 2019	76 4%	249 12%	332 17%	154 8%	492 24%	1,303 65%	706 35%	2,009 100%
Year 2018	112 7%	256 15%	189 11%	174 10%	- 0%	731 43%	963 57%	1,694 100%



Industrial Outlook and Competitive Environment

Information technology market in Thailand

- (1) Computer Hardware Market compose of many devices such as desktop computer, notebook, printer, scanner and monitor.
- (2) Computer software market compose of many computer software programs include packaged software and outsourced software
- (3) Computer services market such as computer rental services, hardware consulting services, data processing services, other data processing activities services and other services

By half-year of 2020, the business of computer services were expected to be stable due to business entrepreneurs delayed their investment of information technology as concern of COVID-19 and it is expected that the demand of computer services will grow during half-year of 2021 from the support of digital business transformation.

The issue to be followed up are the effect of COVID-19. If this issue is not resolved, the business entrepreneurs will delay the IT investment plan.

Supporting Factors

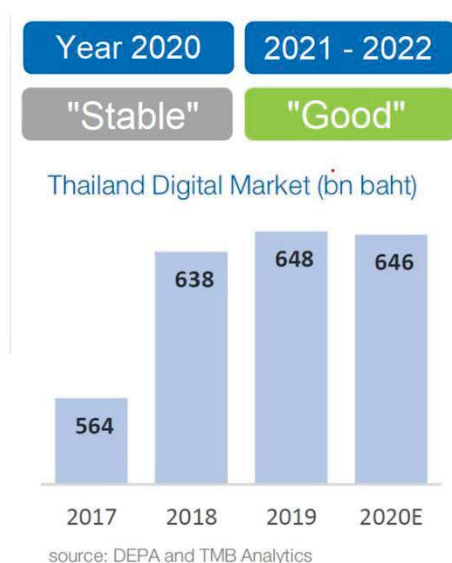
- ☐ Thailand 4.0 government policy will improve Thailand IT market to accommodate digital economy.
- ☐ The development of 5G technology will drive the growth of IT business for commerce such as medical and automotive and the growth of demand of Smart Device.
- ☐ Demand of IT increases as trend of work from home from COVID-19 increases.

Risk Factors

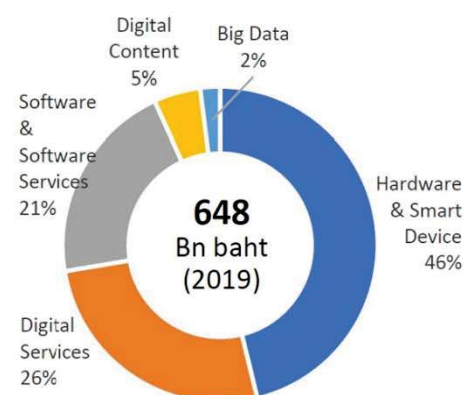
- ☐ World Economy Recession
- ☐ The effect of COVID-19 on the Global Supply Chain which make the delay of electronic parts of ICT export
- ☐ The reliance on foreign technologies
- ☐ Lack of ICT labor in Thailand

The trend of Computer Services market is growing but the risk factor may delay the IT investment in the next 6 – 12 months

- ☐ Computer Service Business consists of Software Consulting, Website Developer, Data Center, Cloud Computer, Digital Content and other relevant services
- ☐ Computer Service Business plays a major role in ICT industry as they are the important key to transform Thailand development “Thailand 4.0” and the digital hub of ASEAN as targeted by the government
- ☐ The development of ICT to 5G generation and the policy to support Digital Park Thailand: EECd in the area of Eastern Economic Corridor (EEC) as the incubated place for learning, development and collection of leading technologies of Thailand will support the growth of Computer Service Business due to 5G will drive the demand of Software Consulting, Website Developer, Data Center, Cloud Computer, Digital Content and other relevant services to grow.



Thailand Digital Market Structure (2019)



source: DEPA and TMB Analytics

Market Trend of Computer Service Business for year 2020 - 2022

- ☐ Year 2020 is expected that the Computer Service Business will be stable (during 0% - 2%) due to the effect of the decrease of demand from COVID-19. It is expected that in the next 6 – 12 months the demand will be stable from COVID-19 and the economy recession which will postpone the private sector's investment of IT for enhancement of production efficiency and market growth.
- ☐ After COVID-19 and economic recovery, the demand of computer service such as Software Consulting, Data Center, Cloud Computer and other relevant services will grow highly as driven by the full scope of

digital transformation supported by 5G technology and the drive of the change in behavior of the internet user and the online trade as the e-commerce transaction value reached THB 4.02 trillion in 2019.

☐ Year 2021 – 2022 is expected that the computer service business will grow 3 – 5% a year supported by the below supporting factors

1. Digital transformation for both governmental and private sectors
2. Apply of Cloud, Big data, AI and IOT technologies by business sector
3. The growth of Smart devices
4. The growth demand of Software Application
5. Thailand 4.0 Policy

☐ The service that serve the specific customer's need and the after sale service will be the key success as the competition among computer service providers is high.

In the Year 2020, the Company, therefore, performed business restructuring by establishing a new subsidiary joint-venture with Radiant Global tech Berhad (Malaysia) – a expertise in IT business, especially Point of Sale system in retail business obtaining hardware equipment and own-developed software as well as performing business in various countries in Southeast Asia e.g. Malaysia, Vietnam and Cambodia. The joint-venture with Radiant Global tech will support IT business and customer base expansion for the Company Group.

The Broadband Business in Thailand

Fixed Broadband Internet Market

Number of internet subscribers



As at end of Quarter 3 year 2020, there are fixed broadband internet users about 11.27 million subscribers which increase from prior quarter about 3.30%



Penetration rate of Hi-speed internet, there was gradually increasing trend by 49.8% of household at end of quarter 3/2020 which decreased from prior quarter 0.29%. Fiber optical connection has the highest proportion at 57.64% of the total connection following by xDSL at 34.64%, Cable broadband at 6.19% and other connection at 1.54%.

Internet subscriber, Penetration rate of interest per household and Portion of Internet Connection

	3Q2562	4Q2562	1Q2563	2Q2563	3Q2563	% Change YoY	% Change QoQ
Hi-Speed Internet Subscribers (million subscribers)	9.86	10.10	10.26	10.91	11.27	14.30%	3.30%
% of fixed line per population	14.5%	14.9%	15.1%	16.1%	16.0%	10.33%	-0.29%
% of fixed line per household	45.7%	46.2%	46.9%	49.9%	49.8%	8.80%	-0.29%
Portion of Hi-Speed internet connection separate by type of connection							
Cable Broadband	10.00%	8.90%	8.03%	7.05%	6.19%	-38.12%	-12.17%
Fiber optical	54.69%	51.74%	53.60%	55.62%	57.64%	5.38%	3.62%
Others	1.82%	1.76%	1.69%	1.61%	1.54%	-15.43%	-4.73%
xDSL	33.49%	37.60%	36.68%	35.72%	34.64%	3.44%	-3.03%

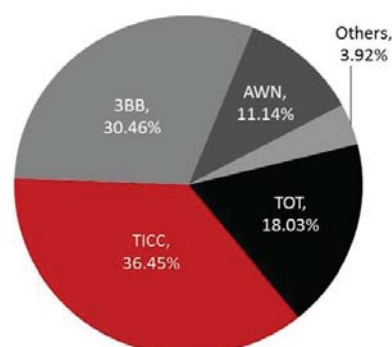
Source : Telecommunications Policy and Resources Management Bureau / Frost & Sullivan (Thailand)

Market Structure, Market Share and Competition Level

For retail market for high speed internet, there are 4 main competitors comprise of

- 1) True Internet Corporation (TICC)
- 2) TOT Public Company Limited (TOT)
- 3) Triple Three Broadband PLC "3BB"
- 4) Advance Wireless Network Co., Ltd. (AWN)

Market Share from number of subscribers found that at the end of Q3/ 2020, TICC got the highest at 36.45%, followed by 3BB at 30.46%, TOT at 18.03%, and AWN at 11.14% respectively, Besides, the others minors



Market share of Hi-Speed Internet
Source: Telecommunications Policy and Resources Management Bureau

HHI Index 2,721
(increase 0.35% QoQ)

competitors totally got market share at approx. 3.92%.

For **HHI Index** of Hi-speed internet market, it slightly declined 0.35% to 2,721 point at the end of Q3/2020.

Market Share of Fixed Broadband Internet and HHI Index

	3Q2562	4Q2562	1Q2563	2Q2563	3Q2563	% เปลี่ยนแปลง YoY	% เปลี่ยนแปลง QoQ
Market Share of Fixed Broadband Internet							
TOT	16.07%	16.25%	15.87%	17.61%	18.03%	12.25%	2.40%
TICC	37.49%	37.61%	37.61%	36.60%	36.45%	-2.79%	-0.41%
3BB	32.38%	31.45%	31.55%	30.71%	30.46%	-5.95%	-0.82%
AWN	9.50%	10.27%	10.62%	11.02%	11.14%	17.31%	1.13%
Others	4.55%	4.42%	4.34%	4.06%	3.92%	-13.99%	-3.59%
Herfindahl-Hirschman Index (HHI)	2,824	2,793	2,794	2,730	2,721	-3.64%	-0.35%

Source: Telecommunication Policy and Resources Management Bureau

Revenue from hi-speed internet service

- The Total Revenue of Hi-Speed Internet is Baht 18,400 million which increased from prior quarter about 2.79%
- Average revenue per month per number is about Baht 523 decreased from prior quarter about 1.09%
- Average package price is about Baht 3.81 per Mbps equivalent to prior quarter.

	3Q2562	4Q2562	1Q2563	2Q2563	3Q2563	% Change YoY	% Change QoQ
Revenue of Fixed Broadband Internet (MB)	17,700	18,200	17,400	17,900	18,400	3.95%	2.79%
FTTX (Baht/Mbps)	4.87	4.09	3.76	3.81	3.81	-21.67%	0.00%
Average Revenue per Month per Number (Baht/Month)	588	591	551	528	523	-11.13%	-1.09%
TOT	590	620	528	474	454	-23.00%	-4.22%
TRUE	573	567	533	530	534	-6.81%	0.75%
3BB	640	643	629	620	618	-3.44%	-0.32%
AWN	549	533	514	489	484	-11.84%	-1.02%

Source: Telecommunication Policy and Resources Management Bureau

Overview of Broadband Internet Business of the Company in 2020, there was lower sales volume due to high competitive of consumer market overview of Fixed Broadband and lower demand in the market including risk in technology change. Besides, there was trend of lower revenue per month and lower average service charge, consistent with business plan of the Company requiring to decrease Broadband business in consumer market as well as stop this business in the Year 2019 onward. By the Company will gradually decrease numbers of the employees with maintain the numbers for taking care of the existing customer base only. Some employees will be rotated to new business of the Company, which is Governmental Project. However, the Company will stop investing and downsize Broadband business in consumer market only by still expand business in business market

continually since this is a service rendered to corporate customers in type of long-term agreement and gain continuously fixed revenue.

In the Year 2020, the Company obtains strategies to perform Broadband Internet business as follows:

1. The Company focuses on improvement and maintain quality of internet signal as well as installation and after-sales service deemed as the core of business
2. The Company lays market position by not focusing on marketing by rendering low-price internet service, but requiring to place important on quality of well internet signal with not too much high price.
3. Downsize Broadband business in consumer market by gradually decrease numbers of the employees by maintain the numbers for taking care the existing customer base as well as focus on business expansion in business market continually since this is a service rendered to corporate customers in type of long-term agreement and gain continuously fixed revenue.
4. Expand B2C market to the area of Project Hi-Speed Internet in remote area at North-east for 7 provinces as the Company has finished the construction and installation. These areas have limited competitors and the market is no intense competition. The service shall started in May 2021.

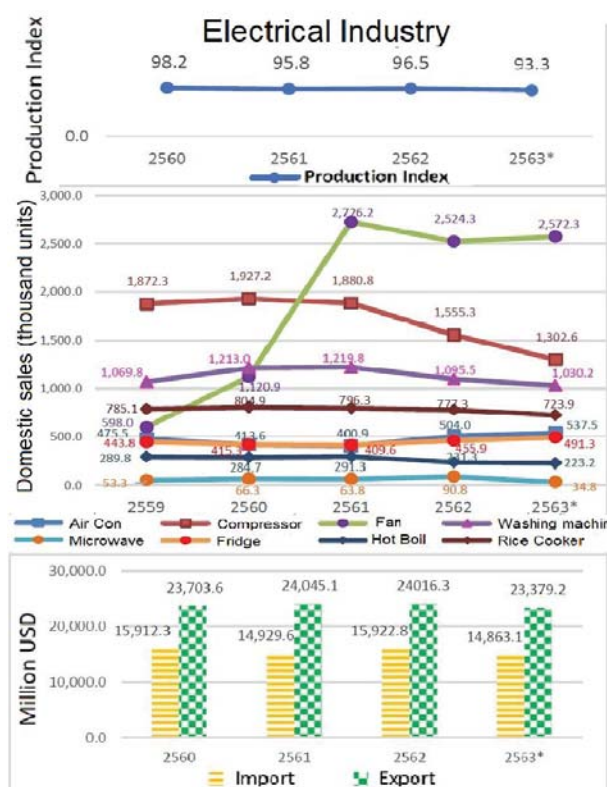
Label & Silkscreen market for electronic and Electrical Appliance manufacturing

Electrical Appliance Industry

Overall production in 2020* was declined about 3.3% when compared with 2019, from the decrease of air compressor, Fan, Air conditioner, Washing machine, Rice cooker and Microwave. The effect of COVID-19 made the decline of world economy and delay of purchase order.

Production Index, Import & Export Value of Electrical Appliances

Production of Electrical Appliances in 2020* was stable when compared with previous year by production index at 93.3%, decreased 3.3% (%YoY). In this regard, electrical appliances decreased e.g. compressor, fan, air con, rice cooker, microwave and washing machine decreased 14.7%, 12.3%, 8.4%, 5.6%, 1.2%, 1.2% and 0.3% respectively. Air con got decreased purchase order from overseas, especially China, Japan, ASEAN and EU market. For Fan got decreased production from purchase order from Japan, EU and ASEAN market. While increased products e.g. adaptor, cable, fridge and hot boiler increased 12.0%, 11.0%, 8.9% and 8.1% respectively due to increased domestic distribution and oversea purchase order, especially fridge



and adaptor which were exported to ASEAN, USA, China and Japan increased.

Domestic Sales In 2020*, the domestic sale decreased from prior year included microwave, compressor, motor, rice cooker, washing machine and hot boiler by 60.3%, 16.2%, 8.5%, 6.8%, 5.8% and 3.5%, respectively. While cable, fridge, air con, fan and wire increased by 20.9%, 7.8%, 6.7%, 1.8% and 0.7%, respectively.

Export of Electrical Appliances in 2020* got value at 23,379.2 million USD, decreased from previous year 2.7% (%YoY) due to decreased export to ASEAN, EU and Japan market e.g. compressor, dry cleaning machine and air con while export value of microwave and fridge increased from export to China and US market.

Import of Electrical Appliances in 2020* got value at 14,863.1 million USD, decreased from previous year 6.7% (%YoY) from decreased import of market e.g. ASEAN, EU, US and Japan from import dry cleaning machine and components, generator and circuit breaker.

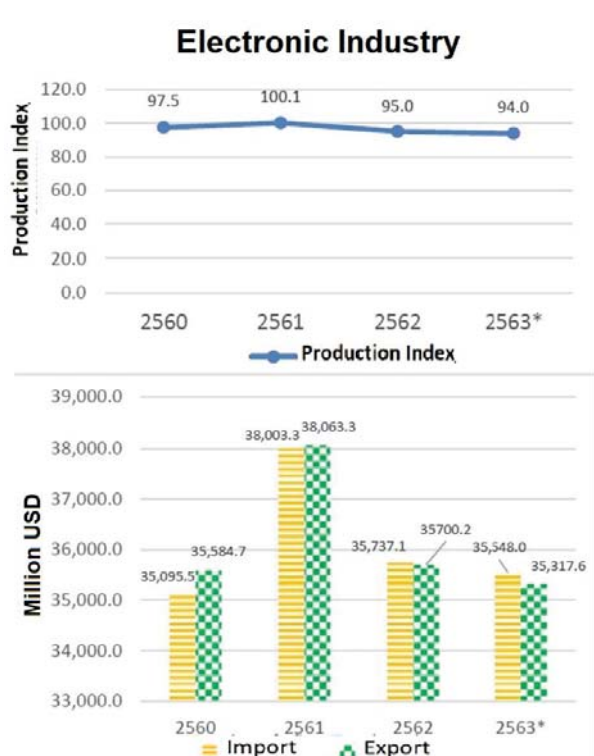
Trend of Electrical Industry in the Year 2021

Electrical industry in 2021 is expected that production and export will increase at 6.4% and 8.3% respectively when compared with previous year from positive factors, both domestic and overseas e.g. COVID-19 vaccine, measurement to motivate production demand of governmental sector at the end of 2020 and the interruption of production in US and EU will cause the continuous increase of purchase order for Thailand in 2021.

Electronics Industry

Production of electronics products in 2020* slightly declined 1.1% when compared with 2019 by decreased in PCBA, Printer, HDD and IC, which was resulted from the shrink of global electronics products decreased slowdown and got decreased export value in core market e.g. Japan, ASEAN, China, EU and USA market.

Production Index, Import & Export Value of Electronics



Source: The Office of Industrial Economics and Electrical & Electronics Institute

*Forecasted

Production of Electronics Products in 2020* got production index at 94.0, decreased from previous year 1.1% (%YoY) by decreased electronics products e.g. PCBA, Printer, HDD and IC decreased 6.2%, 2.9%, 1.6% and 0.2% respectively when compared with previous year due to slowdown demand of electronics products including the rapid change in technology.

Import of Electronics Products in 2020* got value at 35,548.0 million USD, decreased from previous year 0.5% (%YoY) by core market e.g. EU, Japan, ASEAN and US imported components and computer devices and IC decreasedly.

Export of Electronics Products in 2020* got value at 35,317.6 million USD, decreased from previous year 1.1% (%YoY) by most of export market decreased in EU and ASEAN. By components and computer devices decreased 7.9% and Intergrated Circuit (IC) decreased 2.0% due to economic slowdown so that electronics products which use medium-high technology obtain speedy change including COVID-19 which effect to world supply and move of production base and close of business from high cost including export of industrial products shrinked from USA-China trade barrier policy through supply chain and global economic slowdown that resulted to export of electronics products shrinked.

Trend of Electronics Industry in the Year 2021

Electronics industry in 2021 is expected that production and export will increase at 4.7% and 5.0% respectively when compared with previous year due to the recovery from COVID-19 in year 2020 and the rise of 5G technology, Data Center and IT infrastructure will help increase in demand for electrical and electronic product for both domestic and oversea and the growth of the world electronic industry.

Overview of Silkscreen business still grows well and gains well operating performance despite it is impacted from trade war between USA and China. For Label business of the Company obtains high growth gradually through the past three years, especially in lately period when the Company focused on label production used in smart phone devices group by this group gained 50% of total revenue of Label business. From estimation, it found that smart phone device market obtain gradual growth every year as well as expected to grow in high level onward.

Risk Factors

Total IT Solution Business

Risk from economy recession and the change of market demand

Nature, cause, effect, trend and action taken

- The economy recession effect the IT Solution business by reduction of purchase orders together with the trend of low pricing hardware makes the customer not interested in maintenance contract.
- This may cause reduction in revenue and net profit.
- In 2019 and 2020, the Company has downsized this business to match with the current market by transferring personnel to the well growing broadband internet business and to maintain some good margin customer groups.

Risk from effect follow Corona virus (COVID-19) crisis.

Nature, cause, effect, trend and action taken

- The COVID- 19 epidemic situation has spread widely not only in Thailand, but has spread all over the world, affecting a wide range of businesses around the world, including the Company's main customers. This affects the planning of the customer's branch opening that does not go as planned, as it will have to reduce the existing branches and delay the opening of new branches.
- This may cause reduction in revenue and net profit.
- At present, the company Has tried to find other services to offer to customers to replace the lost revenue in this respect.

Label Business

Risk from relying on major customer group

Nature, cause, effect, trend and action taken

- The Company supplies label product to the main customer group which is smartphone manufacturer about 50% of total revenue.
- If this customer group is discontinued, it will effect to the revenue and net profit.
- In 2019 and 2020, the Company has expanded this business to other customer group such as electric appliance. The Company targets to have sale proportion of other customer group rather than smartphone manufacturer at least 50% of total revenue.

Manufacture and distribution of silkscreen printing products.

Risks from using foreign labor and dependence on human labor mainly in the production of products.

Nature, cause, effect, trend and action taken

- Regarding the business of producing and distributing silk screen printing products, the company hires foreign workers and relies mainly on human labor for producing products and controlling machines. There is a risk, if the minimum wage is adjusted to increase, it will directly affect the cost of the company.
- The above risk directly affects the costs of the company.
- Currently, the company It is planned to purchase new machines, machines with better technology. This section will reduce the use of human labor in the work and control the machines.

Broadband Internet Business

Risk from competition

Nature, cause, effect, trend and action taken

- Currently, the business of providing hi-speed broadband internet is highly competitive since competitors invested to expand the fiber optic network in many coverage areas, especially, the major telecommunication provider who provides both mobile internet and fixed broadband and to penetrate the market by low pricing strategy.
- This may cause the reduction of the Company's internet subscribers and effect to revenue and net profit.
- In 2019 and 2020, the Company pays attention to improve and maintain the high quality of internet network as well as the installation and maintenance services which are the core competency of this business. The Company has the market positioning on high quality internet at affordable price rather than low pricing.

Risk from limitation of liquidity and source of fund

Nature, cause, effect, trend and action taken

- Broadband internet is the business that requires high investment for network expansion and installation per new subscriber. The average payback period per each subscriber is around 12 – 14 month. If the new subscribers per month increase so much, the Company may have a liquidity problem.
- In 2019 and 2020, the Company has 2 financing plans:
 - ☐ Investment of terminal units at customer site which are optical network unit (ONU) and router will be financed by leasing company
 - ☐ Investment of fiber optic wiring for both equipment and labor cost will be financed by financial institution

Risk factor of Government Project

- Risk associated with low margin business

The nature of subsidiary's business in Malaysia emphasizes on the sales and services to large clients with high volume, resulting in low gross margin about 5 – 7% which may impact the performance significantly. The management was aware of the associated risk and adjusted the marketing strategy by focusing on providing sales and services with more value-added.

- Risk from the dependency on government projects and long collection period

Generally, government has a relatively long period to complete a certain process on project delivery and payment. A subsidiary had a long collection period of 120 - 160 days. The further delay of receivables payment may cause the subsidiary lacking of working capital, adversely affecting its liquidity and increasing interest payment. However the management improved the handling of government projects by sending team to overview installation process including document supports, which fasten job delivery.

Good Corporate Governance Practice

Good Corporate Governance Practice

The Board of Directors strongly believes and complies with the good corporate governance according to the principle of good corporate governance for listed companies for year 2012 of the Stock Exchange of Thailand and the criteria of the survey project of corporate governance of listed companies (Corporate Governance Report of Thai Listed Companies – CGR) of Thai Institute of Directors (IOD) and the international standard such as ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard). The Company performs the good corporate governance according to the best practice of corporate governance of listed companies for year 2012 as follows:

- Rights of Shareholders
- Equitable Treatment of Shareholders
- Roles and Rights of Stakeholders
- Disclosure and transparency
- Responsibilities of the Board

1. Rights of Shareholders

Shareholders are the owners of the Company and control the Company by appointing the Board of Directors to act as their representatives. Shareholders are eligible to make decisions on any significant corporate changes. Basic rights of Shareholders are buy, sell or transfer shares, share in profit of the Company, obtain of relevant and adequate information of the Company in a timely manner, participate and vote in the shareholders meeting to appoint or remove members, appoint the independent auditor, make decision of dividend payment and other matters that affect the Company such as increase or decrease of capital and amendment to the Company's Article of Association etc. The Company upholds the principle of equitable treatment of shareholders so that all shareholders will be treated equally and fairly. The Company also encourages shareholders to exercise their rights.

In 2020, the Company implemented the followings:

1.1 Shareholder's Meeting

Organized the 2020 annual shareholders meeting on Thursday 30th April 2020: 09.00 a.m., Rajapruek Room, Simat Technologies Public Company Limited, No. 123, Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung Road, Lamplatew Subdistrict, Ladkrabang District, Bangkok 10520

- Distributed the notice calling for shareholders meeting 14 days in advance and attached with agendas and other relevant documents such as minutes of last shareholders meeting, the annual report, preliminary information of the directors who are due to retire and are nominated to directorship for another term and the new director, preliminary information of the auditor, articles of association that relevant to this meeting, proxy form and letter advising the documents needed for attending the meeting and map of the meeting venue.
- Publicized the notice calling for 2020 annual shareholders meeting including with supportive documents on corporate website at least 14 days prior the meeting in order to increase more channel informing information to

shareholders to consider meeting agendas as well as open opportunity for shareholders to send question to the Company for clarification the issue(s) of proposed agendas in advance at ir@simat.co.th or fax no. 0-2326-1014

1.2 Action taken at shareholder's meeting date

- Chairman, Chairman of the Audit Committee, Chief Executive Officer and other directors together 8 persons from the total of 9 persons attended the meeting and listen to the opinions of shareholders on various issues.
- Before the meeting, in accordance with the agendas stipulated in the notice calling for the meeting, Chairman of the meeting had informed shareholders regarding the procedure of the meeting and the voting method for each agenda, which approved unanimously by the shareholders.
- Chairman of the meeting had run the meeting in accordance with the agendas stipulated in the notice calling for the meeting. Provided equal opportunities to shareholders to check the Company's performance as well as to ask, give opinions and provide recommendations. The Company had written down all the major points in the minutes of meeting so that shareholders can investigate them accordingly.
- The voting is by using the ballot for every agenda.
- In order to run the meeting transparently and comply with the good practice of AGM by Securities and Exchange Commission, the Company assigned the lawyer firm, "Thosatham Company Limited", to be in charge of proceeding the AGM transparently and to comply with law and the Company's Articles of Association. The Chairman invited 1 shareholder to act as the witnesses in counting the votes with the inspector.

1.3 Preparation and disclosure of the minute of meeting

- The Company had prepared the minutes of shareholders meeting covered all the major points correctly and accurately. The Company forwarded the minutes of meeting to the Stock Exchange of Thailand as well as disclosed the minutes of meeting on the Company's website within 14 days after the date of the meeting.
- The Company pays attention to the policy to disclose correct and accurate information regularly and on time. The Company had disclosed information and other Company's news to shareholders, investors and other people who are interest in the above-mentioned through various channels provided by the Stock Exchange of Thailand and through the Company's website www.simat.co.th. In addition, the Company has established the Investor Relations office in order to communicate with shareholders, investors and other people who are interested in the above-mentioned. The Investor Relation Office can be contacted through the Coordinator, Mr. Thammanoon Korkiatwanich and Ms. Thikumporn Yodsakulthip Tel 02-326-0999 ext. 1211 and 1213 or E-mail ir@simat.co.th.

2. Equitable Treatment of Shareholders

The Company aware of the benefits of all shareholders includes major shareholders, minority shareholders and for shareholders who are ordinary person, institute investor, Thai and foreign investors and to be treated equally and fairly for the highest benefit of shareholders with the following procedures.

1.1 Attending shareholders' meeting by proxy

The Company gives right to shareholder who cannot attend the meeting by proxy to grant any independent director who has no interest in the agenda of director election to attend and exercise voting. The Company distributed proxy letter including relevant documents together with the invitation letter to all shareholders in advance for 14 days and also disclose to the public by Company's website.

1.2 Safeguard of internal information

The Company had adopted the safeguard and investigation system for the use of internal information for inappropriate personal gain. All directors and management must report the changes in holding of the Company's securities to the Security Exchange Commission. All directors, management and employees who involved in the internal information are prohibited to disclose such information to outsider people or people whose job is not involved with the information. Also, all directors, management and employees who involved with the preparation of the financial reports are prohibited to sell or buy the Company's securities one month before the information is disclosed to the public.

1.3 Director's interest

The board of directors and executive committees are required to report their own interest and their connected person which are the interest that related to the management of the Company and subsidiaries when they are appointed as the member of the board or committee and to report once there is any change in their interest.

3. Roles and Rights of Stakeholders.

Stakeholders of the Company will be treated fairly in accordance with their legal rights as specified in relevant laws. The Board of Directors will not do anything in violation of stakeholders' legal rights. Stakeholders include, but are not limited to shareholders, employees, customers, suppliers, competitors, independent auditors and community in the neighborhood of the Company, etc. The Company has adopted the Codes of Conduct so that directors, management and employees can use it as guidelines in running the Company's business. This Codes of Conduct are comprised of

1. Introduction
2. Policy and Guidelines on Conflict of Interests
3. Policy and Guidelines Relative to Shareholders
4. Policy and Guidelines Relative to Employees
5. Policy and Guidelines Relative to Customers
6. Policy and Guidelines Relative to Partners
7. Policy and Guidelines Relative to Creditors
8. Policy and Guidelines Relative to Competitors
9. Policy and Guidelines Relative to Independent Auditors
10. Policy and Guidelines Relative to Social and Environment
11. Implementation and Enforcement

(See details of Codes of Conduct at the Company's website)

In 2020, the Company implemented the Codes of Conduct as follows:

3.1 Policy and Guidelines Relative to Shareholders.

The Company treated all shareholders equally and fairly as per the details mentioned in the Rights of Shareholders and Equitable Treatment of Shareholders (see details at the Company's website)

3.2 Policy and Guideline Relative to Employees

The Company strongly believes that employees are the most valuable resources of the Company, it therefore encourage employees to learn and develop their skills continuously. The Company has provided fair and suitable remunerations to employees by comparing with other companies that have similar size and similar nature of business. Besides, The Company has provided sufficient welfares to employees that reflect the current circumstances. In 2020, the Company had implemented the followings for the employees:

- 3.2.1 In addition to salaries and bonuses that the Company paid to the employees which close to those paid by other companies with similar size and similar nature of business , the Company has arranged to have the Provident Fund for all employees and Group Life Assurance and Group Accident Insurance for onsite service employees.
- 3.2.2 The Company had organized various training courses both in in-house and abroad to improve knowledge and skill of the employees in order to improve the competitive potentiality. There are more than half of the total employees of the Company attended the training.
- 3.2.3 The Company had organized the Orientation Course to all new employees so that they know the policy, corporate culture and operating practices.

3.3 Policy and Guidelines relative to Customers.

The Company realizes the importance of customers to the success of the Company business. It therefore provided diverse and complete ranges of Hardware equipments such as mobile computers, barcode equipments and other hardware related to the Enterprise Data Collection and Collation System which has the high level of quality so that customers can source any kinds of hardware that suit to the customer's need and its operating system. The Company had also provided various kinds of services such as leasing of equipments and the annual maintenance service agreement, etc. so that customers can fully benefit from the Company. In addition, the Company has designed and developed software, which is applied to the mobile computers and other relevant equipments, that provide user-friendly and suitability to customer's operation and able to connect to the customer's IT system in order to give highest satisfaction to customers.

3.4 Policy and Guidelines relative to Partners.

The Company has treated partners fairly and equally under the basis of mutual benefit and exchanged with them the true and correct information as well as strictly complied with all conditions of the agreement made with them. In addition, the Company provided supports and assistance to them in the development of new products and services. All directors, management and employees are prohibited to ask or receive any improper benefit from partners.

3.5 Policy and Guidelines Relative to Creditors

The Company has treated creditors fairly and equally, provided correct, true and on time information to creditors as well as strictly complied with all conditions of the agreement made with them.

3.6 Policy and Guidelines Relative to Competitors

The Company has treated competitors fairly by adhering to the generally accepted practices. Avoid the abusing of confidential information and the breach of righteous rights of the competitors, as well as the dishonest way to destroy competitors.

3.7 Policy and Guidelines Relative to Independent Auditors

The Company realizes the importance of the Independent Auditors as the key mechanism of shareholders in auditing the Management's performance and to ensure that the financial reports are correct, complete and reliable and has given full supports to the Independent Auditors by providing them correct and complete information, as well as providing them convenience during their auditing process. The financial statements for the year 2020 were audited by the Independent Auditor and the Independent auditor expressed an unqualified opinion to the Company's financial statements on the auditor's report.

3.8 Policy and Guidelines Relative to Social and Environment

The Company strongly believes that our business will grow constantly and sustainably only when the social by overall is peaceful and environment is sustainable. The Company therefore realizes the need to be a good corporate citizen as well as to be responsible to the society and environment by providing appropriate contributions in various forms that are suitable and compatible with the Company resources and capabilities. The Company believes that the contributions to society may not necessarily spend a lot of money at each time but rather do it on a regular basis and compatible with the Company's resources as well as let the employee to participate. The Company also believes that good corporate social responsibility programs should have interaction between the givers and the receivers so that the program can proceed smoothly and continuously. The Company has provided contributions to communities nearby and far from the Company. The Company has considered the contributions based on necessity and appropriateness such as donate the computer equipment to schools and temples, etc.

Stakeholder's Channel of Communication

The Company gives a chance to stakeholder to participate by giving advice to the following channels. All the advices shall be gathered to report to the top management and board of directors.

Company Secretary	Tel. 0-2326-0999 Ext. 1211 E-mail: thammanoon@simat.co.th
Investor Relation	Tel. 0-2326-0999 Ext. 1211 or 1213 E-mail: irsimat@simat.co.th

In case, the stakeholder would like to contact the board of directors directly and not through the management in order to complain of any breach of right, corruption, illegal or unethical action which relates to the management, the stakeholder can contact the independent director via e-mail board_ac@simat.co.th. The Company also allows the employees and outside stakeholder can contact, advise, complain and report the illegal or unethical action to e-mail board_director@simat.co.th to engage the followings.

Any employee or stakeholder can advise through the designated channel and the information will be kept as secret and the Company has the procedure to safeguard the informer by proceeding the audit with undisclosed source of information. Moreover, the informer can request for appropriate safeguarding procedures or the Company may provide appropriate safeguarding procedures with no request if the Company considers that the matter may cause any damage or insecure.

In case, any illegal or unethical action is found, the Company will assign the committee to investigate, judge and punish and report to the audit committee and board of director further.

4. Disclosure and Transparency.

The Company has a policy to pay attention to the disclosure and transparency with regard to the corporate governance. In 2019, The Company had disclosed information both the financial information and other information correctly, accurately, transparently and on time, in accordance with the regulations of the stock Exchange Commission and the Stock Exchange of Thailand as follows:

4.1 Had forwarded the financial reports and other reports such as the change of directors and change in securities of the Company held by each director etc. to SEC and Stock Exchange of Thailand within the given time set forth by them.

4.2 Had disclosed the financial status and other information such as nature of business, competitive environment, business risk, the number of security of the Company held by each director and management to SEC and Stock Exchange of Thailand

4.3 Had disclosed the financial information and other information correctly and accurately in the Company's website www.simat.co.th

4.4 The Company has established the Investor Relations office so that shareholders and other persons can contact at

Mr. Thammanoon Korkiatwanich Tel : 02-326-0999 ext. 1211 E-mail: ir@simat.co.th

Ms. Thikumporn Yodsakulthip Tel : 02-326-0999 ext. 1213 E-mail: ir@simat.co.th

4.5 The Board of Directors had selected the Independent Auditors who are independent and have no conflict of interests with the Company and the auditors have been approved by S.E.C. The Company has appointed the auditors from ANS Audit Co., Ltd. As the Company's auditor for the year 2020 as recommended by the Audit committee as follows:

Mr. Sathien Vongsanan, CPA license no. 3495 or

Mr. Atipong Atipongsakul, CPA license no. 3500 or

Mr. Vichai Ruchitanont, CPA license no. 4054 or

Miss Kulthida Phasurakul, CPA License no. 5946* or

Miss Patcharee Siriwongsin, CPA License no. 9037*

The audit fee for year 2020 is 4,126,000 Baht which is the rate close to the fee paid by other companies with similar size and similar nature of business,

4.6 The Company audited financial reports have been audited by the Independent Auditor and the independent auditor expressed an unqualified opinion.

5. Responsibilities of the Board

The Board of directors is responsible to shareholders in carrying out the Company's business in compliance with the laws and regulations of the Stock Exchange Commission and the Stock Exchange Commission and the Stock Exchange of Thailand, the objectives and articles of association the Company as well as the resolutions of shareholders meeting. The Board of Directors shall perform duties in good faith, with due diligence and care, and for the best interest of the Company and shareholders. In 2020, the Board of Directors has performed its duties as follows.

5.1 Board Structure

Board of directors comprises of the knowledgeable and competent persons who have the important role in determining the Company's policy, business plan for both short-term and long-term including the financial policy, risk management and overall business and also audit and evaluate the Company's operating result.

Currently, the Board of Directors is composed of 9 persons as listed below

1.	Mr. Thawatchai Arunyik*	Chairman
2.	Mr. Thongkam Manasilapapan	Vice Chairman
3.	Mr. Boonlerd lewporchai**	Director
4.	Mr. Theeranut Tangsathapornpong	Director
5.	Mr. Phanom Ratanarat**	Director
6.	Mr. Thanayous Kositsakul	Director
7.	Mr. Thanawat Eusiriphan**	Director
8.	Mr. Thammanoon Korkiatwanich	Director
9.	Ms. Ranchana Rachatanavin, Phd.	Independent Director/Chairperson of Audit Committee

Remark:

* : According to resolution of the Board of Directors' Meeting no. 1/2020 on February 28, 2020; Mr. Thawatchai Arunyik was appointed to be Director as replacement of Mr. Narat Saraman, who resigned on November 20, 2019 and appointed to be Chairman of the Board of Directors as well effective since February 28, 2020 onward.

** : According to resolution of the Board of Directors' Meeting no. 1/2021 on February 24, 2021;

- ☐ Mr. Boonlerd lewporchai as a director in replacement of Gen. Vidhya Chovichien.
- ☐ Mr. Panom Ratanarat as an independent director in replacement of Mr. Narongrit Rerkpatanapipat.
- ☐ Mr. Tanawat Ueasiriphan as an independent director in replacement of Mr. Vorachai Charoenprasittiporn.

The Board of Directors is composed of 3 directors who are Executive committee, 3 Independent directors and 3 directors who are not Executive committee.

The Company has 3 independent directors which is one-third of the board and 3 independent directors are audit committees.

The retired directors may be eligible for re-election. There is no limit for number of terms of being the Company director which is subject to the approval of shareholders.

The executive directors must not be the directors in other public companies more than 5 companies. The holding of directorship in other companies mentioned above must be informed to the Board and approved by the Board.

Executive Director is an executive who is appointed as a member of the Board, Non-executive Director is a director who has no position in the Company's management team, and the Independent Director is a director who has no position in the Company's management team and must meet the qualification outlined by the Stock Exchange Commission and the Stock Exchange of Thailand (see details of the definition and qualification of directors in the Corporate Governance Policy at the Company's website)

The Company Secretary also acts as the Secretary of the Board.

5.2 Sub-Committees

The Board of Directors has appointed the Executive committee, Audit Committee and Nomination and Remuneration Committee to assist the Board in managing the Company by clearly stipulation the duties and responsibilities of each sub-committee. At present, the Company has not established the Remuneration Committee. However, the Company has adopted the consideration for the remuneration of directors and top management by comparing to the remuneration paid by other companies of similar size and similar nature of business.

5.3 Role and Responsibilities of the Board

The Executive committee has regular meeting to consider and manage the Company to grow constantly in accordance with the policy and strategic direction set forth by the Board. The Executive committee had performed its duties and responsibilities as per the following details:

1. Approve payment or become guarantor for the payment for the Company's normal business transactions within the limit or not more than 50 million Baht.
2. Appoint or remove officer of the Company whose rank not higher than the Managing Director.
3. Prepare and establish the policy and strategic direction of the Company for the approval of Board of Director.
4. Establish the Organization Chart and the Management Structure of the Company covering the selection, training, employment and termination of employee of the Company
5. Establish business plan and management authorities, approve the annual business budget and management the Company business in accordance with the business plan and business strategy, and in compliance with the policy and strategic direction approved by Board of Directors
6. Perform other duties assigned by Board of Directors.

The Audit Committee had performed the following duties to oversee the management's work according to the role and responsibilities as assigned by the Board.

1. To verify that the Company has an accurate and adequate financial statements.
2. To verify that the Company has proper and effective internal control and internal audit system and to consider the independence of the internal audit division or any division responsible to internal audit.
3. To verify that the Company complies with the Securities and Exchange Acts, the regulations of the Stock Exchange, or any laws regarding to the business of the Company.

4. To consider, select and propose appointment and remuneration of the auditor who is independent to the Company and to attend the meeting, which has no management's joining, with auditor at least once a year.
5. To consider the connected transaction or conflict of interest transaction and ensure that they are comply with the rules and regulations of the Stock Exchange and are reasonable and most beneficial to the Company.
6. To prepare the Audit Committee's report for disclosure in the annual report of the Company which such report must be signed by the Chairman of Audit Committee.
7. To conduct any other works as assigned by the Board of Directors with consent from the Audit Committee.

5.4 Board of Directors Meeting and Directors' Remuneration

- The Board of Directors has had regular meeting every quarter and may have additional meeting when it is necessary. In every meeting, the Board had clearly fixed the agenda and had sent the notice calling for the meeting which more than 7 days in advance so that the Board of Directors shall have sufficient time to study the information. Minutes of meeting had been written correctly and accurately, and the minutes of meeting that certified by the Board had been kept properly so that the Board of Directors and other involved persons can investigate them accordingly. In 2020, the Board of Directors had 7 meetings and each meeting took approximately 3 hours and the attendance of the Board of Directors is as follows:

Name	Position	Board of Director Meeting in 2020	
		No. of Meetings	Attendance
Mr. Thawatchai Arunyik*	Chairman	7	6
Mr. Thongkam Manasilapapan	Vice Chairman/Chairman	7	7
Mr. Thammanoon Korkiatwanich	Director	7	7
Mr. Thanayous Kositsakul	Director	7	5
Mr. Teeranut Thangsatapornpong	Director	7	6
Ms. Ranchana Rachatanavin, Phd.	Independent Director and Chairperson of Audit Committee	7	7
Mr. Boonlerd lewpornchai*****	Director	7	0
Mr. Panom Ratanarat*****	Director	7	0
Mr. Tanawat Ueasiripan*****	Director	7	0
Gen. Vidhya Chovichien**	Director	7	5
Mr. Narongrit Rerkpatanapipat***	Independent Director and Audit Committee	7	7
Mr. Vorachai Charoenprasittiporn****	Independent Director and Audit Committee	7	6

Remark:

* : According to resolution of the Board of Directors' Meeting no. 1/2020 on February 28, 2020; Mr. Thawatchai Arunyik was appointed to be Director as replacement of Mr. Narat Saraman, who resigned on November 20, 2019 and appointed to be Chairman of the Board of Directors as well effective since February 28, 2020 onward.

** : According to resolution of the Board of Directors' Meeting no. 1/2020 on February 28, 2020; Gen. Vidhya Chovichien was appointed to be Director as replacement of Mr. Pakin Pinto, who resigned on September 30, 2019 and effective

since February 28, 2020 onward and Gen. Vidhya Chovichien had resigned from the position of Director since February 24, 2021 onward.

*** : Mr. Narongrit Rerkpatanapipat had resigned from the position of Director since February 24, 2021 onward.

**** : Mr. Vorachai Charoenprasittiporn had resigned from the position of Director since February 24, 2021 onward.

***** : According to resolution of the Board of Directors' Meeting no. 1/2021 on February 24, 2021;

- ☐ Mr. Boonlerd Iewpornchai as a director in replacement of Gen. Vidhya Chovichien.
- ☐ Mr. Panom Ratanarat as an independent director in replacement of Mr. Narongrit Rerkpatanapipat.
- ☐ Mr. Tanawat Ueasiripan as an independent director in replacement of Mr. Vorachai Charoenprasittiporn.

The authorized directors who can act on behalf of the Board of Directors are Mr. Thongkam Manasilapapan or Mr. Thammanoon Korkiatwanich or Mr. Teeranut Thangsatapornpong any two of three jointly sign together and affix the Company seal. Details of the roles, duties and responsibilities can be seen from the Report Form 56-1 and from the Company's website www.simat.co.th

- The Board of Directors had fixed the meeting date in advance since the beginning of the year so that all directors and management can schedule their time efficiently.
- Chairman of the Board and Chief Executive Officer had considered the agendas together.
- Chairman of the Board had provided equal opportunity to each director to express his opinions, and the director who has interest in any agenda must leave the meeting room during the consideration of the agenda.

Audit Committee

The audit committee comprised of

Ms. Ranchana Rajatanavin, Phd.	Chairperson of Audit Committee
Mr. Naronrit Rerkpattanapipat*	Member of Audit Committee
Mr. Vorachai Charoonprasitporn*	Member of Audit Committee

Remark: * Mr. Naronrit Rerkpattanapipat and Mr. Vorachai Charoonprasitporn has resigned from the position of Director and Audit Committee since February 24, 2021 onward.

After the annual shareholders' meeting 2021, the board of directors will appoint independent directors to replace of the audit committee member who has resigned.

In 2020, the Audit Committee had 4 meetings and each meeting took approximately 3-4 hours. The attendance of the Audit Committee's as follows:

Name	Total Meeting	Attendance
1. Ranchana Rajatanavin, Phd. (Chairman of Audit Committee)	4	4
2. Mr. Narongrit Rerkpattanapipat (Audit Committee Member)	4	4
3. Mr. Vorachai Charoonprasitporn* (Audit Committee Member)	4	4

5.5 Board Self-Assessment

The Board of Directors has policy to encourage directors and management to constantly develop knowledge and skill. In 2019, Directors and management had regularly participated in various training programs and seminars, such as Executive Accounting and Finance Director attended the training program on Accounting Standards and Practices organized by the Federation of Accounting profession. Company Secretary and the Investor Relations Coordinator attended various training programs organized by the Investor Relations Association and the Stock Exchange of Thailand. The Chief Executive Officer and Managing Director had attended the training program on Sales Conference with Partners and Related Companies in foreign countries.

5.6 Directors' Remuneration

The Company had paid out the remuneration to directors in 2020 in form of gratuity and meeting Allowance as follows.

Position	Remuneration of Directors Year 2021	Remuneration of Directors Year 2020
Chairman of the Board of Directors	THB 10,000 / Meeting	THB 10,000 / Meeting
Director / Independent Director / Audit Committee	THB 7,000 / Meeting	THB 7,000 / Meeting

Bonus of Independent Director/Audit committee member shall not exceed 100,000 Baht

Notwithstanding, any director who is already paid in type of salary or other compensation as an executive management or employee of the Company and/or its subsidiary(s) or associated company(s), will not receive the above-mentioned compensation.

Total money paid to the Board for year 2020 is 1.20 million baht (Year 2019: 0.97 million baht).

In year 2020, the Company paid out remunerations to management 5 persons total 9.60 million baht.

(Year 2019: management 5 persons 11.12 million baht)

Report from Board of Directors Relative to Financial Report

The Board of Directors is responsible for the Company's financial reports and the details appeared in the annual report. The financial reports are prepared in accordance with the generally accepted accounting standards in Thailand, by adopting the appropriate accounting policy and consistent implementation as well as due judgment and best estimation in the financial reports preparation, including the sufficient note and explanation of the financial reports. In addition, the Board of Directors has provided the appropriate and efficient internal control and risk management system to ensure that the financial reports are correct, complete and sufficient to safeguard the Company's assets as well as to protect frauds.

The Board of Directors has appointed the Audit Committee to oversee the Company's accounting policy and the accuracy of the financial reports, including the review of the Company's internal control system and internal audit system, the details of which can be seen from the Audit Committee's report included in the annual report. In addition, the Company's financial reports were audited by the independent auditor of ANS Audit Co., Ltd. The report of the independent auditor is included in the annual report.

The Board of Directors has the opinion that the Company's overall internal control system is satisfactory and can be assured that the financial reports of Simat Technologies Public Company Limited and its subsidiaries for the year ended December 31, 2020 are accurate and fairly stated, as well as in compliance with the relevant laws and regulations.



(Mr. Thongkam Manasilapapan)

Vice Chairman / Chairman of Executive Committee

Report from Audit Committee

Audit Committee of Simat Technologies Public Company Limited is composed of the 3 Independent Directors in accordance with the qualifications and rules stipulated by The Stock Exchange of Thailand are as follows:

- | | |
|-----------------------------------|--------------------------------|
| 1. Ms. Ranchana Rajatanavin, Phd. | Chairperson of Audit Committee |
| 2. Mr. Narongrit Rerkpattanapipat | Member of Audit Committee |
| 3. Mr. Vorachai Charoonprasitporn | Member of Audit Committee |

Remark: * Mr. Naronrit Rerkpattanapipat and Mr. Vorachai Charoonprasitporn has resigned from the position of Director and Audit Committee since February 24, 2021 onward.

After the annual shareholders' meeting 2021, the board of directors will appoint independent directors to replace of the audit committee member who has resigned.

Ms. Ranchana Rajatanavin, PhD. and Mr. Narongrit Rerkpattanapipat are the member who is knowledgeable to review the financial statements as Ms. Ranchana Rajatanavin, PhD. was an expert and consultant in finance and banking major of Sripatum university and Mr. Narongrit is a Certified Public Accountant.

The scopes of authority and function of the audit committee are as follows:

1. To verify that the Company has an accurate and adequate financial statements.
2. To verify that the Company has proper and effective internal control and internal audit system and to consider the independence of the internal audit division or any division responsible to internal audit.
3. To verify that the Company complies with the Securities and Exchange Acts, the regulations of the Stock Exchange, or any laws regarding to the business of the Company.
4. To consider, select and propose appointment and remuneration of the auditor who is independent to the Company and to attend the meeting, which has no management's joining, with auditor at least once a year.
5. To consider the connected transaction or conflict of interest transaction and ensure that they are comply with the rules and regulations of the Stock Exchange and are reasonable and most beneficial to the Company.
6. To prepare the Audit Committee's report for disclosure in the annual report of the Company which such report must be signed by the Chairman of Audit Committee.
7. To conduct any other works as assigned by the Board of Directors with consent from the Audit Committee.

In year 2020, the Audit Committee of the Company has opinions regarding to the following matters:

The Accuracy and Reliability of Financial Reports

The Committee considered the auditor's report, quarterly reviewed financial statements and the annual financial statements audited by the Company's auditor and has an opinion that the Company's financial reports are accurate, complete and reliable.

The Adequacy of Internal Control System

The Committee evaluated the adequacy of the Company's internal control system including the consideration of the internal audit report and has an opinion that the Company's internal control system is adequate, appropriate and satisfactory.

The Compliance with Laws and Relevant regulations

The Committee considered the Company's operation and has an opinion that the Company complies with the Securities and Exchange Acts, the regulations of the Stock Exchange, or any laws regarding to the Company's business correctly and appropriately.

The Appropriateness of Auditor

The Committee considered the independence and appropriateness of auditor and their remuneration and has the resolution to propose to appoint

Mr. Sathien Vongsanan, CPA license no. 3495 or

Mr. Atipong Atipongsakul, CPA license no. 3500 or

Mr. Vichai Ruchitanont, CPA license no. 4054 or

Miss Kulthida Phasurakul, CPA License no. 5946* or

Miss Patcharee Siriwongsilp, CPA License no. 9037*

from ANS Audit Co., Ltd. as the auditor of the Company and subsidiaries for the year 2020 and to propose this appointment for approval to the Board of Director and the Annual General Shareholders' Meeting.

Transaction that may cause Conflict of Interest

The Committee considered the connected transactions or transaction that may cause conflict of interest every quarter and has an opinion that the connected transactions for the year 2019 were in the ordinary business condition, reasonable and most beneficial to the Company. In addition, the Committee has not found any transaction that may cause Conflict of Interest which may materially affect the Company's financial position and operating result.

Meeting and Attendance of meeting of Audit Committee

During the year 2020, there are 4 meetings and the statistic of the attendance of meeting for each member is as follow:

Name	Total Meeting	Attendance
1. Ms. Ranchana Rajatanavin, Phd. (Chairman of Audit Committee)	4	4
2. Mr. Narongrit Rerkpattanapipat (Audit Committee Member)	4	4
3. Mr. Vorachai Charoonprasitporn (Audit Committee Member)	4	4

Comment or Notice from performing on duty

The Committee has not found or noticed any transaction or action that may materially affect the Company's financial position and operating result.



Ranchana Rajatanavin, Ph.D.
Chairman of Audit Committee

Connected transactions

Connected transactions in which occurred during the year 2020 and 2019

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value ('000 Baht)		Ending balance ('000 Baht)		Necessity/Reasonableness and Audit Committees' comment
			2020	2019	31 Dec 2020	31 Dec 2019	
Grand-flo Spritvest Sdn. Bhd.	Mr. Tan Bak Hong (Director) is a major shareholder of Grand-flo Group Companies (Mr. Tan Bak Hong resigned from Director since 15 Feb 2018)	Sales of Hardware (A/R-trade)	-	2,225	-	-	Goods that the Company and a subsidiary company in Malaysia sold to Grand-flo are the hardware products which sold under normal business condition.
		Purchase of Hardware (A/P-trade)	-	82	-	-	Goods that the Company and a subsidiary company in Malaysia sold to Grand-flo are the hardware products which purchased under normal business condition.
Rgtech Simat Company Limited	Associated company (49% share holding by Company)	Sales of Hardware (A/R-trade)	13,930	-	8,733	-	Goods that the Company and a subsidiaries company sold to Rgtech are the hardware products which sold under normal business condition.
		Purchase of Hardware (A/P-trade)	15,380	-	16,454	-	Goods that the Company purchase from Rgtech are the hardware products which purchased under normal business condition.
		Sales Hardware and Fixed asset follow business transfer agreement	17,157	-	18,358	-	Goods that the Company sold to Rgtech are the hardware products which sold under normal business condition.

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value ('000 Baht)		Ending balance ('000 Baht)		Necessity/Reasonableness and Audit Committees' comment
			2020	2019	31 Dec 2020	31 Dec 2019	
Covermat Co., Ltd.	Mr. Chen Kwan Sin, Director and Shareholder of Hinsitsu (Thailand) (Subsidiary) by his wife is a shareholder of Top Precision	Sales of finished goods (A/R)	-	10,832	-	-	Goods that a subsidiary company sold to Covermat are finished goods which sold under normal business condition. Audit committees' comment is that this transaction deemed reasonable since it protects the benefit of the shareholders.
		Purchase of raw materials (A/P)	-	7,560	-	-	Goods that a subsidiary company purchased from Covermat are raw materials which purchased under normal business condition. Audit committees' comment is that this transaction deemed reasonable since it protects the benefit of the shareholders.
Top Precision Engineering Co., Ltd.	Mr. Vincent Lua Bik Yong, Director and Shareholder of Hinsitsu (Thailand) (Subsidiary)	Purchase of raw materials (A/P)	1,029	2,728	67	516	Goods that a subsidiary company purchased from Top Precision are raw materials which purchased under normal business condition. Audit committees' comment is that this transaction deemed reasonable since it protects the benefit of the shareholders.
Mr. Thongkam Manasilapapan	Director	Short-term loan	-	-	10,500	10,000	The Company received financial support from loan from director at interest rate of 6% per annum. Audit committees' comment is that this transaction deemed reasonable since it protects the benefit of the shareholders.
		Interest from short-term loan	906	10	33	86	The Company received financial support from loan from director at interest rate of 6% per annum. Audit committees' comment is that this transaction deemed reasonable since it protects the benefit of the shareholders.

Conflict of interest person/juristic person	Relationship	Nature of transaction	Transaction value ('000 Baht)		Ending balance ('000 Baht)		Necessity/Reasonableness and Audit Committees' comment
			2020	2019	31 Dec 2020	31 Dec 2019	
Mr. Thammanoon Korkiatwanich	Director	Short-term loan	-	-	2,000	-	The Company received financial support from loan from director at interest rate of 6% per annum. Audit committees' comment is that this transaction deemed reasonable since it protects the benefit of the shareholders.

The Compensation of key management personnel for the years ended December 31, 2020 and 2019 as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term benefits	34,152	35,356	10,993	12,092
Post-employment benefits	894	1,097	322	414
Total Compensation to key management personnel	35,046	36,453	11,315	12,506

Measures or Procedures for Related Transaction Approval

The approval of related transactions shall be in accordance with the laws regarding securities and the stock exchange and regulations, notifications, orders or rules of SET. A person who may have any conflict of interest in the related transactions shall not be allowed to participate in an approval of such transactions.

However, it is necessary for the Company to sell and buy products to/from a related company, therefore, the Board of Directors has established a pricing policy for such transaction as follows:

- (1) Purchases of products from a related company shall comply with the normal trade practice with appropriate prices and conditions. However, the purchasing price shall not be higher than the price that the Company can purchase from other distributors.
- (2) Sale of products to a related company shall comply with the normal trade practice. The Company will sell products to the related company at the price equal to cost plus contribution margin which is not lower than the profit that the Company can make from selling products to other customers.
- (3) Sale of products to a related company, in case that the products are obsolete and cannot be sold to other customers, the Company shall sell such products at the market price of products similar conditions at that time. Selling of obsolete products shall be determined upon the necessity and in the interest of the Company.
- (4) Trading of goods and services between the Company and the related company, in case that there is a joint purchasing from a distributor in order to get a lower price. Such goods and services shall be traded among themselves at the cost price plus transportation cost, tax or other actual necessary expenses.

Related transactions that may occur will have similar conditions with the normal trade practice with reference to appropriate prices and market conditions. However, the Company and/or the Company group shall invite the Audit Committee and/ or independent directors to comment on the price including the necessity and appropriateness of such transaction. If there is any transaction related to any person who might has a conflict of interest with the Company in the future, the Company shall perform in accordance with regulations, notifications, and/or rules of the Office of the SEC and/or the SET. The Company may invite an independent specialist or an auditor of the Company to make a comment on such transaction to supplement the Board of Directors or shareholders determination, depending on the circumstance. At all events, the Company group will disclose related transactions in the supplementary notes to the financial statement which is audited by the auditor of the Company.

Significant Financial Information

Consolidated Balance Sheet Unit: Million Baht	2020		2019		2018		Change			
							2020/2019		2019/2018	
Assets										
Current assets										
Cash and cash equivalent	162	9%	28	2%	72	5%	134	479%	(44)	-61%
Trade and other debtors - net	203	12%	208	12%	395	28%	(5)	-2%	(187)	-47%
Contract assets	159	9%	387	23%	-	0%	(228)	-59%	387	n/a
Cost of government project - net	13	1%	24	1%	-	0%	(11)	-46%	24	n/a
Inventories - net	78	5%	88	5%	151	11%	(10)	-11%	(63)	-42%
Advance for government project	2	0%	7	0%	-	0%	(5)	-71%	7	n/a
Total current assets	617	36%	742	44%	618	44%	(125)	-17%	124	20%
Non-current asset										
Non-current financial assets	119	7%	175	10%	150	11%	(56)	-32%	25	17%
Non current contract assets - net	79	5%	-	-	-	-	79	n/a	-	n/a
Investment in associate	31	2%	31	2%	33	2%	-	0%	(2)	-6%
Plant, property and equipment - net	159	9%	143	8%	136	10%	16	11%	7	5%
Right-of-use-assets-net	62	4%	-	-	-	-	62	n/a	-	n/a
Optical fiber network and equipment	408	24%	164	10%	176	13%	244	149%	(12)	-7%
Fiber network construction in process	12	1%	231	14%	-	0%	(219)	-95%	231	n/a
Goodwill	126	7%	126	7%	171	12%	-	0%	(45)	-26%
Investment property	-	0%	-	0%	51	4%	-	n/a	(51)	-100%
Other non-current assets	102	6%	92	5%	68	5%	10	11%	24	35%
Total non-current assets	1,098	64%	962	56%	785	56%	136	14%	177	23%
Total assets	1,715	101%	1,704	100%	1,403	100%	11	1%	301	21%
Liabilities and shareholder's equity										
Liabilities										
Current liabilities										
Bank over-draft and short-term loan	318	19%	429	25%	223	16%	(111)	-26%	206	92%
Trade and other creditors	263	15%	217	13%	297	21%	46	21%	(80)	-27%
Current portion of financial lease liabilities due within 1 year	19	1%	17	1%	32	2%	2	12%	(15)	-47%
Current portion of long-term loan due within 1 year	143	8%	82	5%	48	3%	61	74%	34	71%
Current portion of payable for purchase of investment due within 1 year	13	1%	10	1%	-	0%	3	30%	10	n/a
Other current liabilities	15	1%	9	1%	8	1%	6	67%	1	13%
Total current liabilities	771	45%	764	45%	608	43%	7	1%	156	26%
Non-current liabilities										
Financial lease liabilities - net	32	2%	12	1%	23	2%	20	167%	(11)	-48%
Long-term loan - net	236	14%	292	17%	175	12%	(56)	-19%	117	67%
Other non-current liabilities	17	1%	17	1%	29	2%	-	0%	(12)	-41%
Total non-current liabilities	285	17%	321	19%	227	16%	(36)	-11%	94	41%
Total liabilities	1,056	62%	1,085	64%	835	60%	(29)	-3%	250	30%
Shareholder's equity										
Paid-up share capital	527	31%	526	31%	526	37%	1	0%	-	0%
Paid-in capital in excess of par	69	4%	477	28%	477	34%	(408)	-86%	-	0%
Legal reserve	2	0%	15	1%	15	1%	(13)	-87%	-	0%
Unappropriated retained earnings	(32)	-2%	(486)	-29%	(555)	-40%	454	-93%	69	-12%
Other components	(52)	-3%	(51)	-3%	(9)	-1%	(1)	2%	(42)	467%
Total equity of the parent company	514	30%	481	28%	454	32%	33	7%	27	6%
Non-controlling interests	145	8%	138	8%	114	8%	7	5%	24	21%
Total shareholder's equity	659	38%	619	36%	568	40%	40	6%	51	9%
Total liabilities and shareholder's equity	1,715	100%	1,704	100%	1,403	100%	11	1%	301	21%

Income Statements Unit: Million Baht	2020		2019		2018		Change			
							2020/2019		2019/2018	
Revenue from sales and services	1,021	100%	2,009	100%	1,694	100%	(988)	-49%	315	19%
Cost of sales and services	(714)	-70%	(1,553)	-77%	(1,415)	-84%	839	-54%	(138)	10%
Gross profit	307	30%	456	23%	279	16%	(149)	-33%	177	63%
Other income	16	2%	22	1%	15	1%	(6)	-27%	7	47%
Gain/(loss) from sale of investment	-	0%	(68)	-3%	18	1%	68	-100%	(86)	-478%
Loss from impairment of fiber optic network	-	0%	-	0%	(480)	-28%	-	n/a	480	-100%
Selling and administrative expenses	(204)	-20%	(277)	-14%	(265)	-16%	73	-26%	(12)	5%
Profit before financial cost and income tax	119	12%	133	7%	(433)	-26%	(14)	-11%	566	-131%
Financial cost	(36)	-4%	(26)	-1%	(33)	-2%	(10)	38%	7	-21%
Share of profit from associate	(5)	0%	1	0%	1	0%	(6)	-600%	-	0%
Profit before income tax	78	8%	108	5%	(465)	-27%	(30)	-28%	573	-123%
Income tax	(12)	-1%	(7)	0%	(11)	-1%	(5)	71%	4	-36%
Net profit	66	6%	101	5%	(476)	-28%	(35)	-35%	577	-121%
Portion of non-controlling interest	(25)	-2%	(32)	-2%	(16)	-1%	7	-22%	(16)	100%
Portion of equity holder of the Company	41	4%	69	3%	(492)	-29%	(28)	-41%	561	-114%

Note

In the comparative financial statements of 2019 and 2018, revenues and profits of the wholesale computer equipment business in Malaysia are included. In which the company sold this business in late 2019

[illegible]

IT SOLUTION	2020		2019		2018		Change			
							2020/2019		2019/2018	
REVENUE	12	100%	76	100%	112	100%	(64)	-84%	(36)	-32%
GROSS PROFIT	-	0%	15	20%	31	28%	(15)	-100%	(16)	-52%
NET PROFIT	(4)	-33%	(16)	-21%	(6)	-5%	12	-75%	(10)	167%

LABEL BUSINESS	2020		2019		2018		Change			
							2020/2019		2019/2018	
REVENUE	226	100%	249	100%	256	100%	(23)	-9%	(7)	-3%
GROSS PROFIT	72	32%	82	33%	75	29%	(10)	-12%	7	9%
NET PROFIT	20	9%	31	12%	28	11%	(11)	-35%	3	11%

SILKSCREEN PRINTING	2020		2019		2018		Change			
							2020/2019		2019/2018	
REVENUE	357	100%	332	100%	189	100%	25	8%	143	76%
GROSS PROFIT	156	44%	135	41%	71	38%	21	16%	64	90%
NET PROFIT	64	18%	54	16%	33	17%	10	19%	21	64%

BROADBAND INTERNET	2020		2019		2018		Change			
							2020/2019		2019/2018	
REVENUE	93	100%	154	100%	174	100%	(61)	-40%	(20)	-11%
GROSS PROFIT	27	29%	64	42%	26	15%	(37)	-58%	38	146%
NET PROFIT	(10)	-11%	(7)	-5%	(528)	-303%	(3)	43%	521	-99%

GOVERNMENT PROJECT	2020		2019		2018		Change			
							2020/2019		2019/2018	
REVENUE	332	100%	492	100%	-	n/a	(160)	-33%	492	#DIV/0!
GROSS PROFIT	52	16%	91	18%	-	n/a	(39)	-43%	91	#DIV/0!
NET PROFIT	(4)	-1%	91	18%	(6)	n/a	(95)	-104%	97	-1617%

WHOLESALE OF HARDWARE - MALAYSIA	2020		2019		2018		Change			
							2020/2019		2019/2018	
REVENUE	-	n/a	706	100%	963	100%	(706)	-100%	(257)	-27%
GROSS PROFIT	-	n/a	68	10%	76	8%	(68)	-100%	(8)	-11%
NET PROFIT	-	n/a	(52)	-7%	3	0%	52	-100%	(55)	-1833%

Important financial ratios

Significant Financial Ratio	Unit	2020	2019	2018	2019 vs 2018
Liquidity Ratio					The liquidity ratio declined from the previous year as the sale of investments in a subsidiary in Malaysia led to a decrease in current assets from the previous year. While the current liabilities close to the year 2019, resulting in the change in liquidity ratio in 2020, slightly lower than in 2019.
Current Ratio	time	0.80	0.97	1.02	
Assets Utilization Ratio					Accounts receivable turnover ratio Slightly down from 2019, due to sales of government projects that the business already recognized most of the revenues in 2019, resulting in only about 30% more revenue recognition during the year 2020. However, for the trade accounts receivable, there is still some outstanding receivables of work that are in the process of receiving work and billing. The customer turnover ratio decreased from the previous year. Including a slightly increased debt collection period from the previous year. Inventory ratio declining from the previous year due to a significant drop in cost of sales from 2019 due to government project businesses that already recognized most of their costs and revenues in 2019, reducing inventory turnover rates. down The trade payable turnover ratio decreased from the previous year due to an increase in trade payables from the implementation of the governmental projects in Phase 1 in the final phase of the project, but the cost of most projects was recognized. Knowing in 2019, this year, the cost of sales is much lower than the previous year, causing the payable ratio to decrease
Accounts Receivable Turnover	time	6.72	8.00	5.73	
Average Collection Period	day	54	46	64	
Inventory Turnover	time	8.60	13.05	11.69	
Average Sales Period	day	42	28	31	
Accounts Payable Turnover	time	4.94	12.17	11.78	
Average Payment Period	day	74	30	31	The ability to pay interest declined from the previous year despite an increase in the gross profit of the enterprise. This was due to the fact that the Company's financial costs rose quite significantly from the previous year due to the need for funds to invest in the initial public sector projects that ended in early 2021, as well as the rising interest rates. From the current economic conditions Thus reducing the interest coverage ratio.
Leverage Ratio					
Time Interest Earned	time	3.31	5.12	1.42	
Debt to Equity	time	1.60	1.75	1.47	The profitability was similar to the previous year due to the followings: 1) This year, there was a loss from government project business of 4 million baht, while last year there was a profit from government project business of 91 million baht. Due to increased costs from editing work during the last phase of the 1st phase 2) Profit from silkscreen printing business The profit increased from the previous year by approximately 10 million baht due to the start of business in the subsidiary that has just started operation 3) The label business had a lower profit of approximately 11 million baht from the previous year due to the current economic conditions affecting customer orders. 4) The broadband business saw a slight decline in performance from the previous year due to the economic conditions. 5) As for the IT business, the business sells its inventories and transfers its customer base to the company. Therefore, the loss in this business is reduced approximately 12 million baht.
Profitability Ratio					
Gross Profit Margin	%	30%	23%	16%	
Net Profit Margin	%	6.5%	5.0%	0.2%	
Return on Assets	%	3.8%	5.9%	0.3%	
Return on Equity	%	8.0%	14.3%	-2.6%	
Basic earnings per share	Baht	0.08	0.13	(1.01)	

Management Discussion and Analysis

Economic Overview for year 2020

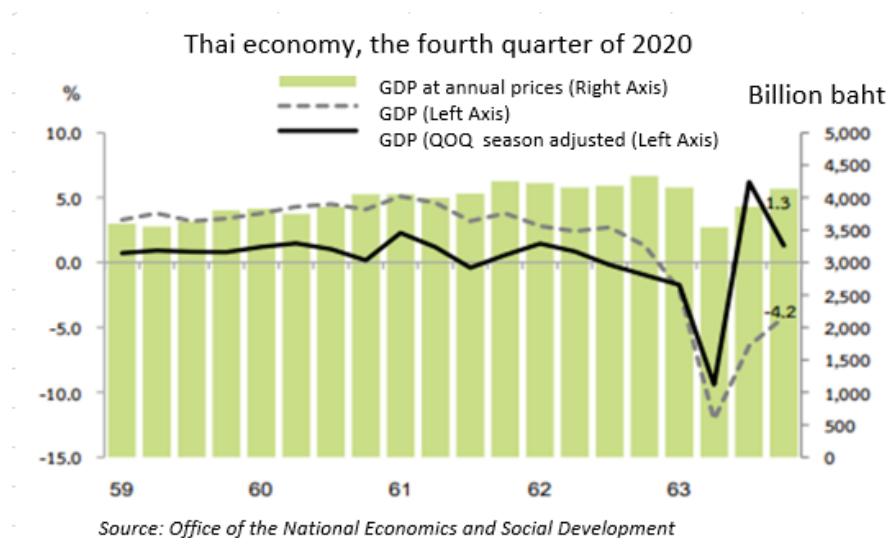
Thai economy decrease about 6.1% compared with 2.3 % of year 2019. The export value decreased about 6.6% while the private consumption and investment increased about 1.0% and 48% , respectively. Inflation rate is about -0.8% and the balance of current account was surplus of 3.3% of GDP.

Economic Trend for year 2021

Thai economy for year 2020 is expected to grow about 2.5 – 3.5%. However, there are supporting factors from:

- 1) Trends of economic recovery and world trade volumes
- 2) Driving force from government spending
- 3) The return of domestic private demand expansion
- 4) Adaptation to an unusually low expansion in 2020

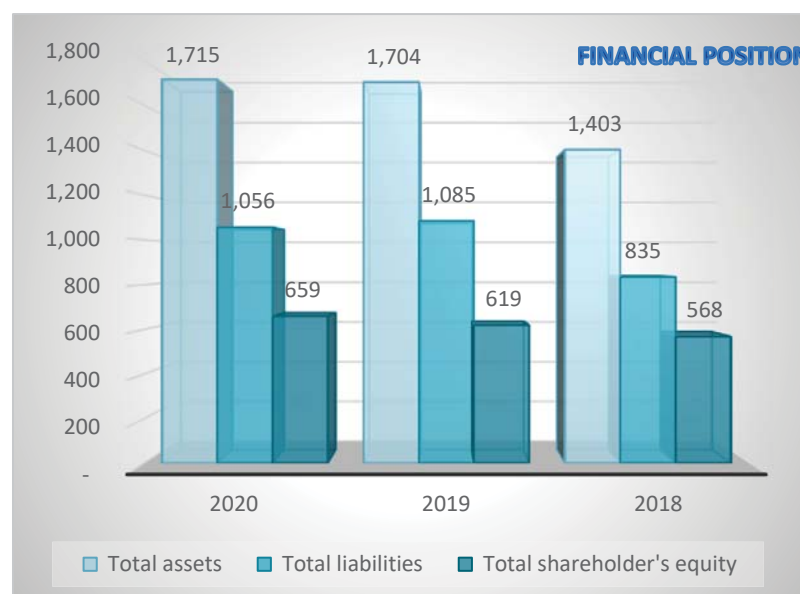
It is expected that the export value of goods in US dollars will grow by 5.8 percent. Private consumption. And total investment grew by 2.0 percent and 5.7 percent, respectively, the average headline inflation was in the range of 1.0 - 2.0 percent and the current account registered a surplus of 2.3 percent of GDP.



(Source: Office of the National Economics and Social Development Council)

Overview of the Company's Financial Position and Operating result

Financial Position



- Total assets as at 31 December 2020 increased from prior year about Baht 10 million due to the followings:
 - Assets relevant to the government project decreased about Baht 51 million which are cash and cash equivalent increase about Baht 134 million due to the cash received from to the government project nearly the ended of 2020, The reduction of contract assets of 149 million baht due to the issuance of invoices to collect money from the government according to the phase of the project completed during the year. There was a decrease in advance payment for government projects in the amount of 5 million baht. There was an increase in fiber optic network equipment in the amount of 25 million baht. A decrease in non-current financial assets, Which is the part of the pledge deposits which is used as collateral for loans in the project operation of 56 million baht.
 - An increase in the right to use assets according to the new accounting standard that has just begun in 2020 in the amount of 62 million baht.
- Total liabilities as at 31 December 2020 decreased approximately Baht 30 million or 3% from prior year due to the followings:
 - An increase in borrowing related to government project contracts amounting to 5 million baht for project implementation. An increase of trade payables and other payables for the implementation of the project in the amount of 46 million baht.
 - A decrease in bank overdrafts and short-term loans from financial institutions amounting to Baht 111 million from loan repayment during the period.

Jan - Dec 2019 12-months	IT Solution	Label Printing	Silkscreen Printing	Government Project	Broadband	E-Tech	Total
Revenues	75,572	248,997	332,124	492,189	153,617	706,042	2,008,540
Cost of sales and services	(60,502)	(166,814)	(196,664)	(400,629)	(90,412)	(637,613)	(1,552,634)
Gross profit (loss)	15,070	82,183	135,460	91,560	63,205	68,428	455,906
Gain (loss) on exchange rate	166	563	176	-	-	-	904
Gain on sale of investment	-	-	-	-	-	(67,976)	(67,976)
Other income	316	239	596	188	511	19,739	21,589
Selling expenses	(11,269)	(8,491)	(7,105)	(834)	(17,894)	(6,162)	(51,755)
Administrative expense	(29,486)	(37,585)	(54,560)	(8,228)	(48,985)	(46,105)	(224,949)
Finance cost	(2,279)	(2,513)	(5,692)	(6)	(3,943)	(11,682)	(26,115)
Profit sharing from associate	820	-	-	-	-	-	820
Profit (loss) before income tax	(26,662)	34,396	68,874	82,680	(7,106)	(43,758)	108,424
Income tax benefit (expense)	8,657	(3,619)	(14,628)	8,793	64	(6,628)	(7,361)
Net profit (loss)	(18,005)	30,777	54,246	91,473	(7,042)	(50,386)	101,063
Profit (loss) attributable to Equity holders of the Company							69,027
Non-controlling interests							32,036
							<u>101,063</u>

The impact of the economic conditions on the results of operations of the company.

Thailand's economy in 2020 has slowed significantly due to the COVID-19 epidemic affecting all businesses in Thailand, including the Company's various business groups. The businesses in IT group, Label Group and Broadband business decrease profit and income according to economic conditions. Regarding the business with profit growth, the silkscreen printing business is still able to maintain sales and control costs, resulting in higher profits than the previous year. In the part of the government project business, a project to provide high-speed internet service in remote areas (Zone C), Group 4, Northeastern Region 2, project value of 2,248 million baht. A 5-year contract in 2020, there is a decrease in revenue and profit from the previous year. This is because most of the income of Phase 1 has been recognized since 2019. But in terms of the cost of solving and improving work for the first phase of work, there are some additional costs added in 2020, resulting in the government project business having a loss in 2020. However, the company has already received the approval from the government to start operation in Phase 2. Revenue recognition starts in December 2020. In 2021, the Company will begin to recognize the operating income for Phase 2 for a full year, which is expected to have revenue and profit growth in the following year.

The Company's strategic goals

- 1) Broadband business and IT business With the tendency to have fierce competition in the consumer market. The company has set goals for growth by focusing on expanding the business as follows:
 - a. Expand business to the business market, including providing internet services for small and medium-sized real estate projects. In the form of a long-term service contract of 3 years or more and is the only service provider. In the nature of providing a full range of services From hardware system design, installation and maintenance such as hotels and serviced apartments. And shopping centers, etc.

- b. Expand the market of the broadband business in the consumer market. In the provinces where the business operates government projects in order to increase the current customer base of the business.
 - c. Expand business to government projects The company aims to bid more in government projects.
- 2) Adjust the business structure of the organization as follows:
- a. Including label and silkscreen printing businesses, the Company has sold shares of Simat Label Company to Hinsitsu (Thailand) to combine business as both companies have a customer base of electrical appliances and electronic equipment. After combining the business, the Company plans to continue listing Hinsitsu on the stock exchange. In which the company has registered Hinsitsu Company is a public company since February 25, 2021.
 - b. Sales of business and customer base are not profitable. In 2020, the company has sold products and customer base in the IT business group to RG Tech Simat Co., Ltd.

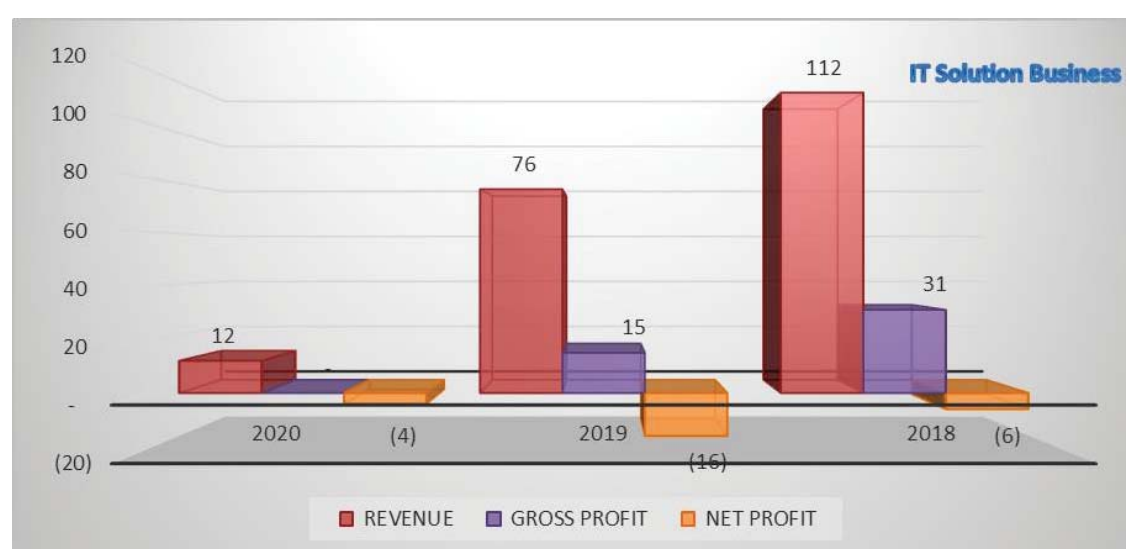
Summary

The consolidated net profit/(loss) of the Company (portion of the parent company) for the year 2020 and 2019 were Baht 40.78 million and Baht 69.03 million, respectively. The profit decreased from the previous year. Due to the government project business. There was a loss from which it used to have a large profit in the previous year. This was due to the delay in the delivery of the 1st phase and the increase in construction costs from the previous year forecast. Although the silkscreen and label printing business showed better performance from the increased sales. Thus causing the overall picture of the operating result to decrease. With details as follows.

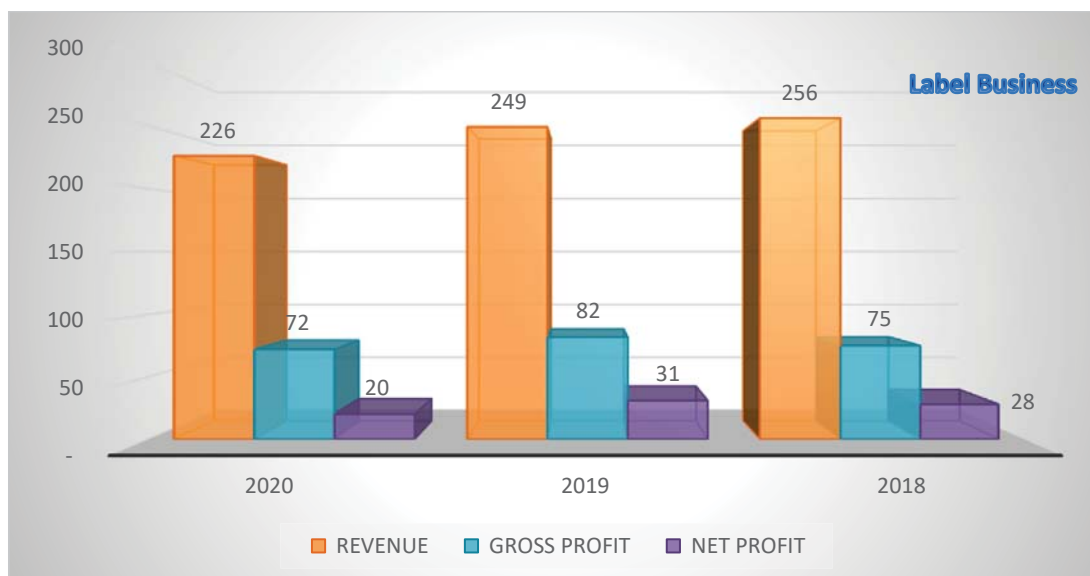
The operating results of 2020 have dropped significantly from that of 2019. With the following main reason;



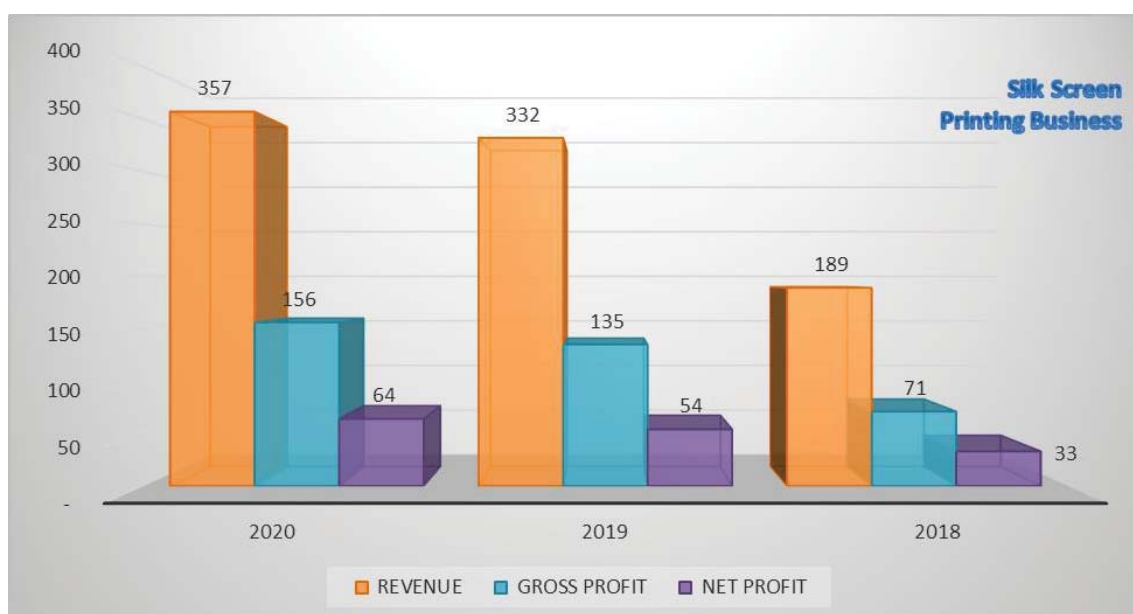
- Broadband business had net loss from operation for the year 2020 and 2019 for Baht 9.99 million and Baht 7.04 million, respectively. Which had an increased loss from the previous year. Because the income decreased by 40% from the number of customers decreasing in the past 1-2 years. The company has transferred employees to the government project business. And focus on allocating resources to complete the delivery of the said project. After the installation work in Phase 1 of the government project has been completed. From the second quarter of 2021 onwards, the company will start sales and marketing in the same network areas in 3 provinces, namely Chiang Mai, Nakhon Ratchasima and Khon Kaen, and the company will start providing internet services to people in 7 areas. Provinces by the project as well. In the future the Company will have internet service area from 3 provinces to 10 provinces which will help increase revenue and profit in this business.



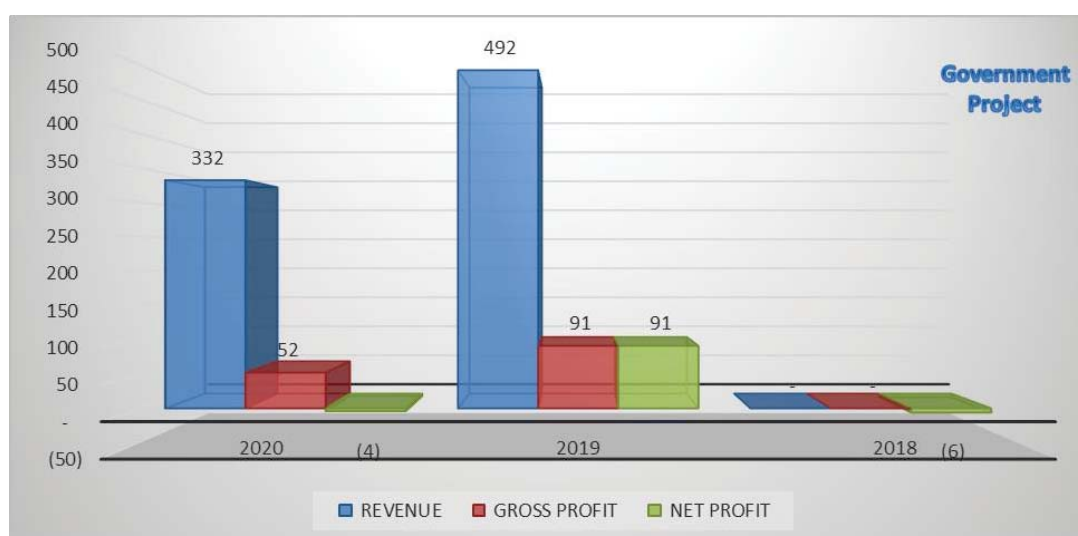
- IT business had loss from operation for the year 2020 and 2019 for Baht 4.21 million and Baht 18.01 million, respectively. The loss improved from prior year. The management has restructured this business by set up the new subsidiary company and the Company has transferred the IT business to this subsidiary and the Company invested about 49%. The business partner who will joint-invest in this subsidiary is an expert in IT business. The IT business after restructuring will improve their operating performance within the next year.



- Label business had profit from operation for the year 2020 and 2019 for Baht 20.41 million and Baht 30.78 million, respectively. Operating results declined. Due to being affected by the COVID-19 situation. The sales decreased 9% and the profit decreased 34%. The percentage of sales of products among the high-margin and tax-exempt smartphone customers from the BOI decreased significantly. As smartphone manufacturers turn to buying cheaper manufacturers in China. However, the business has been adjusted by acquiring new customers and having internal management to reduce the company's cost to generate profit growth in the following year.



- Silkscreen Printing business had profit from operation for the year 2020 and 2019 for Baht 63.59 million and Baht 54.25 , respectively. The company has improved operating results despite being impacted by the COVID situation, but still maintain the growth rate. The sales from electrical appliance manufacturers increased by 7.5 percent due to the cheaper cost and quality better than competitors from China and Japan. The gross profit margin has improved. The company also has sales from new products with high gross margin.



- Government Project had profit (loss) from operation for the year 2020 and 2019 for Baht (3.65) million and Baht 91.47, respectively. Government projects showed a significant decline in performance, due to the delay in the delivery and acceptance of work for the 1st, 2nd and 3rd installments due to force majeure caused by Tropical Storm Podul and Kajiki. This caused severe storms and flooding in the Northeast, affecting the 1st phase of work from late August until the end of 2020. Including the impact of measures to prevent the spread of the COVID-19 virus from declaring a state of emergency in early 2020. The Company previously reported the impact to the SET on May 15, 2020. In addition, it caused the Company to recognize revenue for services in the said work delayed. While there are still some fixed costs that must be had. To support the service and construction and installation expenses for the said period, which increased from the original estimate of 29 million baht or an increase of 5% from the original cost estimate. In addition, the allocated interest on services increased from the delay in receiving payments for the 1st phase of the 2nd installment that had been delivered and received. However, this effect is only temporary as the Company has completed all work for Phase 1 and the Company is able to open most of the services. For the 2nd phase work from December 1, 2020 onwards.

The monthly income for internet service work (Phase 2 work) can be divided as follows.

Phase / Installment	Description	Revenue per month (Million Baht)	Portion	Service Date start
Phase 1, Installment 1	Type 1 , 1,135 Point	5.12	23%	1 March 2020
Phase 1, Installment 2	Type 1 , 962 Point Type 4 , 380 Point Type 5 , 2 Point	7.88	34%	1 May 2020
Phase 1, Installment 3	Type 2 , 1 Point Type 4 , 169 Point	8.66	39%	1 December 2020
Phase 1, Installment 4	Type 2 , 15 Point	0.94	4%	Completed work inspection in February 2021
	Total	22.6	100%	

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Independent Auditor's Report

To the Shareholders and the Board of Directors of Simat Technologies Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Simat Technologies Public Company Limited and its subsidiaries, and of Simat Technologies Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2020, the consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Simat Technologies Public Company Limited and its subsidiaries, and of Simat Technologies Public Company Limited, respectively, as at December 31, 2020, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the 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 year. 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.

Recognition of Revenue from Government Project Construction Contracts

Risk

The Company has revenue from government project construction contracts for the year ended December 31, 2020, amount of Baht 209 million. Revenue from contracts work are recognized based on the performance obligation satisfied over time using the input method which it assessed with reference to the proportion of inputs incurred to the satisfaction of the performance obligation as at the statement of financial position date relative to the total expected inputs to the satisfaction of that performance obligation. Profit or loss on contracts is a key risk for the audit because of the judgment involved in preparing suitable estimates of the forecast costs on such contracts which could affect the amount of revenue recognized in the year ended December 31, 2020.

Auditor's Response

I assessed and obtained the understanding the estimation of input costs and revisions thereto, recognition of revenue as the input method by making enquiry of responsible executives, gaining an understanding the contracts that could have a significant impact on the Company's financial results in order to:

- Assess the appropriateness of estimation of total project input costs by verification with reliable sources which relevant to project input costs estimation,
- Verify the inputs incurred with purchase documents;
- Test the calculations of the recognized revenue based on the input method;
- Compare the progress toward complete of performance obligation satisfied with project manager of the Company;

In addition, I also conducted site visits for certain significant construction of government projects

Carrying amounts of fiber optic equipment

Risk

The Company invested in certain fiber optic network equipment at a net book value of Baht 149 million as at December 31, 2020. The Company started a broadband internet service via the fiber optic network equipment in late 2013. Currently, the Company has not reached a breakeven point with the broadband internet service. The carrying amount of the equipment depends on the future economic benefits from the Company's operations. Determination of the net realizable value of the equipment requires significant judgment by Management.

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Auditor's response

I inquired with Management to obtain an understanding of the Company's policy to determine the allowance for impairment of the fiber optic network equipment. I also considered the appropriateness of the allowance for impairment of the fiber optic network equipment by verifying Management's cash flow projection. Such verification of the cash flow projection included an assessment of the appropriateness of significant assumptions made by Management, such as customer growth rates, internet service rates, other expense projections, and the discount rate.

*Valuation of goodwill**Risk*

As of December 31, 2020, the Group Company had goodwill, exceeding the fair value of the identifiable net assets of a subsidiary acquired by the Company of Baht 125 million in the consolidated financial statements. Evaluation of the impairment of goodwill requires significant judgment by Management.

Auditor's response


I assessed the appropriateness of the goodwill's net book value by considering the cash flow projection prepared by Management of the subsidiary. I assessed the reasonableness of subsidiary management's significant assumptions by comparing the growth rate of the revenues and expenses with the current and historical data, and by comparing the discount rate with the subsidiary's weighted average cost of capital.

*Deferred tax assets**Risk*

According to Note to Financial Statements No.21, the Company has deferred tax assets from tax losses in the amount of Baht 43 million. The utilisation of deferred tax assets is based on the future results of operations and its tax planning. This requires significant judgment by Management.

Auditor's response

I verified the recoverability of the deferred tax assets by assessing the appropriateness of the forecasted pre-tax profit used for the planned utilisation of deferred tax assets based on review of the significant assumptions used by Management for its forecast of its pre-tax profit. I also compared the forecasted revenue growth rate and the change in forecasted expenses with the current and historical data. Then, I tested the computation of the deferred tax assets.



Emphasis of matter

According to Note to Financial Statements No.19

On February 22, 2013, the Company cancelled a service contract with CAT Telecom Public Company Limited (“CAT”) for the rental of optical fiber cable network equipment in Nakorn Ratchasima and Chiang Mai provinces. As a result, the Company is now a service provider instead of a lessor. In addition, as discussed in Note to Financial Statements No 41, the Company filed a lawsuit against CAT.

My opinion is not express qualified opinion with respect to this matter.

Other information

Management is responsible for the other information. The other information comprises the information include in Annual Report, but does not include the consolidated and separate financial statements and my auditor’s report thereon. The Annual Report for the year is expected to be made available to me after the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

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considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism 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's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the 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

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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.



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Certified Public Accountant Registration Number 9037

ANS Audit Company Limited

Bangkok, March 1, 2021

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
		DECEMBER	DECEMBER	DECEMBER	DECEMBER
Notes		31, 2020	31, 2019	31, 2020	31, 2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	161,709	27,978	123,195	4,964
Trade and other current receivables - net	6,7	203,250	207,537	61,022	90,162
Current contract assets	8	158,968	387,143	158,968	387,143
Cost of government project - net	9	13,096	23,517	13,096	23,517
Inventories-net	10	78,250	87,848	10,335	13,672
Advance for government project		1,634	7,524	1,634	7,524
Total Current Assets		616,907	741,547	368,250	526,982
NON-CURRENT ASSETS					
Non-current financial assets	11	119,371	174,521	97,470	152,620
Non current contract assets - net	8	78,873	-	78,873	-
Investments in associated companies	12	31,066	30,942	26,174	21,274
Investments in subsidiary companies-net	13	-	-	280,000	280,000
Land, equipment and leasehold improvement - net	15	158,903	142,835	2,086	10,836
Right-of-use-assets-net	16	61,516	-	25,747	-
Equipment and computer software					
for lease-net	17	1	1	1	1
Software development cost for sales-net	18	3,609	3,565	1,108	1,874
Fiber optic network equipment-net	19	407,860	163,789	407,860	163,789
Fiber optic network equipment under construction	20	12,302	231,258	12,302	231,258
Goodwill		125,983	125,983	-	-
Deferred tax assets - net	21	58,123	44,175	52,750	38,535
Deposits		9,352	10,040	7,472	6,989
Prepayment-maintenance project		8,208	11,826	8,208	11,826
Prepayment-fixed assets		-	11,120	-	11,120
Other non-current assets		23,497	13,132	15,956	13,129
Total Non-Current Assets		1,098,664	963,187	1,016,007	943,251
TOTAL ASSETS		1,715,571	1,704,734	1,384,257	1,470,233

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SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	DECEMBER 31, 2020	DECEMBER 31, 2019	DECEMBER 31, 2020	DECEMBER 31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short-term loan from					
financial institutions	22	277,742	418,631	262,742	406,131
Trade and other current payables	23	263,000	217,202	206,673	185,180
Current portion of lease liabilities - net	25	19,249	17,369	8,215	10,991
Current portion of long-term loan from					
financial institutions	26	143,472	82,415	100,624	44,411
Short-term loans from other persons	27	40,000	10,000	40,000	10,000
Short-term loan from related parties and directors	6	12,500	10,000	14,100	45,100
Accrued income tax		14,808	9,334	-	-
Total Current Liabilities		770,771	764,951	632,354	701,813
NON-CURRENT LIABILITIES					
Lease liabilities-net	25	31,757	12,448	12,768	1,297
Long-term loan from financial institutions - net	26	236,348	291,546	117,000	165,886
Convertible debentures	28	-	2,500	-	2,500
Non-current provisions for employee benefits	29	17,559	14,659	3,403	3,474
Total Non-Current Liabilities		285,664	321,153	133,171	173,157
TOTAL LIABILITIES		1,056,435	1,086,104	765,525	874,970

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SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
		DECEMBER	DECEMBER	DECEMBER	DECEMBER
Notes		31, 2020	31, 2019	31, 2020	31, 2019
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
Share capital					
Registered					
	Common shares 816,618,970 shares of Baht 1 each	816,619	816,619	816,619	816,619
Issued and fully paid-up					
	Common shares 525,513,051 shares of Baht 1 each		525,513		525,513
	Common shares 526,881,789 shares of Baht 1 each	28	526,882	526,882	
	Paid in capital in excess of par value	44	69,221	477,262	69,221
	Reserve for share-based payments	40	1,473	1,660	1,473
	Discount on capital from change in proportion of investment in subsidiary company	30	(52,791)	(52,791)	-
Retained earnings (deficit)					
Appropriated					
	Legal reserve	31	1,501	15,141	1,501
Unappropriated					
			(31,971)	(486,363)	19,655
	Total equity of the parent company		514,315	480,422	618,732
	Non-controlling interests		144,821	138,208	-
	TOTAL SHAREHOLDERS' EQUITY		659,136	618,630	618,732
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,715,571	1,704,734	1,384,257

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SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2020	2019	2020	2019
Revenues					
Revenues from sales and services		688,555	810,310	105,119	229,211
Revenues from government project	8	331,539	492,189	331,539	492,189
Total revenues		1,020,094	1,302,499	436,658	721,400
Cost					
Cost of sales and services		(433,516)	(514,367)	(77,968)	(149,002)
Cost of government project	9	(279,636)	(400,654)	(279,636)	(400,654)
Total cost		(713,152)	(915,021)	(357,604)	(549,656)
Gross profit		306,942	387,478	79,054	171,744
Dividend income	13	-	-	43,750	29,731
Gain (loss) on exchange rate - net		211	904	(24)	164
Other income		16,424	1,850	15,428	3,856
Gain (loss) sale of investment in subsidiary company	13,14	-	(67,976)	-	173,949
Distribution cost		(34,657)	(45,593)	(16,545)	(30,039)
Administrative expenses	29	(169,289)	(178,844)	(76,579)	(88,996)
Profit from operating activities		119,631	97,819	45,084	260,409
Finance cost		(36,470)	(14,433)	(27,751)	(9,258)
Equity in net profit (loss) of associated companies	12	(4,777)	820	-	-
Profit before income tax		78,384	84,206	17,333	251,151
Income tax benefit (expense)	21,36	(12,244)	(733)	12,137	17,515
Profit from continuing operation		66,140	83,473	29,470	268,666
Profit from discontinued operation	14	-	17,590	-	-
NET PROFIT FOR THE YEARS		66,140	101,063	29,470	268,666

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SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2020	2019	2020	2019
OTHER COMPREHENSIVE INCOME (LOSS)					
ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Foreign currency translation differences		-	(3,657)	-	-
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Gain (loss) on remeasurements of defined benefit plans		(117)	(795)	986	-
Income tax relating to components of other comprehensive					
income on gain (loss) on remeasurements of defined benefit plans		23	159	(197)	-
Other comprehensive income (loss) for the years		(94)	(4,293)	789	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR					
THE YEARS		66,046	96,770	30,259	268,666
Profit (loss) attributable to :					
Equity holders of the Company					
From continuing operation		40,777	126,449	29,470	268,666
From discontinued operation		-	(57,422)	-	-
		40,777	69,027	29,470	268,666
Non-controlling interests					
From continuing operation	13	25,363	25,000	-	-
From discontinued operation		-	7,036	-	-
		25,363	32,036	-	-
		66,140	101,063	29,470	268,666

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SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

		Unit: Thousands Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2020	2019	2020	2019
Total comprehensive income (loss) attributable to :					
Equity holders of the Company					
From continuing operation		40,683	125,812	30,259	268,666
From discontinued operation	14	-	(59,616)	-	-
		<u>40,683</u>	<u>66,196</u>	<u>30,259</u>	<u>268,666</u>
Non-controlling interests					
From continuing operation	13	25,363	25,001	-	-
From discontinued operation		-	5,573	-	-
		<u>25,363</u>	<u>30,574</u>	<u>-</u>	<u>-</u>
		<u>66,046</u>	<u>96,770</u>	<u>30,259</u>	<u>268,666</u>
EARNINGS (LOSS) PER SHARE					
FROM CONTINUING OPERATION :					
Basic earnings (loss) per share (Baht)	33	<u>0.08</u>	<u>0.24</u>	<u>0.06</u>	<u>0.51</u>
Diluted earnings (loss) per share (Baht)		<u>0.07</u>	<u>0.24</u>	<u>0.05</u>	<u>0.51</u>
EARNINGS (LOSS) PER SHARE					
FROM DISCONTINUED OPERATION :					
Basic earnings (loss) per share (Baht)		<u>-</u>	<u>(0.11)</u>		
Diluted earnings (loss) per share (Baht)		<u>-</u>	<u>(0.11)</u>		

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SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Thousands Baht														
CONSOLIDATED F/S														
Equity attributable to equity holders of the Company														
Notes	Retained earnings (deficits)						Other components of equity							
	Paid-up share capital	Paid-in capital in excess of par	Reserve for share-based payment	Discount on capital from change in proportion of investment in subsidiary company	Legal reserve	Unappropriated	Other Comprehensive Income (loss)				Total other components of equity	Total equity of the parent company	Non-controlling interests	Total
							Foreign currency translation reserve	Gain (loss) on remeasurements of defined benefit plans						
Balance as at December 31, 2019		525,513	477,262	1,660	(52,791)	15,141	(486,363)	-	-	-	-	480,422	138,208	618,630
Financial reporting standards related to financial instruments	3	-	-	-	-	-	(9,103)	-	-	-	-	(9,103)	-	(9,103)
Balance as at January 1, 2020		525,513	477,262	1,660	(52,791)	15,141	(495,466)	-	-	-	-	471,319	138,208	609,527
Changes in equity for the year :														
Reserve for share-based payment	40	-	-	(187)	-	-	-	-	-	-	-	(187)	-	(187)
Dividend paid from subsidiary	13	-	-	-	-	-	-	-	-	-	-	-	(18,750)	(18,750)
Issue of shares capital on exercise of convertible debenture	28	1,369	1,131	-	-	-	-	-	-	-	-	2,500	-	2,500
Legal reserve	31	-	-	-	-	1,501	(1,501)	-	-	-	-	-	-	-
Transfer to retained earnings (deficit)	44	-	(409,172)	-	-	(15,141)	424,219	-	94	94	94	-	-	-
Total comprehensive income (loss) for the year		-	-	-	-	-	40,777	-	(94)	(94)	(94)	40,683	25,363	66,046
Balance as at December 31, 2020		526,882	69,221	1,473	(52,791)	1,501	(31,971)	-	-	-	-	514,315	144,821	659,136
Balance as at December 31, 2018		525,513	477,262	3,121	(2,314)	15,141	(554,754)	(10,259)	-	(10,259)	(10,259)	453,710	114,631	568,341
Changes in equity for the year :														
Reserve for share-based payment	40	-	-	(1,461)	-	-	-	-	-	-	-	(1,461)	-	(1,461)
Dividend paid from subsidiary		-	-	-	-	-	-	-	-	-	-	-	(11,400)	(11,400)
Changes in non-controlling interests														
- Acquisition shares of subsidiary		-	-	-	(7,338)	-	-	-	-	-	-	(7,338)	(18,662)	(26,000)
- Change in proportion of investment in subsidiary company		-	-	-	(39,088)	-	-	-	-	-	-	(39,088)	39,088	-
- Capital increase of indirect subsidiary		-	-	-	(4,051)	-	-	-	-	-	-	(4,051)	9,049	4,998
Transfer to retained earnings (deficit)		-	-	-	-	-	(636)	-	636	636	636	-	-	-
Disposal subsidiary		-	-	-	-	-	-	12,454	-	12,454	12,454	12,454	(25,072)	(12,618)
Total comprehensive income (loss) for the year		-	-	-	-	-	69,027	(2,195)	(636)	(2,831)	(2,831)	66,196	30,574	96,770
Balance as at December 31, 2019		525,513	477,262	1,660	(52,791)	15,141	(486,363)	-	-	-	-	480,422	138,208	618,630

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The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Thousands Baht							
SEPARATE F/S							
Notes	Paid-up share capital	Paid-in capital in excess of par	Reserve for share-based payment	Retained earnings (deficit)		Other components of equity	Total Equity
				Legal reserve	Unappropriated		
Balance as at December 31, 2019	525,513	477,262	1,660	15,141	(424,313)	-	595,263
Financial reporting standards related to financial instruments	-	-	-	-	(9,103)	-	(9,103)
Balance as at January 1, 2020	525,513	477,262	1,660	15,141	(433,416)	-	586,160
Changes in equity for the year :							
Reserve for share-based payment	-	-	(187)	-	-	-	(187)
Issue of shares capital on exercise of convertible debenture	1,369	1,131	-	-	-	-	2,500
Legal reserve	-	-	-	1,501	(1,501)	-	-
Transfer to retained earnings (deficit)	-	(409,172)	-	(15,141)	425,102	(789)	-
Total comprehensive income for the year	-	-	-	-	29,470	789	30,259
Balance as at December 31, 2020	<u>526,882</u>	<u>69,221</u>	<u>1,473</u>	<u>1,501</u>	<u>19,655</u>	<u>-</u>	<u>618,732</u>
Balance as at December 31, 2018	525,513	477,262	3,121	15,141	(692,979)	-	328,058
Changes in equity for the year :							
Reserve for share-based payment	-	-	(1,461)	-	-	-	(1,461)
Total comprehensive income for the year	-	-	-	-	268,666	-	268,666
Balance as at December 31, 2019	<u>525,513</u>	<u>477,262</u>	<u>1,660</u>	<u>15,141</u>	<u>(424,313)</u>	<u>-</u>	<u>595,263</u>

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The accompanying notes form an integral part of these financial statements.

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

Unit: Thousands Baht				
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Cash Flows from Operating Activities				
Net profit (loss) for the years:				
From continuing operation	66,140	151,449	29,470	268,666
From discontinued operation	-	(50,386)	-	-
	66,140	101,063	29,470	268,666
Adjustments to reconcile net profit(loss) to cash provided by (used in) operating activities:				
Income tax expense (benefit)	12,244	7,361	(12,137)	(17,515)
Depreciation and amortization	84,479	47,070	52,473	20,105
Amortisation of investment property	-	971	-	-
Write-off of inventories	97	-	97	-
Written off withholding tax assets	383	-	383	-
Allowance for decline values of inventories	12,917	8,331	1,349	837
Amortization of software development cost for sales	-	1,253	-	-
Equity in net (profit) loss of associated companies	4,777	(820)	-	-
Unrealized gain on foreign exchange rate	(35)	(13)	-	(3)
(Gain) loss on disposal of equipment	1,632	130	(324)	(10)
(Gain) loss on disposal of investment in subsidiaries	-	67,976	-	(173,949)
Expected credit loss	5,086	7,076	4,983	3,594
Non - current provision for employee benefit	2,784	3,645	914	908
Reversal Reserve for share based payment	(187)	(1,461)	(187)	(1,461)
Loss on impairment of assets	1,646	-	-	-
Dividend income	-	-	(43,750)	(29,731)
Financial cost - interest expense	34,702	26,115	27,751	9,258
Financial income - interest income	(4,125)	(16,523)	(4,026)	(401)
Profit from operations before changes in operating assets and liabilities :	222,540	252,174	56,996	80,298

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SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Operating assets decrease (increase) :				
Trade and other current receivables	(131)	(50,225)	44,445	(19,210)
Current contract assets	135,665	(387,143)	135,665	(387,143)
Inventories	(714)	(20,262)	15,711	(24,442)
Other current assets	5,889	(7,524)	5,889	(7,524)
Non-current contract assets	4,985	-	4,985	-
Other non-current assets	14,996	2,401	3,135	4,225
Trade and other current payables	28,812	101,587	(9,423)	89,111
Cash received from (paid) operating activities	412,042	(108,992)	257,403	(264,685)
Cash paid interest	(34,285)	(26,028)	(30,622)	(8,048)
Cash received interest	1,398	16,523	1,299	401
Coporate income tax paid	(23,699)	(25,205)	(5,644)	(3,515)
Coporate income tax refund	2,518	-	2,437	-
Net cash provided by (used in) operating activities	357,974	(143,702)	224,873	(275,847)
Cash flows from investing activities:				
Dividend received	-	3,131	43,750	21,951
Cash paid in investment in subsidiary company	-	(26,000)	-	(26,000)
Cash paid in investment in associate company	(4,900)	-	(4,900)	-
(Increase) decrease in non-current financial assets	55,150	(115,032)	55,150	(103,075)
Cash payment for fiber optical network equipment	-	(9,943)	-	(7,781)
Advance payment for asset of government project	(45,059)	(208,454)	(45,059)	(208,454)
Cash received from sale of equipment	680	-	485	46
Cash received from sale of investment in subsidiary - net	-	9,656	-	202,618
Cash payment for acquisition of land, equipment and software computer	(69,420)	(26,234)	(290)	(501)
Net cash provided by (used in) investing activities	(63,549)	(372,876)	49,136	(121,196)



SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Cash flows from financing activities:				
Cash received from change in proportion of investment in subsidiary company	-	4,998	-	-
Cash paid for loans from related parties and directors	(43,100)	-	(76,800)	(9,883)
Cash received for loans from related parties and directors	45,600	10,000	45,800	29,500
Increase (decrease) in bank overdraft and short-term loan from financial institution - net	(140,889)	337,797	(143,389)	386,965
Cash received for short-term loans from other persons	80,000	50,000	80,000	50,000
Cash paid for short-term loans from other persons	(50,000)	(50,000)	(50,000)	(50,000)
Cash received for long-term loans from financial institution	73,893	427,819	42,000	238,818
Cash paid for long-term loans from financial institution	(75,593)	(240,449)	(34,673)	(211,077)
Cash paid for lease liabilities	(31,855)	(33,809)	(18,716)	(23,819)
Dividend paid to non-controlling interests	(18,750)	(19,871)	-	-
Cash paid for redemption of convertible debentures	-	(15,000)	-	(15,000)
Net cash provided by (used in) financing activities	(160,694)	471,485	(155,778)	395,504
Net increase (decrease) in cash and cash equivalents - net	133,731	(45,093)	118,231	(1,539)
Effect of foreign exchange rate changes	-	728	-	-
Cash and cash equivalents, Beginning of years	27,978	72,343	4,964	6,503
Cash and cash equivalents, End of years	161,709	27,978	123,195	4,964



SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
Non-cash transactions :				
Transfer inventories to equipment, fiber optic network equipment - net				
and fiber optic network equipment under construction	2,330	4,234	2,330	4,234
Transfer fiber optics network equipment under construction				
to fiber optics network equipment	284,837	-	284,837	-
Transfer inventories to fiber optics network equipment				
under construction	5,390	-	5,390	-
The impact of first-time adoption of TFRS 16				
Decrease in land, equipment and leasehold improvements - net	31,237	-	6,330	-
Decrease in fiber optic network equipment-net	6,206	-	6,206	-
Increase in right-of-use assets-net	76,502	-	25,763	-
Increase in lease liabilities-net	39,160	-	13,327	-
The impact of first-time adoption of TFRS 9				
Increase in unappropriated deficit	9,103	-	9,103	-
Decrease in current contract assets	92,509	-	92,509	-
Increase in non-current contract asset - net	81,131	-	81,131	-
Increase in deferred tax assets	2,275	-	2,275	-
Offset transaction				
Dividend received	-	(7,781)	-	(7,781)
Other current receivable-related party	-	(80,000)	-	(80,000)
Short-term loan from-related company	-	87,781	-	87,781
Accrued income	-	(57)	-	(57)
Short-term loan from-related company	-	57	-	57
Write-off Inventories				
Inventories	(12,019)	-	-	-
Allowance for decline values of inventories	12,019	-	-	-

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SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2020

	Unit: Thousands Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2020	2019	2020	2019
The company purchases assets under the hir purchase agreement				
Increase in vehicle - Cost	-	2,800	-	-
Increase in lease liabilities - net	-	2,170	-	-
The subsidiary purchases assets under the hire purchase agreement				
Increase in machines - Cost	-	13,000	-	-
Increase in lease liabilities - net	-	8,249	-	-
Prepayment for assets	-	4,751	-	-
Issue of share capital and paid-in capital in excess of par				
on exercise of convertible debenture	2,500	-	2,500	-
Transfer paid-in capital in excess of par and legal reserve to deficit	424,314	-	424,314	-
The associate's asset receivable	1,932	-	1,932	-
Accrued cost of government project	15,432	22,804	15,432	22,804
Long - term loans from financial institutions to pay for				
life insurance	7,558	-	-	-
Assets payable	1,256	-	-	-

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SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. GENERAL INFORMATION

The Company registered as a limited company with the Ministry of Commerce in the year 1999. The Company registered the changes of its status to a public company and the change of its name to “Simat Technologies Public Company Limited” with the Ministry of Commerce on July 18, 2006. The Company is engaged in the trade of computer hardware, software and network accessories and computer information technology system development.

The Company’s registered head office is located at 123 Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung Road, Lamplatew Sub-district, Ladkrabang District, Bangkok. The company has 3 branches as follows,

Branch is located at 179/69-70, Soi Mittapam 4, Naimuang, Muang Nakhon Ratchasima, Nakhon Ratchasima.

Branch is located at 68 Moo 4, Nong Hoi, Muang Chiang Mai, Chiangmai.

Branch is located at 251/7-8 Thepharak Road, Nai Muang, Mueang Khon Kaen, Khon Kaen.

2. BASIS FOR PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”) including related interpretations and guidelines promulgated by the Federation of Accounting Professions (“FAP”) and applicable rules and regulations of the Securities and Exchange Commission.

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The preparation of the financial statements in conformity with Thai Financial Reporting Standards (“TFRS”) requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

Coronavirus disease 2019 Pandemic

The COVID-19 pandemic has caused an economic slowdown adversely affecting most businesses and industries. This situation may bring uncertainties and affect the environment in which the Group operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

Basis of preparation of consolidation financial statements

- a) The consolidated financial statements include the financial statements of Simat Technologies Public Company Limited and subsidiaries as follow:

Subsidiary companies	Percentage of shareholding / Voting rights hold		Type of businesses
	December	December	
	31, 2020	31, 2019	
<u>Subsidiaries directly held by the Company</u>			
Simat Telecom Co., Ltd.	100.00	100.00	Sales of hardware, software and telecommunication services
Hinsitsu (Thailand) Co., Ltd.	70.00	70.00	Produce and sales of sticker and silk screen printing
<u>Subsidiaries held by Hinsitsu (Thailand) Co., Ltd.</u>			
Hinsitsu Precision (Thailand) Co., Ltd.	78.27	78.27	Produce and sales of sticker and label, raw materials for making stickers.
Simat Label Co., Ltd.	100.00	100.00	Wholesaler for barcode, productions and RFID, papers and related supplies.

- b) The Company is deemed to have control over an investee or subsidiary if it has rights to, or is exposed to, variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated as from the date on which the Company obtains control and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

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- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

3. NEW FINANCIAL REPORTING STANDARDS AND ACCOUNTING TREATMENT GUIDANCE

a) Financial reporting standards that became effective in the current year

During the year 2020, the Company and its subsidiaries adopted the revised (revised 2020) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2020. These financial reporting standards seek alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the financial statements of either the Company or its subsidiaries, except the adoption of the financial reporting standards related to financial instruments and TFRS 16 Leases. The changes to key principles and impacts are summarized as follows:

Financial reporting standards related to financial instruments

TFRSs related to financial instruments consists of the following five accounting standards and interpretations:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

TFRS 16 Leases

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

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

Impacts on the financial statements

The Group has adopted these two groups of reporting standards as from January 1, 2020 under the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies are therefore recognized in the statement of financial position as at January 1, 2020.

The impact of first-time adoption of new accounting standards on the consolidated and separate statement of financial position as at January 1, 2020 are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements			
	Financial reporting standards related			
	December 31, 2019	to financial instruments	TFRS 16	January 1, 2020
Statement of financial position				
Current assets				
Current contract asset	387,143	(92,509)	-	294,634
Non-current assets				
Pledge deposits with banks	174,521	(174,521)	-	-
Non-current financial assets	-	174,521	-	174,521
Non-current contract asset - net	-	81,131	-	81,131
Equipment and leasehold improvements-net	142,835	-	(31,237)	111,598
Fiber optic network equipment-net	163,789	-	(6,206)	157,583
Right-of-use assets-net	-	-	76,503	76,503
Deferred tax assets	44,175	2,275	-	46,450
Current liabilities				
Current portion of lease liabilities-net	17,369	-	12,411	29,780
Non-current liabilities				
Lease liabilities-net	12,448	-	26,749	39,197
Shareholder's equity				
Unappropriated deficit	(486,363)	(9,103)	-	(495,466)

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Statement of financial position	Unit: Thousand Baht			
	Separate financial statements			
	Financial reporting standards related			
	December 31,	to financial		
	2019	instruments	TFRS 16	January 1, 2020
Current asset				
Current contract assets	387,143	(92,509)	-	294,634
Non-current assets				
Pledge deposits with banks	152,620	(152,620)	-	-
Non-current financial assets	-	152,620	-	152,620
Non-current contract asset - net	-	81,131	-	81,131
Equipment and leasehold improvements-net	10,836	-	(6,330)	4,506
Fiber optic network equipment-net	163,789	-	(6,206)	157,583
Right-of-use assets-net	-	-	25,763	25,763
Deferred tax assets	38,535	2,275	-	40,810
Current liabilities				
Current portion of lease liabilities-net	10,991	-	5,449	16,440
Non-current liabilities				
Lease liabilities-net	1,297	-	7,878	9,175
Shareholder's equity				
Unappropriated deficit	(424,313)	(9,103)	-	(433,416)
Financial instruments				

Classification and measurement

On January 1, 2020 (the date of initial application), Group management assessed the business models applied to financial assets and liabilities. Group management classified and measured all financial assets and liabilities at amortised cost.

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Impairment of financial assets

The Group has trade receivables that are subject to the expected credit loss model. The Company only has trade receivables and long-term loans to related parties that are subject to the expected credit loss model. The effect of the adoption of such standard is not immaterial to the financial statements.

Lease agreement

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. Right-of-use assets were measured at amounts equal to the lease liability, and recognised in the statement of financial position immediately before the date of initial application. These liabilities were measured at the present value by discounting remaining lease payments using the Group's implicit interest rate. The Group and the Company's implicit interest rate applied to the lease liabilities as at January 1, 2020 was 3.97% to 4.60%.

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

As at January 1, 2020, the Group has the following right-of-use assets and lease liabilities:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Present value of the remaining lease payments	41,905	13,981
<u>Less:</u> Deferred interest expenses	(2,745)	(654)
Additional lease liabilities from TFRS 16 adoption	39,160	13,327
Finance lease liabilities as at December 31, 2019	29,817	12,288
Lease liabilities recognised as at January 1, 2020	<u>68,977</u>	<u>25,615</u>
Of which are:		
Current lease liabilities	29,780	16,440
Non-current lease liabilities	<u>39,197</u>	<u>9,175</u>
	<u>68,977</u>	<u>25,615</u>

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b) Revised financial reporting standards

In January 2021, the Federation of Accounting Professions announced the new TFRS 16 Lease (revised 2020), which was amended to provide the following two practical forms of relief:

1. Rent concessions to lessees as a result of the COVID-19 pandemic:

A lessee may elect not to assess whether a COVID-19 related rent concession is a lease modification and shall account for those rent concessions as if they were not lease modifications. This amendment is effective for fiscal periods beginning on or after June 1, 2020.

2. Lease modifications as a result of interest rate benchmark reform:

This will be effective for fiscal periods beginning on or after January 1, 2022.

The Group's management believes that the revised financial reporting standards will not have any significant impact on the financial statements when it is initially applied.

c) Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of COVID-19”

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of COVID-19.”

The Accounting Treatment Guidance was published in the Royal Government Gazette on April 22, 2020, and is effective for financial statements prepared for reporting periods between January 1, 2020 and December 31, 2020.

Among the temporary relief measures on accounting alternatives, the Group has elected:

- Not to consider forward-looking information to measure the expected credit losses of trade receivable when using simplified approach.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.
- Not to consider rent concessions for lessee as a result of the COVID 19 pandemic as a lease modification.

4. SIGNIFICANT ACCOUNTING POLICIES**Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments with an original maturity of three months or less and not subject to withdrawal restrictions. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

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Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies TFRS 9's simplified approach to measure expected credit losses. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial assets and financial liabilities**Classification and measurement of financial assets and financial liabilities*****Classification***

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- 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 instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

Measurement

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus 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.

There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial 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 in profit or loss.

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- FVOCI: A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: A asset that does not meet the criteria for amortised cost or FVOCI is 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.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

Impairment

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Company applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Company applies the simplified approach to measure expected credit losses.

Contract assets

When the Company has an unconditional right to receive consideration. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on the moving-average basis. Net realizable value is the estimated selling price in the ordinary course of the business less the estimated costs necessary to make the sale.

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Work in process comprise of cost of raw material, hardware and related software, cost is determined on the moving-average basis. Direct cost, other cost and overhead for installation equipments and cables which is allocated based on normal operating capacity.

Investment in subsidiaries and associate company

Investments in associated company is accounted for in the consolidated financial statements by the equity method of accounting. Investment in subsidiaries and associated company are accounted for in the separate financial statements by the cost method of accounting, and adjusted impairment, if any. Provisions for impairment are taken up in the accounts to adjust the value of investment whenever necessary.

Property and equipment

Owned assets

Land are stated at cost less impairment losses of assets (if any).

Property and equipment are stated at cost less accumulated depreciation and impairment losses of assets (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property and equipment.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Subsequent costs

The cost of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

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Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment. The estimated useful lives are as follows:

	<u>Useful life (years)</u>
Office equipment	1 – 10
Tools and equipment	3 – 15
Furniture and fixtures	5 – 10
Motor vehicles	5 – 10
Machinery	5 – 15
Renovation	3 - 10

No depreciation is provided on assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Equipment and computer software for lease

Equipment and computer software for lease are stated at cost, net of accumulated amortization.

Amortization is calculated on the straight-line method over their agreement.

Software development cost for sales

Software development cost for sales is recognized at cost, comprising various related direct expenses of acquisition.

Amortization is charged to the statement of comprehensive income using the straight-line method for 5 years.

Fiber optic network equipment

The company depreciated fiber-optic network equipment on a straight-line basis over the estimated useful lives of the assets as follows.

	<u>Useful life (years)</u>
Devices outside the fiber optic network	5 - 35
Fiber optic network equipment	3 - 35

Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of share of the identifiable net assets which the Company acquired. Goodwill is measured at cost and impairment is considered when there is an indication.

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Computer programs

Computer program are stated at cost, net of accumulated amortization.

Amortization is calculated on the straight-line method over their estimated useful lives of 3 years.

Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. Intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Employee benefits

Short-term benefits

The Group recognizes salaries, wages, bonus and social security contribution as expenses on an accrual basis.

Post-employment benefits - defined contribution plan

The Group has established a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by the contribution from employees and the Group. Contributions to the provident fund are charged in profit or loss in the period to which they relate.

Post-employment benefits - defined benefit plan

The employee benefits liabilities in relation to the severance payment under the labor law and is recognised as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Group recognize actuarial gains or losses in other comprehensive income in the period in which they arise.

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Leases

Leases - where the Group is the lessee

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

The Group recognizes right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and
- payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and equipment.

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option

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When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - where the Group is the lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease substantially transfers all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in the initial measurement of the finance lease receivable and will be gradually reduced against the income over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders, and interim dividend are approved by the Board of Directors.

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Related party transactions

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group and the Company that gives them significant influence over the Group and the Company, key management personnel, 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.

Revenues and expenses recognition

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

- Revenue from contracts work are recognized based on the performance obligation satisfied over time using an input method on the basis of inputs the cost incurred to-date to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.
- Sale is recognized when delivery has taken place and the transfer of risks and rewards has been completed.
- Service income consists of board band service, maintenance service income and service installation of systems. Service income is recognised over time when services have been rendered taking into account the stage of completion. Service rate charged and service period are stipulated in the contract.
- Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Other income and expense are recorded by accrual basic.

Foreign currencies

Functional and presentation currency

The financial statements of each entity within the Group are presented in the functional currency of the primary economic environment in which the entity operates. The financial statements of the Group are presented in Thai Baht, the presentation currency in accordance with the regulatory requirements in Thailand. The functional currency of the Company and its subsidiaries in Thailand is Thai Baht. Functional currencies of its foreign operation are Malaysia Ringgit and Vietnam Dong.

Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

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Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Gain or losses on translation are recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the date of transaction.

Translation of the Group's financial statements

The financial statements of the Group are translated into the presentation currency as follows:

- The Group's assets and liabilities are translated at the closing rate as at the end of reporting period date.
- The Group's revenues and expenses are translated at the average exchange rates during the periods which approximate to the exchange rates at the dates of transactions; and
- Share capital is translated at historical rates.

Exchange differences on translating financial information are recognized in the other comprehensive income and presented in the exchange differences as a separate component of shareholders' equity until the disposal of the foreign operation.

Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

In determining the amounts of current and deferred tax, the Group considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Earnings (loss) per share and diluted earnings (loss) per share

Earnings (loss) per share are determined by dividing the net income (loss) for the year by the weighted average number of shares outstanding during the year and the effect of increased shares from exercise warrants during the year.

Diluted earnings (loss) per share are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares including the effect of increased shares from exercise warrants.

Segment information

Segment information is presented in respect of the Company and subsidiary businesses. The primary format and business segments are based on the Company and subsidiary management and internal reporting structure.

Fair value measurement

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 The information cannot be observed, for example information regarding estimate cash flows in the future by the Company.

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At the end of each reporting period, the Group determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ from these estimates. Significant judgments and estimates are as follows:

Allowance for diminution in value of inventory

Allowances for diminution in the value of inventory accounts are intended to adjust the value of inventory for probable credit losses. The management uses judgment to estimate losses, based on an analysis of inventory aging, considering the current situation with respect to sales of inventory items, on a specific basis. However, the use of different estimates and assumptions could affect the amounts of allowance for diminution in value of inventory in the future.

Impairment of investment

Management reviews the impairment of investments in subsidiaries and associate company by considering the operating result and the future business plan of the subsidiaries and associate company. Such consideration is based on Management's judgment.

Impairment of goodwill

The Company reviews goodwill from investments in subsidiary to determine whether or not it is impaired. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates.

Impairment of assets

The management performed an impairment review in respect of assets, which consisted of investments and other assets whenever events or changes in circumstances indicate that the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use (calculated from the estimated future discounted cash flows) is less than the carrying amount.

The preparation of the estimated future discounted cash flows requires the management to make forecasts of future revenues and expenses, and appropriate discount rates and other assumptions.

Equipment and depreciation/ computer software and amortization

In determining depreciation of equipment and amortization of software computer, the management is required to make estimates of the useful lives and residual values of the assets and to review estimate useful lives and residual values when there are any changes.

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In addition, the management is required to review equipment and software computer for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Post-employment benefits under defined benefit plans and other long-term employee benefits

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

Provisions

In determining provision, the management needs to exercise judgement and make estimates based upon consideration of probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2020 and 2019 are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash on hand	1,613	1,128	1,578	1,056
Cash at banks				
Current account	141,528	9,900	120,016	3,427
Savings account	17,044	16,546	77	77
Fixed deposits with maturities				
of less than 3 months	1,524	404	1,524	404
Total	161,709	27,978	123,195	4,964

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6. TRADE AND OTHER CURRENT RECEIVABLES-NET

Trade and other current receivables-net as at December 31, 2020 and 2019 are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables				
Trade receivables-other parties	172,899	169,076	34,579	54,633
Trade receivables-related parties	8,733	-	8,752	34
<u>Less Expected credit loss</u>	<u>(26,088)</u>	<u>(21,002)</u>	<u>(25,985)</u>	<u>(21,002)</u>
Total trade receivables-net	<u>155,544</u>	<u>148,074</u>	<u>17,346</u>	<u>33,665</u>
Other current receivables				
Other current receivable-related parties	3,324	-	3,324	1,330
Transfer business receivables	18,358	-	18,358	-
Investment receivables	5,015	14,370	5,015	14,370
Accrued income	3,218	4,118	3,159	4,103
Value added tax receivables	6,069	26,533	5,736	26,533
Prepaid expenses	5,723	8,032	2,193	4,404
Advances to customer	610	727	577	657
Postdated cheques	-	13	-	-
Undue input vat	4,902	5,219	4,827	5,100
Deposit	-	451	-	-
Others	487	-	487	-
Total other current receivables	<u>47,706</u>	<u>59,463</u>	<u>43,676</u>	<u>56,497</u>
Total trade and other current receivables-net	<u>203,250</u>	<u>207,537</u>	<u>61,022</u>	<u>90,162</u>

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As at December 31, 2020 and 2019 the Group had outstanding balances of trade receivables aged by the following numbers of months:

Ages of receivables	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables-other parties				
Not yet due	106,267	93,221	2,151	14,768
Past due:				
Less than 3 months	37,851	53,142	4,346	17,326
Over 3 months but not over 6 months	1,795	2,081	1,348	1,907
Over 6 months but not over 12 months	4,365	2,441	4,216	2,441
Over 12 months	22,621	18,191	22,518	18,191
Total	172,899	169,076	34,579	54,633
Less Expected credit loss	(26,088)	(21,002)	(25,985)	(21,002)
Total trade receivable-other parties-net	146,811	148,074	8,594	33,631
Trade receivables-related parties				
Not yet due	17	-	17	17
Past due:				
Less than 3 months	-	-	17	17
Over 3 months but not over 6 months	238	-	238	-
Over 6 months but not over 12 months	8,478	-	8,480	-
Total trade receivables-related parties	8,733	-	8,752	34
Total trade receivables-net	155,544	148,074	17,346	33,665

Significant customers

For the year ended December 31, 2020 and 2019, Group has significant customers as below:

	2020	2019
Number of customers	1	1
Revenues (million Baht)	332	492
% of Group's revenue	33%	38%

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7. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market values or, where no market value exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

Name of entity	Country of Incorporation/nationality	Nature of relationships
Simat Telecom Co., Ltd.	Thailand	Subsidiary, 100% shareholding, and co-directors are representatives of the Company
Hinsitsu (Thailand) Co., Ltd.	Thailand	Subsidiary, 70% shareholding, and co-directors are representatives of the Company
Hinsitsu Precision (Thailand) Co., Ltd.	Thailand	Held by a subsidiary
Simat Label Co., Ltd.	Thailand	Held by a subsidiary
RGTech Simat Co., Ltd.	Thailand	Associated company, 48.99% shareholding and co-directors are representatives of the Company
Radiant Globaltech Berhad	Malaysia	51.01% shareholding in associated company
Sino Trading-Services Corporation	Vietnam	Associated company, 40% shareholding and co-directors are representatives of the Company
Top Precision Co., Ltd.	Thailand	Common director with subsidiary company

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Sales and purchases of goods and services

7.1 Balances with related parties as at December 31, 2020 and 2019, are summarized below:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Trade receivables-related parties				
Hinsitsu (Thailand) Co., Ltd.	-	-	34	34
RGTech Simat Co., Ltd	8,733	-	8,718	-
Total	8,733	-	8,752	34
Other current receivables-related parties				
Simat Label Co., Ltd.	-	-	-	1,330
RGTech Simat Co., Ltd	3,324	-	3,324	-
Total	3,324	-	3,324	1,330
Investment receivables				
RGTech Simat Co., Ltd	18,358	-	18,358	-
Total	18,358	-	18,358	-
Trade payables-related parties				
Simat Telecom Co., Ltd.	-	-	1,284	1,284
Top Precision engineering Co., Ltd.	67	516	-	-
RGTech Simat Co., Ltd	16,454	-	16,454	-
Total	16,521	516	17,738	1,284
Other current payables-related parties				
Simat Label Co., Ltd.	-	-	19	6,506
Directors	489	-	300	-
Total	489	-	319	6,506

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	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term loan from related parties and directors				
Simat Label Co., Ltd.	-	-	-	33,700
Simat Telecom Co., Ltd	-	-	1,600	1,400
Directors	12,500	10,000	12,500	10,000
Total	12,500	10,000	14,100	45,100

Accrued interest expenses-related parties and directors

Simat Label Co., Ltd.	-	-	108	3,377
Simat Telecom Co., Ltd.	-	-	204	118
Hinsitsu (Thailand) Co., Ltd.	-	-	176	-
Directors	33	86	33	86
Total	33	86	521	3,581

Short-term loan from related parties and directors

The movements of short-term loans from related parties and directors were as follows:

	Unit: Thousand Baht			
	Consolidated financial		Separate financial statements	
	statements			
	2020	2019	2020	2019
Balance as at January 1,	10,000	-	45,100	113,320
Addition	45,600	10,000	45,800	29,500
Repayment	(43,100)	-	(76,800)	(9,939)
Offset	-	-	-	(87,781)
Balance as at December 31,	12,500	10,000	14,100	45,100

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Year 2020

During the year 2020, the Company had additional short-term loan from Simat Telecom Co., Ltd., amounted of Baht 0.20 million. Therefore, as at December 31, 2020, the Company had such loans totaling amount of Baht 1.60 million, bearing interest at the rates of 4.5% per annum. Such loans are unguaranteed and are due on call.

During the year 2020, the Company had additional short-term loans from director amounted of Baht 45.60 million, of which it has repaid amounted of Baht 43.10 million. Therefore, as at December 31, 2020, the Company had short-term loans from directors totalling amount of Baht 12.50 million, bearing interest at the rates of 6% per annum. Such loans are unguaranteed and are due on call.

Year 2019

As at December 31, 2019, the Company had short-term loans from Simat Label Co., Ltd., totaled of Baht 33.70 million, bear interest at the rates of 6% per annum. Such loans are due on call, without guarantee. During the year 2019, included non-cash transaction in amount of Baht 87.78 million by offsetting investment in subsidiary receivable, accrued income and dividend receivable. During the year 2020, Simat Label Co., Ltd., changed interest rate to 6.5% per annum and the Company consented the inclusion of the overdue interest for more than one year starting as at January 16, 2020 of short-term loans and principal for compound interest calculation. The Company has fully paid such loan.

As at December 31, 2019, the Company had short-term loans from Simat Telecom Co., Ltd., totaling Baht 1.40 million, bearing interest at the rates of 4.5% per annum. Such loans are unguaranteed and are due on call.

As at December 31, 2019, the Company had loans from director amount of Baht 10 million, bearing interest at the rate of 6% per annum. Such loans are unguaranteed and are due on call.

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7.2 Transactions with related person and parties for the years ended December 31, 2020 and 2019 are summarized below:

		Unit: Thousand Baht			
Transactions with related person and companies	Pricing policy	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Sales of goods	At market value, contract and at cost	5,845	13,088	5,792	-
Management fee income	Contract	5,850	-	6,770	-
Other income	Contract and at cost	2,368	-	2,647	3,885
Purchase of goods	At market value	16,409	10,371	15,423	49,120
Other expenses	At cost	-	-	642	3,384
Interest expenses	At the rate of 2% - 6.5%	906	9,863	3,311	3,117
Disposal of investment in subsidiary	Contract	-	-	-	270,000
Revenue from broadband internet	Contract	-	-	192	192
Dividend income	As declared	-	-	43,750	26,600
Revenue from business transfer:	Contract				
Inventory		7,722	-	7,722	-
Fixed assets		5,435	-	5,435	-
List of customers		4,000	-	4,000	-
Total		17,157	-	17,157	-

7.3 Compensation of key management personnel

The Compensation of key management personnel for the years ended December 31, 2020 and 2019 as follows:

		Unit: Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Short-term benefits		34,152	35,356	10,993	12,092
Post-employment benefits		894	1,097	322	414
Total Compensation to key management personnel		35,046	36,453	11,315	12,506

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7.4 Significant agreement

Business transfer and management agreement

On January 8, 2020, the Company entered into business transfer and management agreement with RGTech Simat Co., Ltd. The Company agrees to transfer its IT business including inventory, equipment, employees, employee benefits and customer list which related to the IT business totaling Baht 18,358,471 (VAT included)

According to condition set forth in the agreement, the Company agrees to provide accounting and finance services, human resources services, IT services and general administration, in amount of Baht 500,000 per month.

8. CONTRACT ASSETS

Contract assets as at December 31, 2020 and 2019, were as follows:

	Unit: Thousand Baht	
	Consolidated financial statements/ Separate financial statements	
	2020	2019
Government project's contract costs to date	603,872	400,654
Recognised profit to date	96,907	91,535
Government project's contract cost incurred and recognized profit to date	700,779	492,189
<u>Less</u> Progress billings	(572,251)	(105,046)
Contract asset – construction project	128,528	387,143
Contract asset – maintenance project	122,949	-
Contract asset	251,477	387,143
<u>Less</u> Current contract assets	(158,968)	(387,143)
Non- current contract assets	92,509	-
<u>Less</u> deferred financial revenue	(13,636)	-
Non-contract assets-net	78,873	-

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9. COST OF GOVERNMENT PROJECT-NET

Cost of government project as at December 31, 2020 and 2019, are as follows:

	Unit: Thousand Baht	
	Consolidated financial statements/ Separate financial statements	
	2020	2019
Inventories and equipment	494,875	385,272
Construction and installation costs	291,972	199,668
Wages and directs costs	49,257	41,291
Utility costs	36,764	5,444
Capitalised financial costs	41,996	23,754
Total	914,864	655,429
<u>Less</u> Accumulated transfer to cost of government project	(603,926)	(400,654)
<u>Less</u> Accumulated transfer to fiber optics network equipment under construction	(297,842)	(231,258)
Cost of government project-net	13,096	23,517

10. INVENTORIES –NET

Inventories as at December 31, 2020 and 2019 are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Finished goods	37,419	47,434	15,410	17,398
Work in process	8,443	6,253	-	-
Raw materials	49,977	54,641	-	-
Goods in transit	3,957	265	-	-
Total	99,796	108,593	15,410	17,398
<u>Less</u> Allowance for decline values of inventories	(21,546)	(20,745)	(5,075)	(3,726)
Inventories–net	78,250	87,848	10,335	13,672

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11. NON-CURRENT FINANCIAL ASSETS

As at December 31, 2020 and 2019, the Company's and subsidiary's fixed deposits totaling Baht 119.37 million and Baht 174.52 million, respectively, in consolidated financial statements, and Baht 97.47 million and Baht 152.62 million, respectively, in separate financial statements, have been pledged with banks as collaterals for bank overdrafts facilities, short-term loan, long-term loans, factoring of trade receivables, forward exchange contracts and letter of guarantee for the Company and its subsidiaries. These fixed deposits bear interest at 0.05% - 0.60% per annum. (Note 24)



12. INVESTMENTS IN ASSOCIATE COMPANY

Investments in associated companies as at December 31, 2020 and 2019 are as follows:

Name of Associate company	Incorporation	Type of business	Unit: Thousand Baht							
			% of shareholding / Voting rights held		Paid-up capital		Consolidated financial statements		Separate financial statements	
							Equity method		Cost method	
							2020	2019	2020	2019
Sino Trading – Services Corporation	Vietnam	Trading of computer hardware, software and network and network accessories and computer information technology system development	40.00	40.00	12,600	12,600	31,066	30,942	21,274	21,274
RGTech Simat Co., Ltd.	Thailand	Enterprise data collection	48.99	-	2,500	-	-	-	4,900	-
Total investments in associated companies							31,066	30,942	26,174	21,274

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During the years, the Company recognized share of profits (loss) from investment in the consolidated financial statements as follow:

Name of Associate company	Unit: Thousand Baht	
	Consolidated financial statements	
	Share of profits (loss) from investments in associate company	
	2020	2019
Sino Trading – Services Corporation	124	820
RGTech Simat Co., Ltd.	(4,901)	-
Total	(4,777)	820

Share of profit (loss) from investment in associate companies, included in the consolidated statement of profit or loss for the year ended December 31, 2020, was calculated based on financial statements which was audited by RSM Vietnam Auditing & Consulting Company Limited and the same auditor with the company.

Share of profit from investment in an associate company, included in the consolidated statement of profit or loss for the year ended December 31, 2019, was calculated based on financial statements which was audited by RSM Vietnam Auditing & Consulting Company Limited.

Sino Trading-Services Corporation

The shares of Sino Trading – Services Corporation are not publicly listed on a stock exchange and, hence, published price quotes are not available. The aggregate amounts of the associate company in the consolidated financial statement for the years ended December 31, 2020 and 2019, can be summarized as follows:

	Unit: Thousand Baht	
	2020	2019
As at December 31		
Current assets	44,622	41,479
Non-current assets	2,457	2,024
Current liabilities	16,645	12,174
Non-current liabilities	1,675	1,462
For the years ended December 31		
Revenue	68,919	93,126
Profit for the years	310	2,351
Other comprehensive income (loss) for the year	-	-
Total comprehensive income (loss) for the year	310	2,351

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Reconciliation of financial information above with the equity method from the book value of associate company recognized in the consolidated financial statements is as follows:

	Unit: Thousand Baht	
	2020	2019
Net assets of the associate company	28,760	29,866
Proportion of shares held by the Company in associate company (%)	40	40
Net assets of the associate company by proportion of shares	11,504	11,946
Goodwill	13,717	13,717
Foreign currency translation differences	5,845	5,279
Book value of investment value with the equity method in the associate company	31,066	30,942

Dividend income

During the year 2019, the Company received dividend income from Sino Trading – Service Corporation, associated in Vietnam totaling Baht 3.13 million.

RGTech Simat Co., Ltd.

The Board of Directors' meeting of the Company no.7/2019 held on November 13, 2019, approved the investment in RGTech Simat Co., Ltd. ("Associated Company") the details are as follows;

Transaction date	: January 8, 2020
Contract party	: Radiant Globaltech Berhad (Malaysia) (“Affiliate Company”) In this regard, there is no any relationship among both parties.
Investment ratio	: The Company and Affiliate Company jointly established the Associated Company. The Company invested 48.99% of Associated Company's registered capital or 489,998 shares, par value of Baht 10 each totaling Baht 4,899,980
Business operation	: IT Service Business, Hardware Distribution, Software Development and Maintenance.
Registered capital and paid-up capital	: Registered capital of Baht 10,000,000 Paid-up capital of Baht 2,500,000

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The shares of RGTech Simat Co., Ltd., are not publicly listed on a stock exchange and, hence, published price quotes are not available. The aggregate amounts of the associate company in the consolidated financial statement for the year ended December 31, 2020 can be summarized as follows:

	Unit: Thousand Baht
	2020
As at December 31	
Current assets	40,058
Non-current assets	5,311
Current liabilities	52,702
Non-current liabilities	1,490
For the years ended December 31	
Revenue	34,543
Loss for the period	(18,673)
Other comprehensive income (loss) for the period	
Total comprehensive income (loss) for the period	(18,673)

Reconciliation of financial information above with the equity method from the book value of associate company recognized in the consolidated financial statements is as follows:

	Unit: Thousand Baht
	2020
Net assets of the associate company	(8,823)
Proportion of shares held by the Company in associate company (%)	49
Book value of investment value with the equity method in the associate company	(4,323)

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13. INVESTMENTS IN SUBSIDIARY COMPANIES-NET

Investments in subsidiary companies as at December 31, 2020 and 2019 are as follows:

			Unit: Thousand Baht					
			Separate financial statements					
Name of subsidiary companies	Incorporation	Type of business	% of shareholding / Voting rights held		Paid-up capital		Cost method	
			2020	2019	2020	2019	2020	2019
Simat Telecom Co., Ltd.	Thailand	Sale of hardware, software and telecommunication services.	100.00	100.00	5,000	5,000	5,000	5,000
Hinsitsu (Thailand) Co., Ltd.	Thailand	Produce and sales of sticker and silk screen printing	70.00	70.00	100,000	100,000	280,0000	280,000
Less Allowance for impairment of investment							(5,000)	(5,000)
Total investments in subsidiary companies-net							280,000	280,000

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The company is under the control of the Group's subsidiary, the financial information of which is included in the consolidated financial statement as follows:

	Type of Business	Proportion of investment (%)	
		2020	2019
Hinsitsu Precision (Thailand) Co., Ltd. (Shares held by Hinsitsu (Thailand) Co., Ltd., 78.27%)	Research and development silk screen printing	78.27	78.27
Simat Label Co. Ltd. (Shares held by Hinsitsu (Thailand) Co., Ltd., 100%)	Wholesaler for barcode, productions and RFID, paper and related supplies	100.00	100.00

The significant non-controlling interests of the subsidiary companies are as follows:

Name of Subsidiary companies	Country of incorporation and main location of business	Ownership and voting rights held by non- controlling interests	Unit: Thousand Baht	
			Comprehensive income (loss) for non-controlling interests	Accumulated Non- controlling interests
Hinsitsu (Thailand) Co., Ltd.	Thailand	30.00	19,951	97,821
Hinsitsu Precision (Thailand) Co., Ltd.	Thailand	47.50	(519)	8,073
Simat Label Co., Ltd.	Thailand	30.00	5,931	38,927
Total			25,363	144,821

The financial information of the subsidiary companies before eliminated transactions is as follows:

	Unit: Thousand Baht			
	Hinsitsu (Thailand) Co., Ltd.	Hinsitsu Precision (Thailand) Co., Ltd.	Simat Label Co. Ltd.	Total
As at December 31, 2020				
Current assets	157,190	10,139	88,324	255,653
Non-current assets	375,177	6,738	125,558	507,473
Current liabilities	113,531	341	34,617	148,489
Non-current liabilities	102,248	318	49,927	152,493
Non-controlling interests	97,821	8,073	38,927	144,821

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	Unit: Thousand Baht			
	Hinsitsu			Total
	Hinsitsu	Precision	Simat Label	
	(Thailand)	(Thailand)	Co. Ltd.	
	Co., Ltd.	Co., Ltd.	Co. Ltd.	
For the year ended December 31, 2020				
Revenue	359	-	226,422	226,781
Net profit (loss) for the year of non-controlling interests	19,951	(519)	5,931	25,363
Other comprehensive income of non-controlling interests	-	-	-	-
Dividend paid for non-controlling interests	<u>18,750</u>	<u>-</u>	<u>-</u>	<u>18,750</u>
Cash flows from (used in)				
Operating activities	124,426	(3,888)	44,348	164,886
Investment activities	(26,376)	5,838	(8,516)	(29,054)
Financing activities	(82,366)	(303)	(25,194)	(107,863)
Net cash increase (decrease)	<u>15,684</u>	<u>1,647</u>	<u>10,638</u>	<u>27,969</u>

A subsidiary company

Hinsitsu (Thailand) Co., Ltd.

Dividend income

According to the Board of Directors' Meeting of Hinsitsu (Thailand) Co., Ltd., No. 8/2020 held on November 16, 2020, the meeting approved to pay interim dividend from its retained earnings as at September 30, 2020, of Baht 7 per share, totaling 1,000,000 shares, in the total amount of Baht 7 million. The Company received dividend income in amount of Baht 4.9 million.

According to the Board of Directors' Meeting of Hinsitsu (Thailand) Co., Ltd., No. 9/2020 held on November 30, 2020, the meeting approved to pay interim dividend from its retained earnings as at October 31, 2020, of Baht 55.50 per share, totaling 1,000,000 shares, in the total amount of Baht 55.50 million. The Company received dividend income in amount of Baht 38.85 million.

During the first quarter of 2019, the Company received dividend income from Hinsitsu (Thailand) Co., Ltd., in amount of Baht 8.65 million. The Company offset such dividend received with short term loan from such subsidiary company in the amount of Baht 7.78 million.

During the third quarter of 2019, The Company received dividend income from Hinsitsu (Thailand) Co., Ltd., in amount of Baht 10.64 million.

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Guarantee obligation

Hinsitsu (Thailand) Co., Ltd.'s ordinary shares totaled 0.7 million shares is pledged as collateral for long-term loan from financial institution. (See note No.26)

*Indirect subsidiaries*Simat Label Co. Ltd.*Restructuring*

According to Board of Directors' Meeting No. 3/2019, on March 8, 2019. The meeting resolved to:

- Acquire ordinary shares of Simat Label Co., Ltd. (subsidiary) from Label Network Sdn, Bhd., 14.12% of paid – in capital in the amount of Baht 26 million. The difference of purchase value higher than net book value amounted of Baht 7.34 million, was recorded as Discount on capital from change in proportion of investment in subsidiary company presented in the consolidated statement of change in shareholders' equity.
- Dispose of all ordinary shares (100%) of Simat Label Co., Ltd. (subsidiary) to Hinsitsu (Thailand) Co., Ltd. (subsidiary) in the amount of Baht 270 million. The Group recognised discount on capital from change in proportion of investment in subsidiary company of Baht 39.09 million in the consolidated statement of change in shareholders' equity. The Company recorded gain on sales of investment in the separate financial statements totaling of Baht 214.80 million.

As per above transaction, the Company's ownership in Simat Label Co., Ltd., is reduced from 85.88% to 70.00% without any change in control over subsidiary.

Dividend payment

On July 30, 2019, Simat Label Co. Ltd., an indirect subsidiary of the Company, paid a dividend in amount of Baht 4.47 million to Label Network Co., Ltd., a former shareholder of the indirect subsidiary.

Hinsitsu Precision (Thailand) Co., Ltd.*Capital increase*

The Company approved the capital increase in Hinsitsu Precision (Thailand) Co., Ltd. "HSPT", an indirect subsidiary of the Company, in amount of Baht 34 million, to total a registered capital of Baht 40 million, equivalent to 400,000 ordinary shares, at the par value of Baht 100, in proportion to the shareholdings of existing shareholders (Right Offering).

HST, holding a 100% share stake HSPT, waived its subscription rights to 99,968 shares, or the equivalent to 24.99%, in HSPT, to the other investor. After the capital increase, HST has a shareholding proportion in HSPT equal to 75.01% of the registered capital.

On September 2019, Hinsitsu Precision (Thailand) Co., Ltd. "HSPT" an indirect subsidiary of the company has called up for subscription of 340,000 new ordinary shares, at 50% of the par value from the shareholders. In this regard, HST, a subsidiary, has subscribed 240,040 ordinary shares, at Baht 50 each, or 71% of new ordinary shares, totaling Baht 12,002,000. The new investor has subscribed the remaining 99,960 ordinary shares, at Baht 50 each, totaling Baht

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4,998,000. Therefore, HST has reduced its shareholding proportion in HSPT from 100% to 75.01% of the registered capital, or 300,038 ordinary shares.

14. DISCONTINUED OPERATION

Disposal of ordinary shares of E-Tech IT Sdn, Bhd.

Board of Directors' Meeting No. 5/2019, on July 28, 2019, approved to dispose 3,600,000 ordinary shares the Company held in E-Tech IT Sdn, Bhd. ("E-Tech") at the par value of Malaysian Ringgit (RM) 1.0, or the equivalent of 60.00% of its shareholding, to Mr. Ling Chee Kiat "Purchaser", shareholder and CEO of E-Tech, totaling RM 3.8 million or Baht 26.9 million.

During the year 2019, the Company has received shares payment from Purchaser totaling RM 1.8 million or Baht 12.62 million, the remaining balance totaling RM 2 million or Baht 14.37 million, the Company has treated such transaction as "Investment receivable". As at December 31, 2020, investment receivable has outstanding amounted of Baht 5.01 million.

The Company recorded loss on disposal of investment in subsidiary in the consolidated financial statements and separated financial statements totaling Baht 67.98 million and Baht 40.85 million, respectively.

On December 2, 2019, the Company has lost its control in E-Tech after fulfilled the conditions precedent stipulated in the share sale agreement and on December 24, 2019, the Company transferred such ordinary shares to Mr. Ling Chee Kiat.

To conform with TFRS 5 Non-current assets held for sales and discontinued operation as at December 31, 2020, the Group presented the operating results of subsidiary as "profit from discontinued operation" in statement of profit or loss for the period ended December 31, 2019.

The operating results from discontinued operation in consolidated financial statements as at December 31, 2019 is set out below.

	Unit: Thousand Baht
	Consolidated financial statements
<u>Statement of comprehensive income</u>	2019
Revenues from sales and services	706,041
Cost of sales and services	(637,613)
Other income	19,739
Distribution cost	(6,162)
Administrative expenses	(46,105)
Finance cost	(11,682)
Profit before income tax	24,218
Income tax expense	(6,628)
Profit from discontinued operation	17,590

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The carrying amount of net assets of subsidiary as follows.

	Unit: Thousand Baht
	Consolidated financial statements
	2019
Cash and cash equivalents	(2,962)
Trade and other current receivables-net	(239,193)
Other current receivables-related parties	(9)
Inventories-net	(46,798)
Other current assets	(3,819)
Pledged deposits with banks	(90,301)
Investment property-net	(45,738)
Equipment-net	(3,959)
Other non-current assets	(1,583)
Bank overdraft and short-term loan from financial institutions	132,411
Trade and other current payables	80,130
Current portion of lease liabilities-net	1,474
Accrued income tax	5,658
Accrued expenses	115,861
Long-term loan from financial institutions-net	35,531
Deferred tax liabilities-net	489
Non-controlling interests	25,073
Carrying amount of assets sold	(37,735)
Goodwill	(44,692)
Reclassification of foreign currency translation reserve	(12,454)
Total carrying amount of assets sold	(94,881)
Loss on disposal of investment in subsidiary company	(67,976)
Consideration received	26,905
<u>Less</u> Cash and cash equivalents	(2,962)
<u>Add</u> Currency translation differences	83
<u>Less</u> Investment receivable	(14,370)
Proceeds from disposal of investment in subsidiary-net	9,656

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Total comprehensive loss attributable to equity holders of the Company from discontinued operation

	Unit: Thousand Baht
	Consolidated financial statements
	2019
Profit from discontinued operation	17,590
Exchange differences on translation of discontinued operation	(3,657)
Total Comprehensive income from discontinued operation	13,933
Shareholding in subsidiary (%)	60
Equity in total comprehensive income from discontinued operation	8,360
Loss on disposal of investment in subsidiary company	(67,976)
Total comprehensive loss attributable to equity holders of the Company from discontinued operation	(59,616)

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15. LAND, EQUIPMENT AND LEASEHOLD IMPROVEMENTS-NET

During the years ended December 31, 2020 and 2019 the Company and subsidiary have the following movements in the land, equipment and leasehold improvements-net:

	Unit: Thousand Baht								
	Consolidated financial statements								
	Land	Office equipment	Tools and equipment	Furniture and fixture	Motor vehicles	Machinery	Renovation	Machine under construction	Total
Cost									
As at January 1, 2020-before restated	-	43,927	49,924	16,376	39,400	193,959	4,876	2,459	350,921
Transfer out to Right-of-use-assets due to TFRS 16 first adoption	-	-	(217)	-	(12,000)	(25,165)	-	-	(37,382)
As at January 1, 2020-as restated	-	43,927	49,707	16,376	27,400	168,794	4,876	2,459	313,539
Increase/Transfer in	44,621	1,176	5,068	424	900	23,075	1,048	3,237	79,549
Decrease/ Transfer out	-	(3,817)	(37,644)	(921)	(4,438)	(3,369)	(845)	(40)	(51,074)
As at December 31, 2020	44,621	41,286	17,131	15,879	23,862	188,500	5,079	5,656	342,014
Accumulated depreciation									
As at January 1, 2020-before restated	-	(39,862)	(41,224)	(15,110)	(29,496)	(79,556)	(2,838)	-	(208,086)
Transfer out to Right-of-use-assets due to TFRS 16 first adoption	-	-	88	-	3,224	2,833	-	-	6,145
As at January 1, 2020-as restated	-	(39,862)	(41,136)	(15,110)	(26,272)	(76,723)	(2,838)	-	(201,941)

Unit: Thousand Baht									
Consolidated financial statements									
	Land	Office equipment	Tools and equipment	Furniture and fixture	Motor vehicles	Machinery	Renovation	Machine under construction	Total
Increase/Transfer in	-	(1,651)	(2,365)	(454)	(2,885)	(21,209)	(862)	-	(29,426)
Decrease/Transfer out	-	3,494	34,633	880	5,875	4,231	789	-	49,902
As at December 31, 2020	-	(38,019)	(8,868)	(14,684)	(23,282)	(93,701)	(2,911)	-	(181,465)
Impairment									
Increase/Transfer in	-	-	-	-	-	(1,646)	-	-	(1,646)
As at December 31, 2020	-	-	-	-	-	(1,646)	-	-	(1,646)
Net book value									
As at January 1, 2020-before restated	-	4,065	8,700	1,266	9,904	114,403	2,038	2,459	142,835
As at January 1, 2020-as restated	-	4,065	8,571	1,266	1,128	92,071	2,038	2,459	111,598
As at December 31, 2020	44,621	3,267	8,263	1,195	580	93,153	2,168	5,656	158,903

As at December 31, 2020 and 2019, the Group's equipment and vehicles amounting to Baht 89.59 million and Baht 184.20 million, respectively, are fully depreciated but still in use.

On May 26, 2020, a subsidiary company had entered into purchase land agreement with a financial institution amounted of Baht 44.30 million. Such land is collateral to long-term loan from financial institution of such a subsidiary company. (See note no. 26)

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	Unit: Thousand Baht	
	2020	2019
Under the ownership of the company	158,903	83,751
Under the finance leases *	22,210	59,084

* From January 1, 2020 assets under finance lease agreement is presented as right-of-use assets. (See Note 3)

	Unit: Thousand Baht					
	Separate financial statements					
	Office equipment	Tools and equipment	Furniture and fixture	Motor vehicles	Renovation	Total
Cost						
As at January 1, 2020- before restated	31,431	33,865	13,596	29,432	2,089	110,413
Transfer out to Right-of- use-assets due to TFRS 16 first adoption	-	-	-	(9,200)	-	(9,200)
As at January 1, 2020 -as restated	31,431	33,865	13,596	20,232	2,089	101,213
Increase/Transfer in	248	5	60	900	206	1,419
Decrease/ Transfer out	-	(33,870)	-	(4,438)	-	(38,308)
As at December 31, 2020	31,679	-	13,656	16,694	2,295	64,324
Accumulated depreciation						
As at January 1, 2020- before restated	(30,119)	(31,920)	(13,332)	(22,730)	(1,476)	(99,577)
Transfer out to Right-of- use-assets due to TFRS 16 first adoption	-	-	-	2,870	-	2,870
As at January 1, 2020 -as restated	(30,119)	(31,920)	(13,332)	(19,860)	(1,476)	(96,707)
Increase/Transfer in	(541)	(18)	(105)	(1,933)	(189)	(2,786)
Decrease/ Transfer out	-	31,938	-	5,317	-	37,255
As at December 31, 2020	(30,660)	-	(13,437)	(16,476)	(1,665)	(62,238)

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	Unit: Thousand Baht					
	Separate financial statements					
	Furniture					Total
	Office equipment	Tools and equipment	and fixture	Motor vehicles	Renovation	
Net book value						
As at January 1, 2020						
-before restated	1,312	1,945	264	6,702	613	10,836
As at January 1, 2020						
-as restated	1,312	1,945	264	372	613	4,506
As at December 31, 2020	1,019	-	219	218	630	2,086

As at December 31, 2020 and 2019, the Company's equipment and vehicles amounting to Baht 59.43 million and Baht 90.32 million, respectively, are fully depreciated but still in use.

	Unit: Thousand Baht	
	2020	2019
Under the ownership of the company	2,086	6,333
Under the finance leases	5,283	4,503

* From January 1, 2020 assets under finance lease agreement is presented as right-of-use assets. (See Note 3)

16. RIGHT-OF-USE ASSETS-NET

Movements in right-of-use assets-net during the period ended December 31, 2020 are summarized below:

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Cost		
As at January 1, 2020-before restated	-	-
Transfer out to Right-of-use-assets due to TFRS 16 first adoption	109,876	55,861
As at January 1, 2020-as restated	109,876	55,861
Increase/Transfer in	15,446	14,183
Decrease/ Transfer out	(36,236)	(27,380)
As at December 31, 2020	89,086	42,664

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	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Accumulated depreciation		
As at January 1, 2020-before restated	-	-
Transfer out to Right-of-use-assets due to TFRS 16 first adoption	(11,744)	(8,469)
As at January 1, 2020-as restated	(11,744)	(8,469)
Increase/Transfer in	(19,762)	(9,899)
Decrease/ Transfer out	8,503	6,018
As at December 31, 2020	(23,003)	(12,350)
Impairment		
As at January 1, 2020-before restated	-	-
Transfer out to Right-of-use-assets due to TFRS 16 first adoption	(21,629)	(21,629)
As at January 1, 2020-as restated	(21,629)	(21,629)
Increase	-	-
Reversal	17,062	17,062
As at December 31, 2020	(4,567)	(4,567)
Net book value		
As at January 1, 2020-as restated	76,503	25,763
As at December 31, 2020	61,516	25,747

Additional information of right-of-use assets-net as of December 31, 2020, presented by the categories of assets as follows;

	Unit: Thousand Baht			
	Consolidated financial statements			
	Accumulated			Net book value
	Cost	depreciation	Impairment	
Machinery	17,990	(2,950)	-	15,040
Vehicle	29,241	(8,276)	-	20,965
Building	34,902	(10,336)	-	24,566
Fiber optic network equipment	6,953	(1,441)	(4,567)	945
Total	89,086	(23,003)	(4,567)	61,516

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	Unit: Thousand Baht			
	Separate financial statements			
	Accumulated			
	Cost	depreciation	Impairment	Net book value
Vehicle	23,908	(6,675)	-	17,233
Building	11,803	(4,234)	-	7,569
Fiber optic network equipment	6,953	(1,441)	(4,567)	945
Total	42,664	(12,350)	(4,567)	25,747

17. EQUIPMENT AND COMPUTER SOFTWARE FOR LEASE-NET

During the years ended December 31, 2020, and 2019 the Company and subsidiary have following movements in equipment and computer software for lease:

	Unit: Thousand Baht		
	Consolidated and Separate financial statements		
	As at December 31, 2019	Increase/ Transfer	As at December 31, 2020
Cost	40,962	-	40,962
Accumulated Depreciation	(40,961)	-	(40,961)
Equipment and computer software for lease – net	1		1

As at December 31, 2020 and 2019, the Group's equipment and computer software for lease amounting to Baht 40.96 million both of years are fully depreciated but still in use.

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18. SOFTWARE DEVELOPMENT COST FOR SALES - NET

During the years ended December 31, 2020 and 2019, the Company has software development cost for sale. Movements in software development cost for sales during the year were as follows:

Unit: Thousand Baht				
Consolidated financial statements				
	As at December 31, 2019	Increase/ Transfer	Decrease/ Transfer	As at December 31, 2020
Software cost for sales	9,143	1,724	(520)	10,347
Accumulated Depreciation	(5,578)	(1,568)	408	(6,738)
Cost for software development for sales-net	<u>3,565</u>			<u>3,609</u>

Unit: Thousand Baht				
Separate financial statement				
	As at December 31, 2019	Increase/ Transfer	Decrease/ Transfer	As at December 31, 2020
Software cost for sales	6,874	-	-	6,874
Accumulated Depreciation	(5,000)	(766)	-	(5,766)
Cost for software development for sales-net	<u>1,874</u>			<u>1,108</u>

19. FIBER OPTIC NETWORK EQUIPMENT-NET

During the years 2020 and 2019, the Company had the following movements in Fiber optic network equipment.

Unit: Thousand Baht				
Consolidated and separate financial statements				
	As at December 31, 2019	Increase/ Transfer	Disposal/ Transfer	As at December 31, 2020
Cost				
Devices outside the fiber optic network	575,917	4,554	(4,940)	575,531
Fiber optic network equipment	<u>293,388</u>	<u>309,239</u>	<u>(28,868)</u>	<u>573,759</u>
Total cost	<u>869,305</u>	<u>313,793</u>	<u>(33,808)</u>	<u>1,149,290</u>

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	Unit: Thousand Baht			
	Consolidated and separate financial statements			
	As at December 31, 2019	Increase/ Transfer	Disposal/ Transfer	As at December 31, 2020
Accumulated depreciation				
Devices outside the fiber optic network	(114,353)	(6,026)	410	(119,969)
Fiber optic network equipment	(111,163)	(40,054)	5,189	(146,028)
Total accumulated depreciation	(225,516)	(46,080)	5,599	(265,997)
Impairment				
Impairment loss of asset	(480,000)	(17,062)	21,629	(475,433)
Fiber optic network equipment - net	<u>163,789</u>	<u>250,651</u>	<u>(6,580)</u>	<u>407,860</u>

The transfer of fiber optic network equipment for the year end January 1, 2020 as follows:

	Unit: Thousand Baht		
	Consolidated financial statements/ Separate financial statements		
	Transfer out to Right-of-use-assets due to TFRS 16 first adoption	Disposal/ transfers out	Disposal/ transfers out-net
Cost			
Devices outside the fiber optic network	(4,566)	(374)	(4,940)
Fiber optic network equipment	(28,868)	-	(28,868)
Total cost	(33,434)	(374)	(33,808)
Accumulated depreciation			
Devices outside the fiber optic network	410	-	410
Fiber optic network equipment	5,189	-	5,189
Total accumulated depreciation	5,599	-	5,599
Impairment			
Impairment loss of asset	21,629	-	21,629
Fiber optic network equipment transfer out-net	(6,206)	(374)	(6,580)

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Fiber optic network equipment before allowance for impairment loss

	Unit: Thousand Baht	
	2020	2019
Under the ownership of the company	883,293	615,952
Under the finance leases *	5,211	27,837

* From January 1, 2020 assets under finance lease agreement is presented as right-of-use assets. (See Note 3)

In year 2011, the Company has entered into the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiang Mai province to CAT Telecom Public Company Limited with the term of 60 months. Both projects were approved by the Extraordinary Shareholder's Meeting No. 1/2011 dated July 29, 2011, with the total cost of project not exceeding Baht 520 million.

On February 22, 2013, the Company cancelled the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiang Mai province with CAT Telecom Public Company Limited ("CAT") since CAT has not proceeded the receipt of project according to the condition of the contract and ignored to take any action to comply with the contract although the Company had sent the warning letter to CAT several times. Therefore, the Company reserved the right to cancel the contract and the cancellation letter had been already sent to CAT. (See note 41)

20. FIBER OPTICE NETWORK EQUIPMENT UNDER CONSTRUCTION

Movements in fiber optics equipment under construction for the year ended December 31, 2020, summarised as below:

	Unit: Thousand Baht		
	Consolidated financial statements/ Separate financial statements		
	Movement during the period		As at
	As at January 1, 2020	Increase/ Transfer in Transfer out	December 31, 2020
Cost			
Fiber optics network equipment under construction	231,258	65,881 (284,837)	12,302

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21. DEFERRED TAX

Deferred tax as at December 31, 2020 and 2019 consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Deferred tax assets	58,123	44,175	52,750	38,535
Deferred tax liabilities	-	-	-	-
Deferred tax assets (liabilities)-net	58,123	44,175	52,750	38,535

Movements in deferred tax assets and deferred tax liabilities during the years were as follows:

	Unit: Thousand Baht				
	Consolidated financial statements				
	Movement increase (decrease)				
	As at December 31, 2019	Financial reporting standards related to financial instrument	Statement of income	Other of comprehensive income	As at December 31, 2020
Deferred tax assets:					
Allowance for doubtful accounts	4,005	-	1,192	-	5,197
Allowance for devaluation of inventories	4,167	-	(940)	-	3,227
Provision for employee benefit obligations	2,885	-	604	23	3,512
Reserve for share-based payment	535	-	(240)	-	295
Tax losses	32,583	-	10,253	-	42,836
Deferred income	-	2,275	452	-	2,727
Impairment of assets	-	-	329	-	329
Total deferred tax assets	44,175	2,275	11,650	23	58,123

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Unit: Thousand Baht					
Consolidated financial statements					
	Movement increase (decrease)				As at December 31, 2019
	As at December 31, 2018	Statement of income	Other of comprehensive income	Disposal of subsidiary	
Deferred tax assets:					
Allowance for doubtful accounts	3,502	503	-	-	4,005
Allowance for devaluation of inventories	2,087	2,080	-	-	4,167
Provision for employee benefit obligations	2,043	683	159	-	2,885
Reserve for share-based payment	624	(89)	-	-	535
Tax losses	15,823	16,760	-	-	32,583
Total deferred tax assets	<u>24,079</u>	<u>19,937</u>	<u>159</u>	<u>-</u>	<u>44,175</u>
Deferred tax liabilities:					
Depreciation	(1,178)	688	-	490	-
Total deferred tax liabilities	<u>(1,178)</u>	<u>688</u>	<u>-</u>	<u>490</u>	<u>-</u>

Unit: Thousand Baht					
Separate financial statements					
	Movement increase (decrease)				As at December 31, 2020
	As at December 31, 2019	Financial reporting standards related to financial instrument	Statement of income	Other of comprehens ive income	
Deferred tax assets:					
Allowance for doubtful accounts	4,005	-	1,192	-	5,197
Allowance for devaluation of inventories	762	-	253	-	1,015
Provision for employee benefit obligations	650	-	228	(197)	681
Reserve for share-based payment	535	-	(241)	-	294
Tax losses	32,583	-	10,253	-	42,836
Deferred income	-	2,275	452	-	2,727
Total deferred tax assets	<u>38,535</u>	<u>2,275</u>	<u>12,137</u>	<u>(197)</u>	<u>52,750</u>

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	Unit: Thousand Baht			
	Separate financial statements			
	Movement increase (decrease)			As at December 31, 2019
	As at December 31, 2018	Statement of income	Other of comprehensive income	
Deferred tax assets:				
Allowance for doubtful accounts	3,482	523	-	4,005
Allowance for devaluation of inventories	577	185	-	762
Provision for employee benefit obligations	514	136	-	650
Reserve for share-based payment	624	(89)	-	535
Tax losses	15,823	16,760	-	32,583
Total deferred tax assets	21,020	17,515	-	38,535

The Company has allowance for impairment loss of Fiber optic network equipment. Due to the uncertainty of their utilization, therefore, Management has decided not to recognize the allowance for devalue of Fiber optic network equipment as deferred tax. Unrecognized loss is total Baht 480 million.

Income tax expense for the years ended December 31, 2020 and 2019 are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Income tax expenses for the years	23,894	21,358	-	-
Deferred income taxes	(11,650)	(20,625)	(12,137)	(17,515)
Corporate income tax (benefit)	12,244	733	(12,137)	(17,515)

Income tax rates for the years ended December 31, 2020 and 2019 are as follows:

	2020	2019
The Company and subsidiaries in Thailand	0% – 20%	0% – 20%
Subsidiary in Malaysia		24%

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22. BANK OVERDRAFT AND SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

Bank overdraft and short-term loan from financial institution as at December 31, 2020 and 2019 are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Bank overdraft	-	29,085	-	16,585
Short-term loans	245,000	240,000	230,000	240,000
Trust receipt	32,742	149,546	32,742	149,546
Total bank overdraft and short-term loan from financial institution	<u>277,742</u>	<u>418,631</u>	<u>262,742</u>	<u>406,131</u>

As at December 31, 2020, the Company and subsidiary companies had short-term loan from a bank are as follows:

Consolidated financial statements			
(Unit : million Baht)	Rate	Due Date	Guaranteed
Balance			
180	MLR-1.75% per annum	Within June 2021	Transferring right to receive of government project receivable.
50	7.5% per annum	Within March 2021	Hinsitsu (Thailand) Co., Ltd.'s ordinary shares totaled 0.70 million shares and ordinary shares of the Company's director.
15	MLR	Within March 2021	Simat label Co., Ltd., an the Hinsitsu (Thailand) Co., Ltd.'s director.
32.74	3.89% per annum	Within May 2021	Simat label Co., Ltd.
<u>277.74</u>			<i>Petchar</i>

Separate financial statements			
(Unit : million Baht)	Rate	Due Date	Guaranteed
Balance			
180	MLR-1.75%	Within June 2021	Transferring right to receive of government project receivable
50	7.5% per annum	Within March 2021	Hinsitsu (Thailand) Co., Ltd.'s ordinary shares totaled 0.70 million shares and ordinary shares of the Company's director.
32.74	3.89% per annum	Within May 2021	Simat Label Co., Ltd.
262.74			

23. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2020 and 2019 are as follows:

	Unit: Thousand Baht			
	Consolidated financial		Separate financial statements	
	statements			
	2020	2019	2020	2019
Trade payables				
Trade payable—other parties	149,738	117,885	106,089	84,428
Trade payable related parties	16,521	516	17,738	1,284
Accrued project cost	54,134	63,734	54,134	63,734
Total trade payables	220,393	182,135	177,961	149,446
Other current payables				
Other current payable – other parties	-	1,939	-	-
Other current payable related parties and director	489	-	319	6,506
Other current payable – other parties	5,287	-	-	-
Accrued interest expenses—related parties and director	33	86	521	3,581
Others				
Deferred revenues	8,048	11,410	8,068	11,409
Accrued interest expenses	398	-	398	-
Accrued expenses	17,553	11,997	13,213	7,979
Deposit payable—Ftx	2,769	3,572	2,769	3,572
Other	8,030	6,063	3,424	2,687
Total other current payables	42,607	35,067	28,712	35,734
Total trade and other current payables	263,000	217,202	206,673	185,180

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24. CREDIT FACILITIES

As at December 31, 2020 and 2019, the Company and its subsidiaries have credit facilities with financial institution as follows:

Type of credit limit	Unit: Million Baht			
	Consolidated financial statements			
	2020		2019	
	Limit	Interest rate	Limit	Interest rate
Bank overdraft	38	FD Rate+2.00% - MOR	28	FD Rate+2.00% - MOR
Liabilities under trust receipt agreements, letters of credit, and others	69	4.90%-5.04% and as specified in the contract	54	4.00%-4.50%
Factoring of accounts receivable	75	MOR-0.50%	75	MLR-0.5%
Promissory note	164	MLR-1.5%, MLR-1.75%, MLR	25	MLR-1.50%
Long-term loans	240	MLR-1.5%, MLR	20	MOR
Letter of guarantee	280.80	0.2%-0.6%	-	-
For Government Project				
Liabilities under trust receipt agreements, letters of credit, and others	-	-	150	MLR-1.75%
Promissory note	120	MLR-1.75%, 7.5%	240	MLR-1.50%
Long-term loans	267	MOR-0.5%, MLR-1.5%	145	MLR-1.75%

Type of credit limit	Unit: Million Baht			
	Separate financial statements			
	2020		2019	
	Limit	Interest rate	Limit	Interest rate
Bank overdrafts	20	FD Rate+2.00% - MOR	20	FD Rate+2.00% - MOR
Bank overdrafts	20	FD Rate+2.00% - MOR	20	FD Rate+2.00% - MOR
Liabilities under trust receipt agreements, letters of credit, and others	34	4.97%	34	4.00% - 4.50%
Factoring of accounts receivable	55	MOR-0.50%	55	MOR - 0.50%
Long-term loans	-	-	20	MOR
Promissory note	110	MLR-1.75%	-	-

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Unit: Million Baht				
Separate financial statements				
Type of credit limit	2020		2019	
	Limit	Interest rate	Limit	Interest rate
For Government Project				
Liabilities under trust receipt agreements, letters of credit, and others	-	-	150	MLR-1.75%
Promissory note	120	MLR-1.75%, 7.50%	240	MLR-1.50%
Long-term loans	267	MOR-0.50%, MLR-1.50%	145	MLR-1.75%

Unit: Million US Dollars				
Consolidated financial statements				
	2020		2019	
	Limit	Interest rate	Limit	Interest rate
Forward exchange contracts	6.97	-	6.75	-

Unit: Million Baht				
Consolidated financial statements				
	2020		2019	
	Limit	Interest rate	Limit	Interest rate
Forward exchange contracts	5	-	-	-

Unit: Million US Dollars				
Separate financial statements				
	2020		2019	
	Limit	Interest rate	Limit	Interest rate
Forward exchange contracts	6.75	-	6.75	-

The Company

Such credit facilities have been pledged with the Company's fixed deposit, ordinary shares totaled 0.7 million shares of Hinsitsu (Thailand) Co., Ltd, ordinary shares of the Company's director, Simat Label Co., Ltd. and transferring right to receive of government project receivable

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Subsidiary company

On April 30, 2019, a subsidiary company entered into a credit facilities agreement for short-term loan, local and overseas guarantee facilities and derivatives with a local financial institution totaling Baht 50 million. Such facilities have been pledged with fixed deposit of such subsidiary company amounting Baht 15 million.

Under the term of such long-term agreement facility, there has committed to comply with following certain conditions:

- Maintain Debt to Equity Ratio not more than 2 but not less than zero.
- Maintain Debt-Service Coverage Ratio (DSCR) not less than 1.25.

25. LEASE LIABILITIES-NET

Lease liabilities as at December 31, 2020 and 2019 are as follows:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Due not later than one year				
Minimum payments	21,130	18,567	8,884	11,369
Deferred interest	(1,881)	(1,198)	(669)	(378)
Lease liabilities-net	<u>19,249</u>	<u>17,369</u>	<u>8,215</u>	<u>10,991</u>
Due later than one year but not later than five years				
Minimum payments	33,388	13,523	13,465	1,317
Deferred interest	(1,631)	(1,075)	(697)	(20)
Lease liabilities-net	<u>31,757</u>	<u>12,448</u>	<u>12,768</u>	<u>1,297</u>

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26. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS–NET

Long-term loans from financial institutions as at December 31, 2020 and 2019 are as follows:

Unit: Thousand Baht				
	Consolidated financial		Separate	
	statements		financial statements	
	2020	2019	2020	2019
Long-term loans from banks				
<u>Less</u> current portion of long-term	379,820	373,961	217,624	210,297
loans from financial institutions	(143,472)	(82,415)	(100,624)	(44,411)
Total long-term loans-net	<u>236,348</u>	<u>291,546</u>	<u>117,000</u>	<u>165,886</u>

Year 2020The Company

On April 3, 2020, the Company had entered into a loan agreement with a local financial institution in amount of Baht 42 million, at the MLR -1.50% per annum, due within 24 months from the first drawdown. The loan is paid by transferring right to receive of government project receivable.

Subsidiary company

On March 27, 2020, Hinsitsu (Thailand) Co., Ltd. (HST) entered into a credit facilities agreement for overdraft, short-term credit facilities and long-term credit facilities, and a credit limit under a letter of guarantee totaling Baht 33.5 million. Such facilities have been pledged with a subsidiary company and HST's directors totaling Baht 28.85 million. HST has a long-term loan in the amount of Baht 3.5 million, with an annual interest rate according to the MLR, repayable in monthly installments of Baht 70,000 (60 months, in total). The loan is being used to pay for the life and accident insurance of HST's director. (The director is among those who are guaranteeing the credit facilities agreement.)

On March 27, 2020, Simat Label Co., Ltd., entered into a credit facilities agreement for overdraft, short-term credit facilities, long-term credit facilities and a credit limit under a letter of guarantee, totaling Baht 33.5 million. Such facilities have been pledged with HST and HST's directors totaling Baht 28.85 million. Simat Label Co., Ltd. has a long-term loan in the amount of Baht 3.5 million, with an annual interest rate according to the MLR, repayable in monthly installments of Baht 70,000 (60 months, in total). The loan is being used to pay for the life and accident insurance of HST's director. (The director is among those who are guaranteeing the credit facilities agreement.)

On May 11, 2020, Simat Label Co., Ltd. had entered into a loan agreement with a bank of Baht 43 million for the purchase of vacant land to construct of a factory, development of land and payment life insurance, with three credit lines whose drawdown limits are Baht 32 million, Baht 10 million and Baht 1 million, respectively. These credit facilities are secured by land to be purchased, HST and HST's directors.

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Year 2019The Company

On January 31, 2019, the Company had entered into loan agreement with a local bank in amount of Baht 20 million, interest rate MLR-1% per annum, due within 24 months from the first withdrawn. Such loan will be paid within June 2020.

On May 7, 2019, the Company had entered into loan agreement with a local bank in amount of Baht 145 million, interest rate MLR-1.5% per annum, due within 38 months from the first withdrawn. The loan is guaranteed by the Company's fixed deposit.

On July 10, 2019, the Company had entered into a loan agreement with a local financial institution in amount of Baht 80 million, at the MOR -0.50% per annum, due within 24 months from the first drawdown. The loan is guaranteed by 0.7 million ordinary shares of Hinsitsu (Thailand) Co., Ltd.

On October 2, 2019, the Company entered into a loan agreement with a local financial institution in amount of Baht 70 million, interest rate MLR – 1.75% per annum, terms and conditions are set forth in the agreement.

Subsidiary company

On April 30, 2019, the Company entered into a loan agreement with a financial institution for the credit facility of Baht 190 million. Said loan is repayable in 60 monthly installments, for Baht 3,167,000 per month paid during months 1-59, with any balance due during the 60th month. The loan bear interest rate at the rate MLR-1.5 per annum. The first installment of the principal was made in May 2019. This loan has purposes of an investment in shares of Simat Label Co., Ltd., (subsidiary).

Under the term of such long-term agreement facility, there has committed to comply with following certain conditions:

- Maintain Debt to Equity Ratio not more than 2 but not less than zero.
- Maintain Debt-Service Coverage Ratio (DSCR) not less than 1.25.

The loan agreement is guaranteed by 3,399,995 ordinary shares of Simat Label Company, 3,399,993 ordinary shares of Hinsitsu (Thailand) Co., Ltd., and two pledged securities held by Hinsitsu (Thailand) Co., Ltd's directors and others, respectively.

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27. SHORT-TERM LOANS FROM OTHER PERSONS

As at December 31, 2020, the Company had short-term loans from other person by issuing a bill of exchange in the amount of Baht 10 million, bearing interest at the rates of 7% per annum, due within January 2021. Such loans are guaranteed by ordinary shares of the Company's director.

As at December 31, 2020, the Company had short-term loans from other person the amount of Baht 30 million, bearing interest at the rates of 8%-12% per annum, due within August 2021. Such loans are guaranteed by ordinary shares of the Company's director.

As at December 31, 2019, the Company had short-term loans from other persons by issuing a bill of exchange in the amount of Baht 10 million, bearing interest at the rates of 7% per annum, due in January 2020. Such loans are guaranteed by director's ordinary shares held.

As at December 31, 2018, the Company had short-term loans from other persons by issuing a bill of exchange in the amount of Baht 10 million, bearing interest at the rates of 6.5% per annum, due in March 2019. Such loans are guaranteed by director's ordinary shares held.

28. CONVERTIBLE DEBENTURES

On April 30, 2018, Annual General Shareholders' Meeting for the year 2018 of the Company approved the issue of convertible debentures in the maximum amount of Baht 500 million. The Meeting also approved to increase its registered capital to support the conversion of the convertible debentures.

The Company will issue the convertible debentures from time-to-time according to the terms and conditions set forth in the Convertible Debentures Agreement until reaching the Baht 500 million threshold. The issued convertible debentures will mature three years from the date of their date of issue. Therefore, all such issued convertible debentures will reach maturity on the same date, unless the holder exercises its conversion rights before the maturity date.

On October 1, 2018, the Company entered into a Convertible Debentures Agreement with Advance Opportunities Fund I, on a private placement basis, in the maximum amount of Baht 500 million, with interest 1.00% per annum.

On October 9, 2018, the Company made its initial issue of convertible debentures, 20,000 shares in all, at a par value of Baht 1,000, totaling Baht 20 million, to Advance Opportunities Fund I, pursuant to the Convertible Debentures Agreement. Said issued convertible debentures will mature on October 8, 2021, unless Advance Opportunities Fund I exercises the conversion right before the maturity date.

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Key terms and conditions of the convertible debentures are as follows:

Type of debentures	: Name-registered certificate, unsecured and unsubordinated convertible debentures
Maturity	: 3 years, commencing from the issue date
Volume of issue	: Baht 500 million
Maturity date	: October 8, 2021
Early redemption right of the holder	: None
Early redemption right of the Company	: The Company has the right to redeem the convertible debentures prior to the maturity date as provided in the terms and conditions
Coupon	: Fixed rate at 1.00 percent per annum for the entire term of the convertible debentures
Repayment of principal	: One-time repayment on the maturity date
Conversion price	: 90 percent or 92 percent of weighted average price per share of the Company shares for at least 7 consecutive business days, but not exceeding 15 consecutive business days immediately preceding the relevant exercise date

Early redemption of debentures

On 20 February 20, 2019, the Company redeemed convertible debentures, 15,000 shares in all, totaling Baht 15 million. The Company made payment of principle and interest, totaling Baht 15.45 million.

Conversion right exercise

On April 9, 2020, Advance Opportunities Fund I exercised its conversion rights under the first tranche of the convertible debentures, for 2,500 shares, totaling Baht 2.5 million, at the conversion price of Baht 1.8265 per share.

The Company issued 1,368,738 shares at the par value of Baht 1.00 for said exercise of conversion rights.

On April 21, 2020, the Company registered the increase of its paid-up capital with the Department of Business Development, Ministry of Commerce.

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29. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provisions for employee benefits for the years ended December 31, 2020 and 2019 were as follows:

	Unit: Thousand Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statement	
	2020	2019	2020	2019
Employee benefit at beginning of years	14,659	10,219	3,474	2,566
Included in profit or loss:				
Current service cost	2,389	2,080	806	827
Past service cost	-	1,245	-	-
Interest cost	394	319	109	81
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Demographic assumption	4	-	-	-
Financial assumptions changes	1,799	796	527	-
Experience adjustments	(1,686)	-	(1,513)	-
Benefit paid during the years	-	-	-	-
Employee benefit obligations at end of years	<u>17,559</u>	<u>14,659</u>	<u>3,402</u>	<u>3,474</u>

Employee benefit expenses in profit or loss for the years ended December 31, 2020 and 2019, consisted of:

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statement	
	2020	2019	2020	2019
	2020	2019	2020	2019
Administrative expenses	2,783	3,644	915	908
Total employee benefit expenses	<u>2,783</u>	<u>3,644</u>	<u>915</u>	<u>908</u>

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

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Principal actuarial assumptions as at December 31, 2020 (represented by the weighted average) consisted of:

	(Percentage (%)/annum)	
	Consolidated financial statements	Separate financial statements
Discount rate	1.49-1.91	1.91
Long term inflation	2.75	2.75
Future monthly salary increase rate	4.00 - 6.00	4.00
Mortality rate	105% of Thai Mortality Ordinary Tables of 2017	105% of Thai Mortality Ordinary Tables of 2017
Turnover rate		
Under 25 years old	34.38- 45.84	45.84
25 - 29 years old	25.79 - 34.38	34.38
30 - 34 years old	17.19 - 22.92	22.92
35 - 39 years old	11.46 - 15.28	15.28
40 - 44 years old	8.6 - 11.46	11.46
45 - 49 years old	5.73 - 7.64	7.64
50 - 60 years old	2.87 - 3.82	3.82

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2020 are summarised below:

	Unit: Thousand Baht	
	Change of the present value of the employee benefit obligations	
	Consolidated financial statement	Separate financial statement
Discount rate		
Increase 100 Basis point	(2,933) - (7,278)	(2,933)
Increase 50 Basis point	(3,157) - (7,649)	(3,157)
Decrease 50 Basis point	3,672 - 8,494	3,672
Decrease 100 Basis point	3,968 - 8,976	3,968

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Unit: Thousand Baht		
Change of the present value of the employee benefit obligations		
	Consolidated financial statement	Separate financial statement
Salary increase rate		
Increase 2%	4,594 - 9,931	4,594
Increase 1%	3,950 - 8,922	3,950
Decrease 1%	(2,938) - (7,304)	(2,938)
Decrease 2%	(2,542) - (6,655)	(2,542)
Turnover rate		
Increase 40%	(2,313) - (6,280)	(2,313)
Increase 20%	(2,781) - (7,050)	(2,781)
Decrease 20%	4,252 - 9,393	4,252
Decrease 40%	5,455 - 11,240	5,455

As at December 31, 2020, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

Unit: Thousand Baht		
	Consolidated financial statement	Separate financial statement
Within 1 year	42	42
Over 1 and up to 5 years	4,336	116
Over 5 years	16,927	4,428

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30. DISCOUNT ON CAPITAL FROM CHANGE IN PROPORTION OF INVESTMENT IN SUBSIDIARY COMPANIES

Discount on capital from change in proportion of investment in subsidiary company as at December 31, 2020 and December 31, 2019 are as follows:

	Unit: Thousand Baht	
	Consolidated financial statements	
	2020	2019
Hinsitsu Precision (Thailand) Co., Ltd.	(4,051)	(4,051)
Simat Label Co., Ltd	(48,740)	(48,740)
Total discount on capital from change in proportion of investment in subsidiary companies	(52,791)	(52,791)

31. LEGAL RESERVE

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside at least 5% of its net profit after deduction of deficit (if any) as a legal reserve until the reserve reaches 10% of the registered capital.

32. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2020 and 2019 as follows:

	Unit: Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
Continuing operation				
Changes in finished goods and work in process	(6,223)	(2,217)	5,394	(9,147)
Purchase of goods	743,902	670,316	492,285	441,652
Salary and wages and other employee benefits	193,253	217,445	57,721	78,804
Depreciation and amortisation	84,479	42,282	52,473	20,105
Expected credit loss	5,086	3,594	4,983	3,594
(Reversal) impairment loss on inventories	12,917	10,313	1,349	837
Cost of warranty	4,149	4,525	4,149	4,525

	Unit: Thousand Baht			
	Consolidated financial statement		Separate financial statement	
	2020	2019	2020	2019
Continuing operation				
Rental expense	7,176	25,577	4,924	15,481
Purchase of software	165	1,333	165	1,333
Share-based payment	(187)	(1,461)	(187)	(1,461)
Internet cost	25,331	37,806	25,331	37,806
Discontinued operation				
Changes in inventories	-	(12,750)	-	-
Purchase of goods	-	650,364	-	-
Salary and wages and other employee benefits	-	31,271	-	-
Depreciation and amortisation	-	4,788	-	-
Expected credit loss	-	3,482	-	-
Reversal impairment loss on inventories	-	(1,982)	-	-
Rental expense	-	2,032	-	-

33. BASIC EARNING (LOSS) AND DILUTED EARNINGS (LOSS) PER SHARE

Basic (loss) and diluted earnings (loss) per share are calculated as follows:

	Consolidated financial		Separate financial	
	statements		statements	
	2020	2019	2020	2019
Profit (loss) attributable to equity holder of the Company (Thousand Baht)				
From continuing operation	40,777	126,449	29,470	268,666
From discontinued operation	-	(57,422)	-	-
	40,777	69,027	29,470	268,666

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	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Number of ordinary shares outstanding				
at beginning of years (Thousand shares)	525,513	525,513	525,513	525,513
Effect of increasing share capital (Thousand shares)	912	-	912	-
Weighted average number of ordinary shares outstanding during the years (basic) (Thousand shares)	526,425	525,513	526,425	525,513
Earning (loss) per share (Baht)				
From continuing operation	0.08	0.24	0.06	0.51
From discontinued operation	-	(0.11)	-	-
Total earning (loss) per share (Baht)	0.08	0.13	0.06	0.51
Number of ordinary shares outstanding				
at beginning of years (Thousand shares)	526,425	525,513	526,425	525,513
Effect of warrant to be exercised (SIMAT W-4) (Thousand shares)	31,207	-	31,207	-
Effect of ESOP to be exercised (Thousand shares)	156	-	156	-
Weighted average number of ordinary shares outstanding during the years (diluted) (Thousand shares)	557,788	525,513	557,788	525,513
Diluted Earning (loss) per share (Baht)				
From continuing operation	0.07	0.24	0.05	0.51
From discontinued operation	-	(0.11)	-	-
Total diluted earning (loss) per share (Baht)	0.07	0.13	0.05	0.51

Reference

34. PROVIDENT FUND

On June 20, 2006, the Company and local subsidiaries and their employees jointly established a provident fund plan as approved by the Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. Employees and the Company and its subsidiaries contribute to the fund at the rate of 3 percent of employee salaries. The provident fund will be paid to the employees upon termination of employment in accordance with fund rules. The fund is managed by Thanachart Bank.

During the years ended December 31, 2020 and 2019, the Company and local subsidiaries contributed a total of Baht 2.63 million and Baht 2.06 million, respectively, to the fund.

35. FINANCIAL INFORMATION BY SEGMENT

Segment information is presented in respect of the Group's geographic segments based on the Group's management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers.

Segment expenses are allocated based on the related revenue from sale of goods.

Segment assets are based on the geographical location of the assets.

Business segments

The Group's segmental information is divided into the enterprise data collection, production and sale of labels, stickers and silk screen printing, broadband internet for upcountry region (Chiang Mai, Nakorn Ratchasima and Khon Kaen) and Bangkok metropolitan region and the distribution of computer hardware in Malaysia as presented in the financial statements for the years ended December 31, 2020 and 2019 as follows:

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Unit: Thousand Baht						
Consolidated financial statement						
For the year ended December 31, 2020						
	Enterprise data collection	Production and sales of label	Silk screen printing	Government Project	Broadband internet service	Total
Revenues	11,665	226,497	357,130	331,539	93,263	1,020,094
Cost of sales and services	(11,794)	(154,132)	(201,459)	(279,536)	(66,131)	(713,152)
Gross profit	(129)	72,365	155,671	51,903	27,132	306,942
Gain (loss) on exchange rate	(24)	75	160	-	-	211
Other income	10,200	257	1,875	3,535	557	16,424
Distribution cost	(1,193)	(8,987)	(9,125)	(3,309)	(12,043)	(34,657)
Administrative expense	(7,623)	(32,819)	(59,968)	(40,392)	(28,487)	(169,289)
Finance cost	(117)	(3,755)	(7,369)	(22,968)	(2,261)	(36,470)
Share of loss of investments in associated company	(4,777)	-	-	-	-	(4,777)
Profit (loss) before income tax	(3,663)	27,136	81,244	(11,231)	(15,102)	78,384
Income tax benefit (expense)	(548)	(6,725)	(17,656)	7,581	5,104	(12,244)
Net profit (loss) for the period	(4,211)	20,411	63,588	(3,550)	(9,998)	66,140
Profit (loss) attributable to						
Equity holders of the Company						40,777
Non-controlling interests						25,363
						66,140
Total assets	29,061	213,882	258,800	800,286	413,542	1,715,571

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Unit: Thousand Baht								
Consolidated financial statement								
For the year ended December 31, 2019								
	Continuing operation						Dicontinued operation	Total
	Enterprise data collection	Production and sales of label	Silk screen printing	Government Project	Broadband internet service	Total Domestic	Distribution of computer hardware in Malaysia	
Revenues	75,572	248,997	332,124	492,189	153,617	1,302,499	706,041	2,008,540
Cost of sales and services	(60,502)	(166,814)	(196,664)	(400,629)	(90,412)	(915,021)	(637,613)	(1,552,634)
Gross profit	15,070	82,183	135,460	91,560	63,205	387,478	68,428	455,906
Gain on exchange rate	166	563	175	-	-	904	-	904
Loss on sale of investment in subsidiary company	-	-	-	-	-	-	(67,976)	(67,976)
Other income	316	239	596	188	511	1,850	19,739	21,589
Distribution cost	(11,269)	(8,491)	(7,105)	(834)	(17,894)	(45,593)	(6,162)	(51,755)
Administrative expense	(29,486)	(37,585)	(54,560)	(8,228)	(48,985)	(178,844)	(46,105)	(224,949)
Finance cost	(2,279)	(2,513)	(5,692)	(6)	(3,943)	(14,433)	(11,682)	(26,115)
Share of profit of investments in associated company	820	-	-	-	-	820	-	820
Profit (loss) before income tax	(26,662)	34,396	68,874	82,680	(7,106)	152,182	(43,758)	108,424
Income tax benefit (expense)	8,657	(3,619)	(14,628)	8,793	64	(733)	(6,628)	(7,361)
Net profit (loss)	(18,005)	30,777	54,246	91,473	(7,042)	151,449	(50,386)	101,063
Profit (loss) attributable to								
Equity holders of the Company								69,027
Non-controlling interests								32,036
								101,063
Total assets	130,409	200,184	339,463	859,349	175,329	1,704,734	-	1,704,734

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The Company has revenue from broadband internet service under its License to Provide Internet Service – Form No 3, with License No. NTC/MM/INT/001/2555 for the years ended December 31, 2020 and 2019 as follows

	Unit: Baht	
	2020	2019
Internet Service Revenue	92,870,069.69	141,505,019.27

36. INCOME TAX

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

	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Profit before tax from continuing operation	78,384	152,182	17,332	251,151
Loss before tax from discontinued operation	-	(43,758)	-	-
Total profit before tax	78,384	108,424	17,332	251,151
Income tax rate	20%	20%	20%	20%
Current income tax expense as tax rate	15,677	21,685	3,466	50,230
Non-deductible expenses by the Revenue Code	2,144	2,170	773	742
Non-taxable income	-	-	(8,750)	(5,946)
Effect from promoted activities	2,030	(3,736)	-	-
Deferred tax assets increase from tax loss carry	-	(16,760)	-	(16,760)
Unused tax loss	214	243	-	-
Tax effect from equity method in share of profit in associated company	955	(164)	-	-
Effect from eliminate transactions	353	48,737	-	-
Tax loss utilized for the year	(3)	(37,417)	-	(37,415)
Fiber optic network equipment depreciation	(7,626)	(8,366)	(7,626)	(8,366)
Deductible expenses	(551)	-	-	-
Temporary Differences	(949)	-	-	-

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	Unit: Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Difference from income tax rate	-	969	-	-
Income tax (benefit) expense	12,244	7,361	(12,137)	(17,515)
Average effective tax rate	15.62%	6.79%	(70.02%)	(6.97%)
Income tax (benefit) expense from continuing operation	12,244	733	(12,137)	(17,515)
Income tax expense from discontinued operation	-	6,628	-	-
Total	12,244	7,361	(12,137)	(17,515)

Current tax expenses in profit or loss is less than the amount determined by applying the corporate tax rate to the accounting profit for the period principally because a significant portion of subsidiary company profit was derived from promoted activities for which concessionary tax rates apply.

37. PROMOTIONAL PRIVILEGES

Simat Label Co., Ltd. (subsidiary company) received promotional privileges from the Board of Investment, under Certificate No. 59-1705-1-00-0-0, dated December 26, 2017, pursuant to the Investment Promotion Act, B.E.2520, for the manufacture of telecommunications parts according to the conditions state in said certificate. The privileges include a 7-year exemption from corporate income tax for revenue earned as from the commencement date of the promoted operations (June 2, 2017).

Revenue for the years ended December 31, 2020 and 2019, derived from BOI promoted activities, totals Baht 72.82 million and Baht 105.22 million respectively.

38. COMMITMENTS

Corporate guarantee

As at December 31, 2020 and 2019, the Company provided a corporate guarantee for joint short-term credit facilities between the Company and a subsidiary from banks in the total amount of Baht 34 million both of years.

Bank guarantee

As at December 31, 2020 and 2019, the Company and subsidiary had outstanding bank guarantee issued on behalf of the Company and for which it is contingently liable to its customers pursuant to a sales agreement and bidding amount of Baht 250 million and Baht 292.79 million, respectively

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Service agreement

On January 30, 2019, the Company entered into a service agreement for hi-speed internet in Remote Area (Zone C) Group 4: Northeast Region 2, with the National Broadcasting and Telecommunications Commission (“NBTC”). The service agreement is valued at Baht 2,248 million (inclusive of Value Added Tax). According to the terms and conditions set forth in the service agreement, the Company has an obligation to provide and install equipment and hi-speed internet service centers, provide administrative and maintenance services, and deliver all equipment and hi-speed internet service centers. During 2019 the company entered into several agreements with sub-contractors in order that they provide the services pursuant to the agreement.

During the year, the Company was suffered a penalty totaling Baht 6.74 million. Due to the Company has provided the first milestone beyond the delivery date, such penalty was deducted from the first payment from NBTC. The management had considered, the Company would be refunded of such penalty. At the present, the Company has negotiated the penalty refund from contractors and recorded such transaction by deduct to accrued project cost.

Operating lease commitments

The Company and its subsidiaries have commitments under long-term lease and service agreements, mainly relating to the rental of office space and service. Summarised below are the future rental and service fees under the agreements:

	Unit: Thousand Baht	
	Consolidated financial statement	Separate financial statement
Due within 1 year	6,238	4,200
Due over 1 year but not over 5 years	1,083	983
Total	7,321	5,183

39. WARRANT

The Annual General Shareholders’ Meeting, held on April 29, 2015 approved to issue:

Warrant no. 2 (SIMAT-W2) not in excess of 37,813,172 units to purchase ordinary share of the Company to the existing shareholders (Rights offer) at the ratio of 10 existing shares per warrant unit with free value. The warrants have a 5-year term from the issue date and an exercise price of Baht 15 per share.

Warrant no. 3 (SIMAT-W3), not in excess of 37,813,172 units, to purchase ordinary share of the Company to the existing shareholders (Rights offer) at the ratio of 10 existing shares per warrant unit with free value. Warrants have a 10-year from the issuing date and an exercise price of Baht 30 per share.

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- On April 12, 2019, the Company has adjusted the exercise price to purchase ordinary shares SIMAT – W2 from the previous price of Baht 15 per share to Baht 13.3200 per share, and exercise ratio from 1 unit per share to 1 unit per 1.1261 shares.
- On April 12, 2019 the Company has adjusted the exercise price to purchase ordinary shares SIMAT – W3 from the previous price of Baht 30 per share to Baht 26.6401 per share and exercise ratio from 1 unit per share to 1 unit per 1.1261 shares.

On July 9, 2018, the Company issued and allocated warrants to purchase the company's newly issued ordinary shares No.4 (“Warrant of SIMAT-W4”) in the maximum amount of 43,689,582 units to existing shareholders of the Company in proportion to their shareholdings (Rights Offering) at zero value with an allocation ratio of 12 existing shares per warrant. The calculation of the right to receive SIMAT-W4 of each shareholder. SIMAT-W4 will be valid for 3 years from the issuance date. The exercise price is Baht 1.00 per share.

As at May 20, 2020, no person use warrant no.2 (SIMAT –W2), therefore, the such warrant have accordingly expired and can no longer be exercised.

As at December 31, 2020, no person use warrants, therefore were not exercised as such.

40. RESERVE FOR SHARE-BASED PAYMENT

During the year 2017, the Company issued the ESOP offer to directors and employees of the Company, the details of the warrant issue are as follows:

Type of Warrant	: Specifying the holder’s name, to purchase the Company’s ordinary shares.
Issue and Offer Date	: -
Issuing Units	: 4,000,000 units
Term of Warrant	: 5 Years
Exercise Price	: Baht 2.98 per share, average share closing rate of the company in the stock market 7 business days before directors approved the proposal to shares holders approving the warrant. Exercise price is inclusive of 10 percent discount (Subject to change according to a rights adjustment).
Exercise Ratio	: 1 warrant unit for 1 ordinary share (Subject to change according to a rights adjustment).
Exercise Period	: Holder can exercise the warrants as follows: 1 st year: Exercises cannot exceed 10% of the total allocated warrants. 2 nd year: Exercises cannot exceed 25% of the total allocated warrants. 3 rd year: Exercises cannot exceed 45% of the total allocated warrants. 4 th year: Exercises cannot exceed 70% of the total allocated warrants. 5 th year: total allocated warrants can be exercise.

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Unexercised warrants can be accumulated for exercise within the next year.

Exercise Date : At last working day of every month throughout the warrant term. The last exercise must be made within 5 business days before the expiration date of the warrant term.

As at December 31, 2020, 1,050,000 warrant units remain unexercised.

41. LITIGATION

On December 26, 2013, the Company filed a lawsuit with the Administrative Court against CAT Telecom Public Company Limited ("CAT") to claim damages in the amount of Baht 665.62 million. According to the operating lease of optical fiber network system contracts with CAT for Nakhon Ratchasima and Chiang Mai provinces, dated June 10, 2011 and June 13, 2011, respectively, the Company purchased and completely installed equipment, and the entirely delivered the system to CAT for the Nakhon Ratchasima and Chiang Mai province networks on May 21, 2012 and July 11, 2012, respectively. However, CAT failed to accept delivery. The Company sent several reminder letters to CAT, but the latter failed to comply with the contract. Therefore, the Company exercised its right to terminate the contract on February 22, 2013 and then proceeded to litigate. The Administrative Court and assigned it as Undecided Case No. 2518/2556 on February 6, 2014.

On December 20, 2018, the Administrative Court of the First Instance ("Court") issued its Judgment, No. 247/2561, ordering CAT to:

- 1) Pay Baht 53.23 million, including interest at 7.5% per annum, for the delivered equipment used to control and investigate network systems.
- 2) Return the bank guarantee to the Company and compensate the Company for the bank guarantee fee at the rate of Baht 0.14 million per annum, counting from the complaint filing date until CAT's completion of repayment.
- 3) Assume liability for opportunity costs representing the Company's estimated earnings losses from its operation. However, the Court ruled that such losses are estimates only, and not closely related to actual damages. The Court, therefore, did not determine these particular damages.

Management has determined that damages awarded by Court do not represent actual, true damages sustained by the Company.

As such, On January 18, 2019, the Company filed an appeal with the Supreme Administrative Court further clarifying facts about the Company's purchase of the equipment, including labor costs for installation and financial cost arising during network construction, all totaling Baht 434.24 million. The Company filed an appeal with the Supreme Administrative Court totaling of Baht 448.45 million and pay to the fee amounting of Baht 0.59 million. Currently, the case is still on the processing of considering of Supreme Administrative Court.

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Company as defendant

On February 16, 2021, the Company has been filed a lawsuit from a subcontractor for Baht 20.51 million as the Company has not complied with construction contract under governmental project. At the present, the lawsuit is currently under trial by Civil Court. However, the Company has recorded the expenses for Baht 17.72 million, which presents under “accrued project cost” in the statement of financial position. The management considered that a provision is sufficiently recorded.

42. DISCLOSURE OF FINANCIAL INSTRUMENTS

Foreign Currency Risk

The Company and subsidiaries are exposed to foreign currency risks primarily related to accounts payable. The Company and subsidiaries do not enter forward exchange contracts for trading or speculation purpose.

Interest Rate Risk

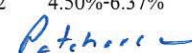
The interest rate risk is related to future movements in market interest rates that will affect the results of the Company and subsidiary’s operations and their cash flows. The Company and subsidiaries are exposed to interest rate risk primarily related to deposits with banks and short-term loan from related parties and directors and borrowings from financial institutions as follows:

Unit: Million Baht					
Consolidated financial statements					
December 31, 2020					
	Floating rate	Fixed rate	Non – interest bearing	Total	Interest rate
Financial assets					
Cash and cash equivalents	160	-	2	162	0.05%
Trade and other current receivables - net	-	5	198	203	6%
Contract assets - current	-	159	-	159	3.60%
Non-current financial assets	-	119	-	119	0.10% - 0.60%
Non-current contract assets	-	79	-	79	3.60%
	<u>160</u>	<u>362</u>	<u>200</u>	<u>722</u>	
Financial liabilities					
Bank overdraft and short-term loan from financial institution	195	83	-	278	3.72% - 7.50%
Trade and other current payables	-	65	198	263	6.00% - 12.00%

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Unit: Million Baht					
Consolidated financial statements					
December 31, 2020					
	Floating rate	Fixed rate	Non – interest bearing	Total	Interest rate
Current portion of lease liabilities – net	-	19	-	19	0.89% - 6.37%
Current portion of long-term loan from financial institutions	143	-	-	143	3.97 - 5.47%
Short term loan from person	-	40	-	40	7.00% - 12.00%
Short-term loan from related Company and director	-	13	-	13	5.25% - 6.00%
Lease liabilities - net	-	32	-	32	0.89% - 6.37%
Long-term loan from financial institutions- net	236	-	-	236	3.97% - 5.47%,
	<u>574</u>	<u>252</u>	<u>198</u>	<u>1,024</u>	

Unit: Million Baht					
Consolidated financial statements					
December 31, 2019					
	Floating rate	Fixed rate	Non – interest bearing	Total	Interest rate
Financial assets					
Cash and cash equivalents	27	-	1	28	0.22%
Trade and other current Receivables - net	-	-	208	208	-
Current contract assets	-	-	387	387	-
Non current financial assets -net	-	175	-	175	0.60%-0.90%
	<u>27</u>	<u>175</u>	<u>596</u>	<u>798</u>	
Financial liabilities					
Bank overdraft and short-term loan from financial institution	419	-	-	419	4.25%-4.90%
Trade and other current payables	-	-	217	217	-
Current portion of lease liabilities – net	-	17	-	17	5.39%-5.90%
Current portion of long-term loan from financial institutions	82	-	-	82	4.50%-6.37%



Unit: Million Baht				
Consolidated financial statements				
December 31, 2019				
	Floating rate	Fixed rate	Non – interest bearing	Total Interest rate
Short-term loan from person	-	10	-	10 7%
Short-term loan from related Company and director	-	10	-	10 6%
Lease liabilities - net	-	12	-	12 5.39%-5.90%
Long-term loan from financial institutions- net	292	-	-	292 4.50%-6.37%
Convertible Debentures	-	2	-	2 1.00%
	<u>793</u>	<u>51</u>	<u>217</u>	<u>1,061</u>

Unit: Million Baht				
Separate financial statements				
December 31, 2020				
	Floating rate	Fixed rate	Non – interest bearing	Total Interest rate
Financial assets				
Cash and cash equivalents	121	-	2	123 0.05%
Trade and other current receivables - net	-	5	56	61 6%
Current contract assets	-	-	159	159 -
Non-current financial assets	-	97	-	97 0.20% - 0.60%
Non-current contract assets - net	-	79	-	79 3.60%
	<u>121</u>	<u>181</u>	<u>217</u>	<u>519</u>
Financial liabilities				
Bank overdraft and short-term loan from financial institution	180	83	-	263 3.72% - 7.50%
Trade and other current payables	-	65	142	207 6.00% - 12.00%
Current portion of lease liabilities – net	-	8	-	8 5.39% - 5.90%
Current portion of long-term loan from financial institutions	101	-	-	101 5.34% - 3.97%
Short-term loan from person	-	40	-	40 7% - 12%



Unit: Million Baht					
Separate financial statements					
December 31, 2020					
	Floating rate	Fixed rate	Non – interest bearing	Total	Interest rate
Short-term loan from related company and director	-	14	-	14	6%
Lease liabilities - net	-	13	-	13	5.39% - 5.90%
Long-term loan from financial institutions- net	117	-	-	117	5.34% , 3.97%
	<u>398</u>	<u>223</u>	<u>142</u>	<u>763</u>	

Unit: Million Baht					
Separate financial statements					
December 31, 2019					
	Floating rate	Fixed rate	Non – interest bearing	Total	Interest rate
Financial assets					
Cash and cash equivalents	4	-	1	5	0.22%
Trade and other current receivables - net	-	-	90	90	-
Current contract assets	-	-	387	387	-
Non-current financial assets	-	153	-	153	0.60%-0.90%
	<u>4</u>	<u>153</u>	<u>478</u>	<u>635</u>	

Financial liabilities					
Bank overdraft and short-term loan from financial institution	406	-	-	406	4.25%-4.90%
Trade and other current payables	-	-	185	185	-
Current portion of lease liabilities – net	-	11	-	11	5.39%-5.90%
Current portion of long-term loan from financial institutions	44	-	-	44	4.50%-6.37%
Short-term loan from person	-	10	-	10	7%
Short-term loan from related company and director	-	45	-	45	6%
Lease liabilities - net	-	1	-	1	5.39%-5.90%

Unit: Million Baht					
Separate financial statements					
December 31, 2019					
	Floating rate	Fixed rate	Non – interest bearing	Total	Interest rate
Long-term loan from financial institutions- net	166	-	-	166	4.50%-6.37%
Convertible Debentures	-	2	-	2	1.00%
	616	69	185	870	

Credit Risk

The Group provides credit term for many trade transactions. The Group manages its exposure to credit risk by closely monitoring collection of accounts receivable and focusing on overdue accounts. The Group will consider the provision for accounts receivable on amounts which may prove to be uncollectible. Currently, the Group does not expect major or significant losses from the collection of accounts receivable except the amount the allowance for doubtful accounts had been provided.

Risk liquidity

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

As at December 31, 2020 and 2019 and the period of time from the balance sheet date to their maturity dates are as follows:

Unit: Million Baht						
Consolidated financial statement						
December 31, 2020						
	At call	Within 1 year	Within 2-5 year	Over 5 year	No limited	Total
Financial assets						
Cash and cash equivalents	162	-	-	-	-	162
Trade and other current receivables - net	-	203	-	-	-	203
Contract assets - current	-	159	-	-	-	159
Non-current financial assets	-	-	119	-	-	119
Non-current contract assets - net	-	-	79	-	-	79
	162	366	198	-	-	722

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Unit: Million Baht					
Consolidated financial statement					
December 31, 2020					
At call	Within 1 year	Within 2- 5 year	Over 5 year	No limited	Total
Financial liabilities					
Bank overdraft and short-term loan from financial institution	-	278	-	-	278
Trade and other current payables	-	263	-	-	263
Current portion of lease liabilities – net	-	19	-	-	19
Current portion of long-term loan from financial institutions	-	143	-	-	143
Short-term loan from person	-	40	-	-	40
Short-term loan from related company and director	5	8	-	-	13
Lease liabilities - net	-	-	32	-	32
Long-term loan from financial institutions- net	-	-	227	9	236
	5	751	259	9	1,024

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Unit: Million Baht					
Consolidated financial statement					
December 31, 2019					
At call	Within 1 year	Within 2- 5 year	Over 5 year	No limited	Total
Financial assets					
Cash and cash equivalents	28	-	-	-	28
Trade and other current receivables					
- net	-	208	-	-	208
Contract assets - current	-	387	-	-	387
Non-current financial assets	-	-	175	-	175
	28	595	175	-	798
Financial liabilities					
Bank overdraft and short-term loan					
from financial institution	-	419	-	-	419
Trade and other current payables	-	217	-	-	217
Current portion of lease					
liabilities – net	-	17	-	-	17
Current portion of long-term loan					
from financial institutions	-	82	-	-	82
Short-term loan from person	-	10	-	-	10
Short-term loan from related					
company and director	-	10	-	-	10
Lease liabilities - net	-	-	12	-	12
Long-term loan from financial					
institutions- net	-	-	292	-	292
Convertible Debentures	-	-	2	-	2
	-	755	306	-	1,061

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Unit: Million Baht					
Separate financial statements					
December 31, 2020					
At call	Within 1 year	Within 2- 5 year	Over 5 year	No limited	Total
Financial assets					
Cash and cash equivalents	123	-	-	-	123
Trade and other current receivables - net	-	61	-	-	61
Contract assets - current	-	159	-	-	159
Non-current financial assets	-	97	-	-	97
Non-current contract assets - net	-	-	79	-	79
	<u>123</u>	<u>220</u>	<u>176</u>	<u>-</u>	<u>519</u>
Financial liabilities					
Bank overdraft and short-term loan from financial institution	-	262	-	-	262
Trade and other current payables	-	207	-	-	207
Current portion of lease liabilities - net	-	8	-	-	8
Current portion of long-term loan from financial institutions	-	101	-	-	101
Short-term loan from person	-	40	-	-	40
Short-term loan from related Company and director	-	14	-	-	14
Lease liabilities - net	-	-	13	-	13
Long-term loan from financial institutions- net	-	-	117	-	117
	<u>-</u>	<u>633</u>	<u>130</u>	<u>-</u>	<u>763</u>

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Unit: Million Baht					
Separate financial statements					
December 31, 2019					
At call	Within 1 year	Within 2- 5 year	Over 5 year	No limited	Total
Financial assets					
Cash and cash equivalents	5	-	-	-	5
Trade and other current receivables - net	-	90	-	-	90
Contract assets - current	-	387	-	-	387
Non-current financial assets	-	-	153	-	153
	5	477	153	-	635
Financial liabilities					
Bank overdraft and short-term loan from financial institution	-	406	-	-	406
Trade and other current payables	-	185	-	-	185
Current portion of lease liabilities - net	-	11	-	-	11
Current portion of long-term loan from financial institutions	-	44	-	-	44
Short-term loan from person	-	10	-	-	10
Short-term loan from related Company and director	-	45	-	-	45
Lease liabilities - net	-	-	1	-	1
Long-term loan from financial institutions- net	-	-	166	-	166
Convertible Debentures	-	-	2	-	2
	-	701	169	-	870

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Fair value of Financial Instruments

The following methods and assumptions are used to estimate a fair value of each class of the Group's financial instruments.

- Financial assets are shown at estimated fair value.
- Financial liabilities are shown at their book value which is considered fair value because such liabilities will be matured in short-term and long-term loans bearing floating interest rates. Long term loans, bearing a fixed interest rate, have repayment periods within 5 years.

43. CAPITAL MANAGEMENT

The Board's policies are to maintain a strong capital base so as to provide assurance to shareholders, investors, creditors and its markets and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity, (excluding non-controlling interests), and also monitors the level of dividends to ordinary shareholders.

44. OTHER MATTER**Transfer of reserves to compensate accumulated deficit of the Company**

According to the Minutes of the Annual General Shareholders' Meeting for the year ended 2020, the Company approved the transfer of reserves to compensate for the accumulated deficit in order to allow for the distribution of dividends when the Company has sufficient profits and cash flow. The Company transferred the legal reserve of Baht 15.14 million and then paid-in capital in excess of par amounting Baht 409.17 million.

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45. RECLASSIFICATION

Certain amounts in the financial statements for year ended December 31, 2019, have been reclassified to conform to the requirement in accordance with TFRS 5 Non-current assets held for sale and discontinued operations. The reclassifications are as follows:

Unit: Thousand Baht			
Consolidated financial statement			
	Before reclassify	Reclassify	After reclassify
Statement of comprehensive income			
Continuing operation			
Revenue from sales and services	1,516,351	(706,041)	810,310
Cost of sales and services	(1,151,980)	637,613	(514,367)
Other income	21,589	(19,739)	1,850
Distribution cost	(51,755)	6,162	(45,593)
Administrative expense	(224,949)	46,105	(178,844)
Finance cost	(26,115)	11,682	(14,433)
Income tax benefit (expense)	(7,361)	6,628	(733)
Profit from discontinued operation	-	17,590	17,590
		-	

46. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors on March 1, 2021.

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