

20th
• ANNIVERSARY •

SECURITY SOLUTIONS LEADER

VINTCOM TECHNOLOGY PUBLIC COMPANY LIMITED



ANNUAL REPORT 2020



CONTENTS

01

Vision/
Mission

06

Summary of Financial
Statements

09

Message from
the Chairman

10

Business Structure
of the Company

11

Business
Overview

18

Board of Directors
and Management

28

Major
Shareholders

29

Dividend
Policy

30

Industry
Overview

32

Risk
Factors

35

Organizational
Structure

49

Corporate
Governance

77

Legal
Disputes

79

Driving
Sustainability

85

Report of the Risk
Management Committee

86

Internal Control
and Risk Management

88

Related
Transactions

97

Report of the
Audit Committee

99

Report of the Board of
Directors' Responsibilities
for Financial Reporting

100

Management
Discussion and
Analysis

104

Financial Statements
and Notes to Financial
Statements



Vision

Move towards of being the leader in information technology, offering solutions, and providing professional and comprehensive services in the ASEAN Economic Community.



Mission

We are a professional in presenting our nationwide IT products and services, taking into account maximum cost-effectiveness, transparency and ethics in work, confidence and good returns for investors.



VALUE ADDED
DISTRIBUTOR

HITACHI

Inspire the Next

splunk>


 **CROWDSTRIKE**

The Company is an IT distributor of internationally recognized products that are specifically designed for enterprises. A comprehensive range of IT solutions and services offered by the Company include servers, storage units, engineered systems or converged infrastructure solutions, network security, networking devices, database systems, operating systems, virtualization systems, middleware, software development tools, and database management software for data integration, big data management, cloud data management, and data quality and security.

The Oracle logo is displayed in a bold, red, sans-serif font. It is positioned in the center of the image, where multiple bright, colorful light streaks (in shades of blue, cyan, and white) converge towards a central point, creating a sense of depth and motion. The background is dark blue and filled with a dense, out-of-focus pattern of binary digits (0s and 1s) and faint, glowing lines.The Palo Alto Networks logo features a stylized orange and red diamond icon to the left of the company name. The name "paloalto" is in a bold, black, sans-serif font, with "NETWORKS" in a smaller, all-caps font directly beneath it. The logo is set against the same dynamic background of light streaks and binary code.The Informatica logo consists of a stylized orange and blue diamond icon to the left of the company name. The name "Informatica" is in a black, sans-serif font. The logo is positioned at the bottom center of the image, with the same vibrant, high-tech background of light streaks and binary digits.



PROFESSIONAL SERVICES



Another Company's core business lies on the provision of computer and network security monitoring services, hence serving as a managed security service provider (MSSP). The primary function of an MSSP is to provide outsourced management and monitoring of network security to protect the digital infrastructures of enterprises.



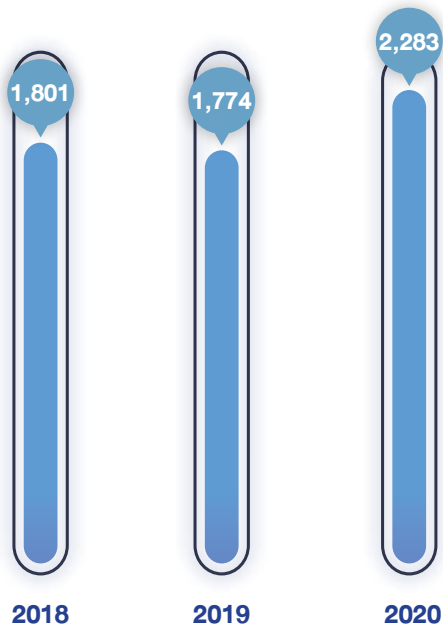
Summary of Financial Statements

Financial Highlights 2018 – 2020

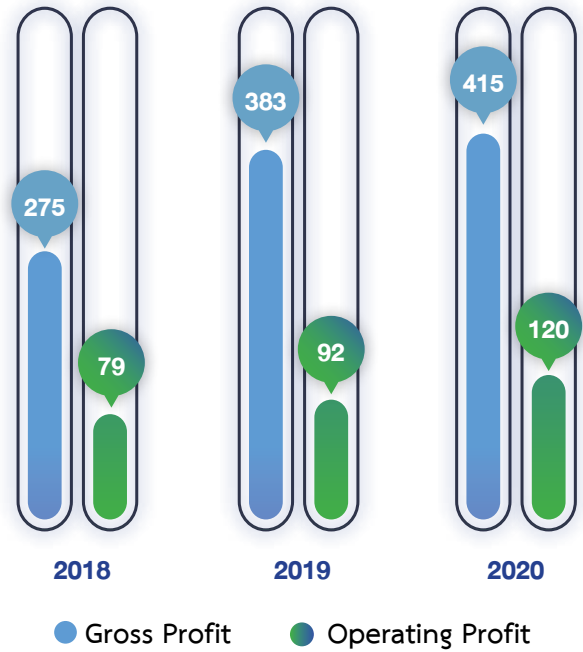
	Consolidated Financial Statement		
Unit : Million Baht	2020	2019	2018
Total Assets	1,461	1,161	1,286
Total Liabilities	956	654	824
Paid-up Share Capital	150	150	150
Share Premium	182	182	182
Equity Attributable to Owners of the Parent	451	440	410
Revenue from Sales and Services	2,283	1,774	1,801
Total Revenues	2,294	1,782	1,814
Cost of Sale and Services	1,868	1,391	1,526
Gross Profit	415	383	275
Operating Expenses	295	292	196
Operating Profit	120	92	79
Net Profit Attributable to Owners of the Parent	90	67	58
Unit : %			
Gross Profit Margin	18.17	21.60	15.26
Operating Profit Margin	5.25	5.16	4.38
Net Profit Per Total Revenues	3.91	3.75	3.22
Return on Equity	20.14	15.72	14.98
Return on Assets	9.91	8.34	9.19
Unit : Baht			
Book Value per Share	1.50	1.52	1.45
Earnings Per Share	0.30	0.22	0.19



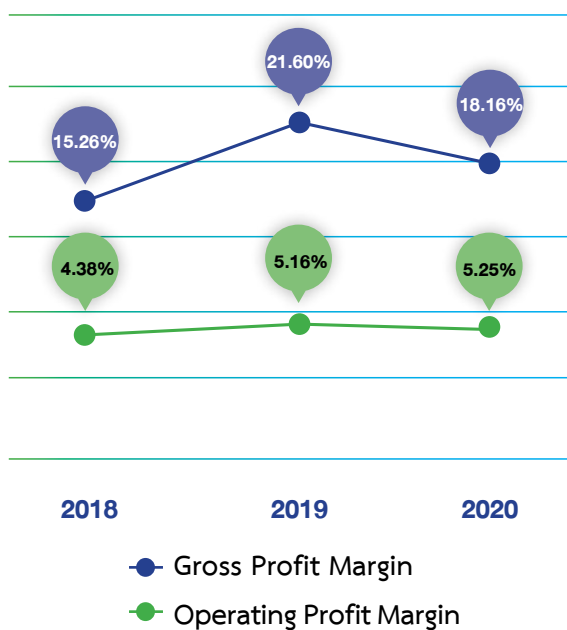
Revenue from Sales and Services



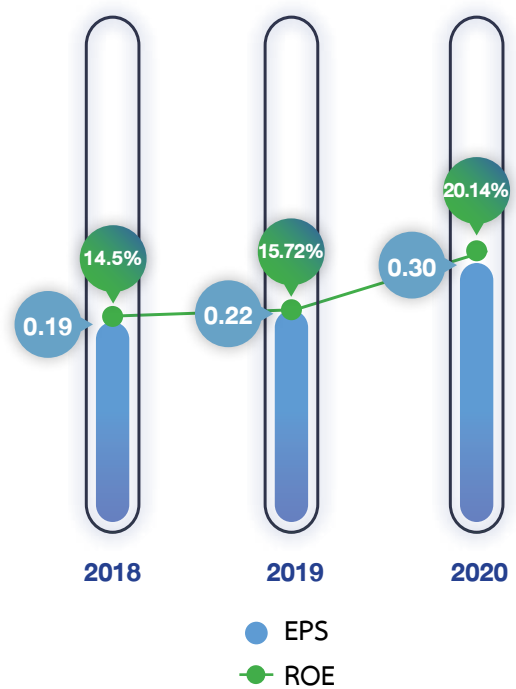
Gross Profit VS Operating Profit



Gross Profit Margin VS Operating Profit Margin



EPS VS ROE



“ On behalf of
the Board of Directors
and management, I express
my sincere gratitude to
our shareholders, vendors,
customers and all other
stakeholders for their
confidence in and support
to the Company.”





Message from the Chairman

During the last few years, we have increasingly broadened our IT offerings from fundamental enterprise IT infrastructure to digital transformation solutions of world class IT vendors for Thailand and/or CLM countries including Oracle, Splunk, Palo Alto Networks, CrowdStrike, Informatica, Huawei. This proves to be rewarding.

Despite the pandemic, FY 2020 is again our record year. Consolidated revenue and net profit attributable to shareholders for 2020 grew from 2019 by 34% to Baht 2,283 million, and Baht 90 million, respectively in 2020. Revenue from CLM countries for 2020 accounted from 30% of consolidated revenue, versus 19% in 2019.

In 2020, the Work From Home (or anywhere) as a result of the pandemic, and cyber-security threats have spurred demand for reliable IT infrastructure and effective security solutions, and this trend is expected to continue. With the recent launch of 5G in Thailand, it is anticipated that the e-commerce and IoT will be part of the new normal. Effective, world-class IT solutions are necessary to support this.

To broaden our products and service offerings, in the third quarter of 2020, we acquired 22% equity interest in M Intelligences, a profitable startup providing IT solutions, including those of Salesforce, to help transform business digitally. Similar to our previous acquisition, we should gradually see fruitful results of this investment starting from 2021.

We will continue to introduce new world-class IT solutions that are fundamentals to digital transformation. Looking forward, FY2021 may be another challenging year. Similar to the rest of the world, Thailand's and CLM countries' economic activities should the pandemic fade. The digital transformation and the 5G adoption will lead to productivity improvement and new business opportunities. This together with the economic recovery will fuel IT demand and solutions that we are offering.

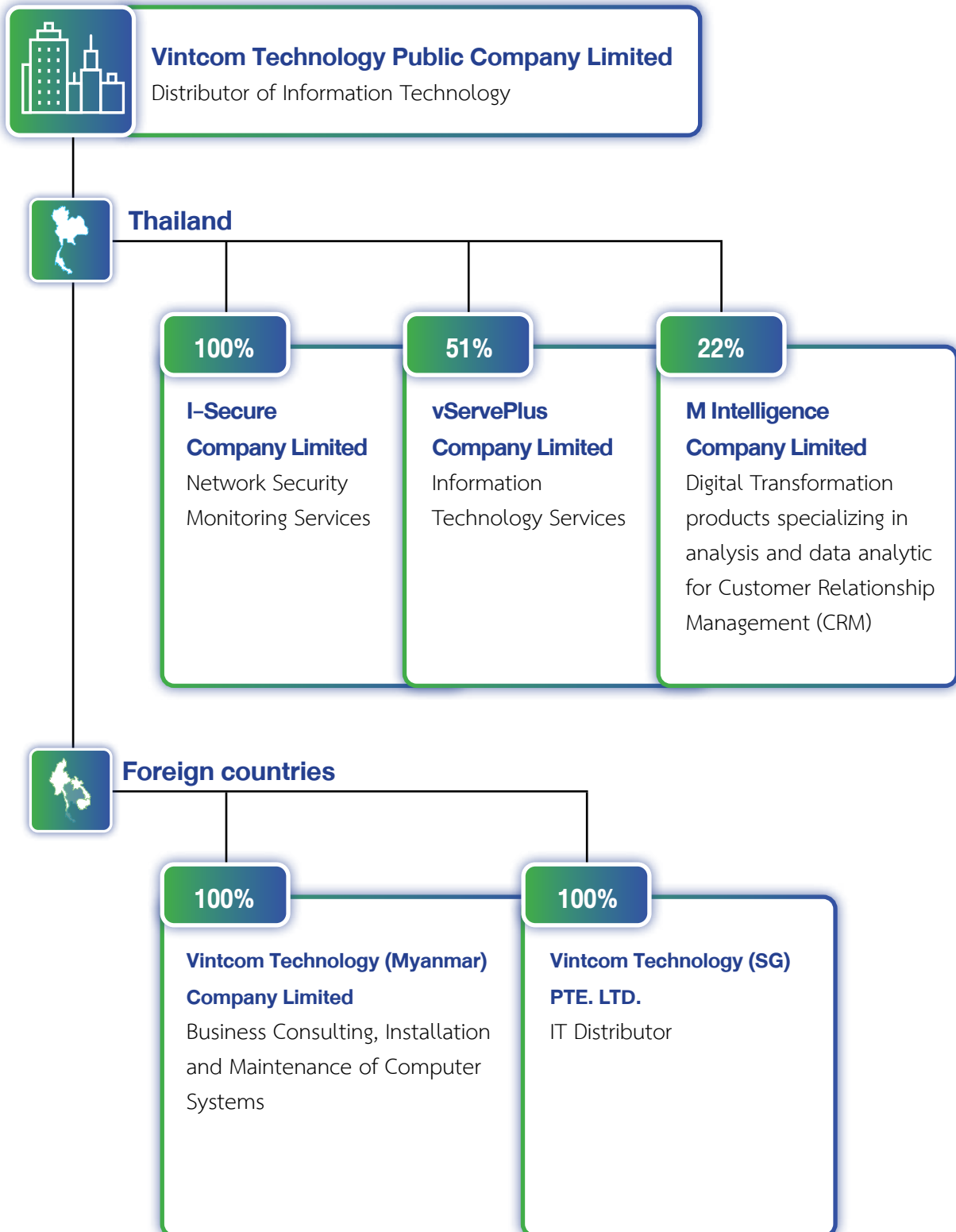
On behalf of the Board of Directors and management, I express my sincere gratitude to our shareholders, vendors, customers and all other stakeholders for their confidence in and support to the Company.

Narong Intanate

Chairman of the Board of Directors



Business Structure of the Company





Business Overview

As of 31 December 2020

Company Name	Vintcom Technology Public Company Limited
Symbol	VCOM
Business Type	Authorized IT distributor
Registration Number	0107559000176
Registered Capital	THB 150,000,000
Paid-up Capital	THB 150,000,000
Registered/Paid-up Capital	THB 150 million, comprising 300 million ordinary shares with a par value of THB 0.50 per share
Head Office	159/21 Sermit Tower, 14th Floor, Unit 1401, Sukhumvit 21 Road (Asoke), Khlong Toei Nuea Subdistrict, Watthana District, Bangkok 10110
Phone Number	02-661-7979
Fax Number	02-661-7969
Website	www.vintcom.co.th

Other Information

Share Registrar	Thailand Securities Depository Company Limited 93 Ratchadapisek Road, Dindaeng, Bangkok 10400 Tel : 02-009-9000 Fax : 02-009-9991
Auditor	KPMG Phoomchai Audit Limited Empire Tower, 48th–51 st Floor, 1 South Sathorn Road, Yannawa Subdistrict, Sathorn District, Bangkok 10120 Tel : 02-677-2000 Fax : 02-677-2222



Vintcom Technology Public Company Limited

The Company is an IT distributor of internationally recognized products that are specifically designed for enterprises. A comprehensive range of IT solutions and services offered by the Company include servers, storage units, engineered systems or converged infrastructure solutions, cybers security, networking devices, database systems, operating systems, virtualization systems, middleware, software development tools, and database management software for data integration, big data management, cloud data management, and data quality and security. In addition to the foregoing services, the Company also offers professional services, maintenance services and installation services for all products under its distributorship.

Vision

Move towards of being the leader in information technology, offering solutions, and providing professional and comprehensive services in the ASEAN Economic Community.

Mission

We are a professional in presenting our nationwide IT products and services, taking into account maximum cost-effectiveness, transparency and ethics in work, confidence and good returns for investors.

Business goals of the Company

The Business goals for the next five years is to become a fully integrated information technology leader. The Company plans to expand additional customer both in the country and CLM countries including selection of products with latest technology in line with the current business and cover a full range of information technology services.



Background, Important Changes and Development

1992

Registered as a Company with a registered capital of 5 million baht.

2001

Approved raising up of the registered capital to be 60,000,000 baht and the Company was appointed as a distributor of the Sun Microsystems (Thailand) Ltd.

2010

The Company received a contract extension as a reseller of Oracle after a merger with Sun Microsystems (Thailand) Co., Ltd. continuously to the present day.

2013

The Company has been appointed as a distributor of Hitachi Data Systems products and services in Thailand.

2015

The Company has been awarded the Best Distribution of the year from Hitachi Data Systems in 2014 and awarded the Best Partner Award from Oracle Thailand and has been appointed as a Distributor and value-added model from Oracle to sell the goods in CLM countries and established Vintcom Technology (Myanmar) Co., Ltd. as a new subsidiary Company.



2016

The Company has signed a contract with VST ECS (Thailand) Co., Ltd. to establish vServePlus Co., Ltd. as a new subsidiary Company to provide information technology and maintenance services and has been appointed as a distributor of Palo Alto Networks and Arista Network in CLM countries.

2017

The Company has been appointed as a distributor of Informatica and Splunk in Thailand and CLM countries and Infoblox in CLM countries.

2018

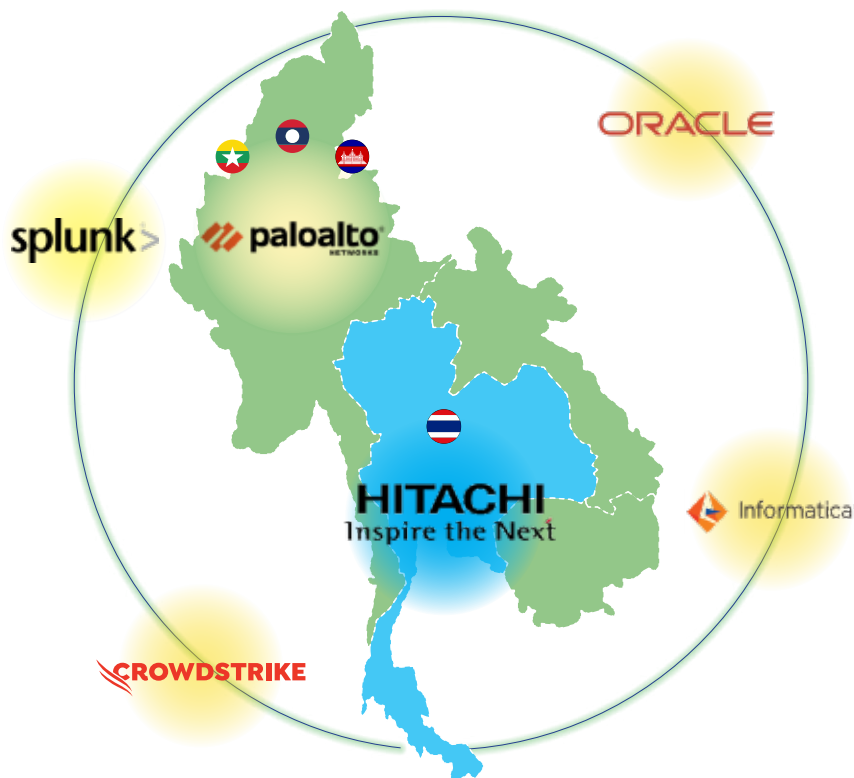
The Company has been appointed as a distributor of Yitu Technology and Citrix in Thailand and CLM countries and an acquisition of all ordinary shares in I-SECURE Co., Ltd. with the primary objectives to provide data security monitoring and cyberattack prevention services.

2020

The Company acquisition 132,000 ordinary shares in M Intelligence Co., Ltd. (“Mintel”), representing 22% of Mintel’s paid-up capital. Mintel is the distributor for Digital Transformation products specializing in analysis and data analytic for Customer Relationship Management (CRM) to support overall functions of marketing, sales and services.



The Company is currently an authorized distributor for six renowned brands, as detailed below.



The primary target market of the Company consists of system integrators (SI) whose services encompass consolidation of multiple systems into one unified system to deliver a broad range of applications in response to the demand of end users, specifically medium and large enterprises in both public and private sectors. The products offered by the Company enable these system integrators to achieve optimal efficiency in the data management process. The Company engages in regular transactions with various SI clients, most of which are leading companies with expertise in system integration, consultancy, and ICT development. Alternatively, the Company also distributes products directly to end users, albeit to a much lesser extent than SI clients. The majority of these end users are corporate clients that have established their own IT department to perform system integration, or are implementing an ongoing project for which they have previously procured the Company's products through system integrators.

Information on Subsidiaries As of 31 December 2020

Subsidiaries

1) Vintcom Technology (Myanmar) Company Limited ("Vintcom Myanmar")

was incorporated in the Republic of the Union of Myanmar on July 6, 2015, with the primary objectives to provide installation services, consultation, and maintenance services with respect to computer systems. At present, Vintcom Myanmar has a registered and paid-up capital of USD 500,000. The Company currently holds 100% of the paid-up share capital.

Head Office	Room Number (02/11), 11 Floor, Building F, Pearl Condominium Housing, Sayasan Road Bahan Township, Yangon, Myanmar. 11201
--------------------	---

2) Vintcom Technology (SG) Company Limited (“Vintcom SG”)

was incorporated in the Republic of Singapore on May 16, 2018, with the objective to act as an IT distributor in Singapore. Vintcom SG has a registered capital of SGD 100,000, of which SGD 21,000 have been fully paid. The Company currently holds 100% of the paid-up share capital.















Head Office 231 Mountbatten Road, #01-06
Mountbatten Centre Singapore
(397999)

3) vServePlus Company Limited (“vServePlus”)

was incorporated on August 17, 2016, with a registered and paid-up capital of THB 40 million. Its business objectives are to provide IT services, specifically installed-based renewal services, professional services, nationwide services, and project management services. The Company currently holds 51% of the paid-up share capital, and the remaining thereof is held by VST ECS (Thailand) Company Limited (“VST ECS”).

Head Office Building A, S.V. Logistics Center
2, 88/1 Phatthana Chonnabot
3 Road, Khlong Song Ton Nun
Subdistrict, Lat Krabang District,
Bangkok 10520
Tel : 02-666-9600
Fax : 02-138-9867

At present, vServePlus is an authorized distributor for fourteen global brands, as listed below.

Brand	Trademark	Main Product
Dell EMC		Computer server and storage unit
Fujitsu		Scanner
Hikvision		CCTV
HPE		Computer server, storage unit and network system
HP Inc. (HPI)		Spare part business
Huawei		Network system, computer server and storage unit
Intermec		Mobile computer and scanner
Lenovo		Computer server, PC, notebook and tablet
Xiaomi		Mobile phone and accessories
Vocollect		Mobile computer and scanner
Nexstgo		Computer server and notebook
ASUS		Computer server, PC, notebook and tablet
Acer*		PC and notebook
Brother		Printer

Remark: *Only in Rayong and Surat Thani service centers

The services offered by vServePlus are rendered in nine service centers across Thailand, two of which are in Bangkok, namely Rom Klao Branch (Head Office) and Pantip Plaza Branch, and the remaining are in seven other provinces: Chiang Mai, Phitsanulok, Khon Kaen, Nakhon Ratchasima, Surat Thani, Hat Yai and Rayong. Additionally, vServePlus has been officially authorized to operate Xiaomi Service Center at Fortune Town IT Mall, 2nd floor, and Lenovo Service Center at Fortune Town IT Mall, 3rd and 4th floor. The services rendered in these authorized service centers are similar to those being offered in vServePlus service centers, which include warranty service for new products, consulting service for IT-related problems, and repair service for both warranty and out-of-warranty products.

4) I-Secure Company Limited (“I-Secure”)


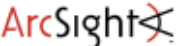
was incorporated on May 26, 2006, with a registered and paid-up capital of THB 40 million. Its core business lies on the provision of computer and network security monitoring services, hence serving as a managed security service provider (MSSP). The primary function of an MSSP is to provide outsourced management and monitoring of network security to protect the digital infrastructures of enterprises. An MSSP also plays an important role in alleviating the pressure faced by enterprises, be it the cost associated with hardware, software and human resources or the lack of in-house security specialists.








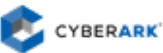







In addition to establishing its own security operations center (SOC), I-Secure has developed a software package that is purposefully designed to monitor and manage cyber threats. As an outsourced service provider, I-Secure undertakes a broad range of activities, including monitoring and managing cyber threats, detecting malicious activities and attacks, implementing proactive mechanisms for responding to cyberattacks, and collecting data to accurately identify the vulnerabilities or loopholes exploited by cybercriminals.

On top of the provision of integrated consulting services in the area of data and network security, I-Secure also distributes and offers rental services for computer parts, programs and related equipment, as well as a comprehensive range of cyber security training solutions. The primary customers of I-Secure are government agencies, leading corporations in the financial services sector such as banks, securities companies, asset management companies and insurance companies, and other dominant companies in the real estate industry, manufacturing industry and retail industry. These customers have outsourced their managed security services to I-Secure in efforts to minimize investments in IT infrastructure and overcome their challenges concerning the lack of in-house security specialists. The Company currently holds 100% of the paid-up share capital.

Head Office 55 Soi Pradiphat 17, Pradiphat Road, Sam Sen Nai Subdistrict, Phaya Thai District, Bangkok 10400 Tel : 02-615-7005-7

I-Secure is specialized in providing managed security and installation services for a broad range of products under seventeen brands, as follows:

Brand	Trademark	Main Product
Splunk		<ul style="list-style-type: none"> Platform for Security Information and Event Management Platform for Security Operation and Automation Platform for IT Operation
ArcSight		<ul style="list-style-type: none"> Platform for Security Information and Event Management

Brand	Trademark	Main Product
Palo Alto Networks		<ul style="list-style-type: none"> Next Generation Security Platform Network and Endpoint Protection Platform (NDR, EPP, EDR)
Check Point		<ul style="list-style-type: none"> Next Generation Security Platform Advance Threat Protection
Fortinet		<ul style="list-style-type: none"> Next Generation Security Platform
Imperva		<ul style="list-style-type: none"> Application Protection Data Protection DDoS Protection
CrowdStrike		<ul style="list-style-type: none"> Endpoint Protection Platform
Attivo Networks		<ul style="list-style-type: none"> Threat Defend Deception and Response Platform
Rapid7		<ul style="list-style-type: none"> Vulnerability Management Penetration Testing Dynamic Application Security Testing
CyberArk		<ul style="list-style-type: none"> Privilege Access Management (Core PAS)
BeyondTrust		<ul style="list-style-type: none"> Privilege Access Management (Password Safe)
Ruckus		<ul style="list-style-type: none"> Enterprise Network Infrastructure Smart Wireless LAN Systems
Aruba		<ul style="list-style-type: none"> Enterprise Network Infrastructure Smart Wireless LAN System
Quest		<ul style="list-style-type: none"> Change Auditor for File Share (Windows Server) Change Auditor for Active-Directory
ObserveIT		<ul style="list-style-type: none"> Insider Threat Management
F5 Networks		<ul style="list-style-type: none"> A-WAF (Advanced WAF) App Protect
TrendMicro		<ul style="list-style-type: none"> Virtual Patch (Host-based IPS) by Deep Security

Associated Company

M Intelligence Co., Ltd. ("Mintel")

Mintel was incorporated on August 18, 2017, with a registered and paid-up capital of THB 6 million, comprising 600,000 ordinary shares with a par value of THB 10 per share. Mintel is the distributor for Digital Transformation products specializing in analysis and data analytic for Customer Relationship Management (CRM) to support overall functions of marketing, sales and services from trusted global manufacturers Salesforce, AWS, LINE Business

Connect. Mintel is also the distributor for its own software developed (Connect X) to enhance communication and transfer customer experiences, as well as providing maintenance services for the software including training. The Company holds 22% of the paid-up capital.

Head Office 2 K.C.C. Building, Soi Si Lom 9
(Soi Sueksa Witthaya),
Si Lom Road, Si Lom
Sub-district, Bang Rak
District, Bangkok. 10500



Board of Directors

- 1. Mr.Narong Intanate**
(Chairman of the Board of Directors)
- 2. Mr.Sopon Punyaratabandhu**
(Executive Director)
- 3. Mrs.Songsri Srirungroungjit**
(Managing Director and Executive Director)
- 4. Mr.Sanpat Sopon**
(Independent Director and Chairman of the Audit Committee)
- 5. Mr.Thanachart Numnonda**
(Independent Director and Audit Committee)
- 6. Mr.Kriengkrai Boonlert-u-thai**
(Independent Director and Audit Committee)
- 7. Mr.Punn Kasemsup**
(Independent Director)



Mr. Narong Intanate

Age 63 years Nationality Thai

**Chairman of the Board of Directors,
Executive Director, Member of the Nomination and
Remuneration Committee (Authorized Director)**

Date of appointment to the Board 29 September 1992

Education/Training

- Master of Business Administration,
California State University USA
- Director Accreditation Program (DAP) 97/2012

% of shareholdings as of 31 December 2020

219,999,800 shares (73.33%)

Indirectly through Vnet Capital Co., Ltd.

Thai Automotive VCF Co., Ltd.

Family Relations among Executives -None-

Work experience

Vintcom Technology Public Company Limited

1992 - Present Chairman of the Board of Directors,
Executive Director (Authorized Director)

Dec. 2019 - Present Member of the Nomination and
Remuneration Committee

Subsidiaries

Aug. 2016 - Present Chairman of the Board of Directors,
vServePlus Co., Ltd.

Oct. 2018 - Present Chairman of the Board of Directors,
I-Secure Co., Ltd.

Positions in listed companies

2008 - Present Chairman of the Board of Directors,
Copperwired Public Company Limited

Positions in non-listed companies

1991 - Present Chairman of the Board of Directors,
Vnet Capital Co., Ltd.

1991 - Present Chairman of the Board of Directors,
Thai Incubator Dot Com Co., Ltd.

2009 - Present Chairman of the Board of Directors,
vHealth threesixty Co., Ltd.

2016 - Present Chairman of the Board of Director,
VNET Seed Capital (Singapore) PTE., LTD.

Mr. Sopon Punyaratabandhu

Age 58 years Nationality Thai

Executive Director (Authorized Director)

Date of appointment to the Board 2 May 2000

Education/Training

- Bachelor's Degree and a Master's degree of Commerce and
Accountancy, Thammasat University
- Certified Public Accountant Registration No. 3821
- Fellow Member, Thai Institute of Directors (IOD)
- Director Certification Program (DCP) 17/2002
- Role of the Compensation Committee (RCC) 1/2006, 2/2007
- Corporate Governance for Capital Market Intermediaries
(CGI) 5/2015
- IT Governance and Cyber Resilience Program (ITG) 15/2020

% of shareholdings as of 31 December 2020 -None-

Family Relations among Executives -None-

Work experience

Vintcom Technology Public Company Limited

2000 - Present Executive Director (Authorized Director)

Subsidiaries

Aug. 2016 - Present Director, vServePlus Co., Ltd.

Oct. 2018 - Present Director, I-Secure Co., Ltd.

Associated Company

Sep. 2020 - Present Director, M Intelligence Co., Ltd.

Positions in listed companies

2008 - Present Director,
Copperwired Public Company Limited

1999 - Present Independent Director, Audit Committee
and Chairman of the Risk Management
Committee, Asia Plus Group Holdings
Public Company Limited

Jul.2019 - Present Independent Director, Audit Committee
and Chairman of the Corporate
Governance Committee,
SVI Public Company Limited

Positions in non-listed companies

1999 - Present President, Vnet Capital Co., Ltd.

2013 - Present Independent Director,
Fraser's Property Industrial REIT
Management (Thailand) Company Limited



Mrs. Songsri Srirungroungjit

Age 57 years Nationality Thai

Managing Director, Executive Director, Member of the Risk Management Committee (Authorized Director)

Date of appointment to the Board 1 June 2001

Education/Training

- Bachelor of Business Administration in Marketing, Southeast Asia University
- Director Accreditation Program (DAP) 119/2015

% of shareholdings as of 31 December 2020 -None-

Family Relations among Executives -None-

Work experience

Vintcom Technology Public Company Limited

2001 - Present Managing Director,
Executive Director (Authorized Director)

Dec. 2019 - Present Member of the Risk Management
Committee

Subsidiaries

2015 - Present Director,
Vintcom Technology (Myanmar) Co., Ltd.

2016 - Present Director, vServePlus Co., Ltd.

May 2018 - Present Director,
Vintcom Technology (SG) Co., Ltd.

Oct. 2018 - Present Director, I-Secure Co., Ltd.

Positions in listed companies

-None-

Positions in non-listed companies

-None-

Mr. Sanpat Sapon

Age 67 years Nationality Thai

Independent Director, Chairman of the Audit Committee

Date of appointment to the Board 16 March 2015

Education/Training

- Master of Business Administration, Western Michigan University – USA
- Director Certification Program (DCP) 49/2004
- Role of the Chairman Program (RCP) 2015
- Advanced Audit Committee Program (AAP) 23/2016

% of shareholdings as of 31 December 2020 -None-

Family Relations among Executives -None-

Work experience

Vintcom Technology Public Company Limited

2015 - Present Independent Director,
Chairman of the Audit Committee

Subsidiaries

-None-

Positions in listed companies

Feb. 2019 - Present Chairman of the Board of Directors,
Masterkool International
Public Company Limited

Positions in non-listed companies

2009 - Present Director, Moustache Co., Ltd.

2010 - Present Director, Moustache Ratchaburi Co., Ltd.

2010 - Present Director, Ratchaburi Future Co., Ltd.

2012 - Present Director, Sanpat and Associates Co., Ltd.

2014 - Present Director, Moustache Trang Co., Ltd.



Mr. Thanachart Numnonda

Age 55 years Nationality Thai

**Independent Director, Audit Committee,
Chairman of the Risk Management Committee,
Member of the Nomination and Remuneration Committee**

Date of appointment to the Board 16 March 2015

Education/Training

- Ph.D. Electrical & Electronic Engineering, University of Auckland - New Zealand
- Director Accreditation Program (DAP) 122/2015
- Driving Company Success with IT Governance (ITG) 6/2017
- Director Certification Program (DCP) 242/2017
- Role of the Chairman Program (RCP) 41/2017
- Advanced Audit Committee Program (AAP) 25/2017
- Financial Statement for Directors (FSD) 34/2017
- Strategic Board Master Class (SBM) 5/2018
- Risk Management Program for Corporate Leader (RCL) 19/2020

% of shareholdings as of 31 December 2020

100,000 shares (0.03%)

Family Relations among Executives -None-

Work experience

Vintcom Technology Public Company Limited

2015 - Present	Independent Director, Audit Committee
Dec. 2019 - Present	Chairman of the Risk Management Committee
Dec. 2019 - Present	Member of the Nomination and Remuneration Committee

Subsidiaries

-None-

Positions in listed companies

2015 - Present	Independent Director, Audit Committee, Humanica Public Company Limited
2016 - Present	Chairman of the Board of Directors, Audit Committee Chairman, Siameast Solutions Public Company Limited
2019 - Present	Independent Director, Thanachart Capital Public Company Limited.

Positions in non-listed companies

2013 - Present	Authorized Director, IMC Outsourcing (Thailand) Co., Ltd.
2013 - Present	Councilor Council, Ubon Ratchathani University
2019 - Present	Councilor Council, Khon Kaen University

Mr. Kriengkrai Boonlert-u-thai

Age 49 years Nationality Thai

**Independent Director, Audit Committee,
Member of the Risk Management Committee**

Date of appointment to the Board 16 March 2015

Education/Training

- Doctor of Philosophy Business Administration (Accounting), Oklahoma State University
- Director Accreditation Program (DAP) 106/2013
- Advanced Audit Committee Program (AAP) 23/2016

% of shareholdings as of 31 December 2020

-None-

Family Relations among Executives -None-

Work experience

Vintcom Technology Public Company Limited

2015 - Present	Independent Director, Audit Committee
Dec. 2019 - Present	Member of the Risk Management Committee

Subsidiaries

-None-

Positions in listed companies

-None-

Positions in non-listed companies

2019 - Present	Vice Dean for Academic of the Faculty of Commerce and Accountancy Chulalongkorn University
2019 - Present	Associate Professor, Chulalongkorn University
2017 - Present	Advisor of the Professional Accounting Committee for Education and Accounting Technology Federation of Accounting Professions Under The Royal Patronage of His Majesty The King
1995 - 2019	Assistant Professor, Chulalongkorn University
2011 - 2018	Vocational Education Commission Department of Vocational Education Ministry of Education
2011 - 2017	Assistant to the President Chulalongkorn University
2011 - 2017	Secretary of the Professional Accounting Committee for Education and Accounting Technology Federation of Accounting Professions Under The Royal Patronage of His Majesty The King



Mr.Punn Kasemsup

Age 52 years Nationality Thai

Independent Director,

Chairman of the Nomination and Remuneration Committee

Date of appointment to the Board 18 April 2016

Education/Training

- Master of Laws International and Comparative Law, Southern Methodist University – USA
- Director Certification Program (DCP) 140/2010
- Financial Statements for Directors (FSD) 10/2010
- Audit Committee Program (ACP) 37/2011
- Advanced Audit Committee Program (AACP 8/2012)
 - Monitoring Fraud Risk Management (MFM) 6/2011
 - Monitoring the Internal Audit Function (MIA) 11/2011
 - Monitoring Quality of Financial reporting (MFR) 14/2012
 - Monitoring the System of Internal Control and Risk Management (MIR) 12/2012

% of shareholdings as of 31 December 2020

100,000 shares (0.03%)

Family Relations among Executives -None-

Work experience

Vintcom Technology Public Company Limited

2016 - Present Independent Director

Dec. 2019 - Present Chairman of the Nomination and
Remuneration Committee

Subsidiaries

-None-

Positions in listed companies

Jun. 2018 - Present	Independent Director, Member of the Nomination and Remuneration Committee, Copperwired Public Company Limited
2013 - Present	Independent Director, Audit Committee, City Sports and Recreation Public Company Limited
May 2018 - Present	Independent Director, Audit Committee, Member of the Nomination and Remuneration and Corporate Governance Committee, Demco Public Company Limited

Positions in non-listed companies

2002 - Present	Director, HNP Legal & Litigation Co., Ltd.
2002 - Present	Law (Partner)/Managing Director Kompass Law Co., Ltd.
2009 - Present	Director, Perseverance Co., Ltd.
2017 - Present	Independent Director, Chairman of the Audit Committee, Cissa Group Co., Ltd.



Management and Company Secretary

1. Mr.Pisit Supataradit
(Sales Director)

3. Mr.Sooksun Tachawatcharaporn
(Technical Director)

5. Mr.Thanapol Narasetsataporn
(Company Secretary)

2. Mr.Tanusit Skunnawat
(Operation Director,
Member of the Risk Management Committee)

4. Mr.Poj Weerasuttakorn
(Finance and Accounting Director)



Mr.Pisit Supataradit

Age 53 years Nationality Thai

Sales Director

Date of being Executive 3 April 2017

Education/Training

- Bachelor of Finance and Banking,
Payap University

% of shareholdings as of 31 December 2020 -None-

Work experience

Vintcom Technology Public Company Limited)

Apr. 2017 - Present Sales Director

Subsidiaries

-None-

Positions in listed companies

-None-

Positions in non-listed companies

2010 - Mar. 2017 Senior Channel Sales Manager
(Thai, Cambodia, Laos and Myanmar),
Oracle Corporation (Thailand) Co., Ltd.

Mr.Tanusit Skunnawat

Age 63 years Nationality Thai

Operation Director,

Member of the Risk Management Committee

Date of being Executive 1 September 2011

Education/Training

- Bachelor's degree (Honors), Engineering/Computer,
Chulalongkorn University
- Bachelor of Science in Management Science/Management,
Sukhothai Thammathirat Open University
- Master of Commerce and Accountancy,
Thammasat University
- D.B.A. College of Commerce, Burapa university

% of shareholdings as of 31 December 2020

100,000 shares

Work experience

Vintcom Technology Public Company Limited)

2005 - Present Operation Director

Dec. 2019 - Present Member of the Risk Management
Committee

Subsidiaries

2015 - Present Managing Director,
Vintcom Technology (Myanmar) Co., Ltd.
May 2018 - Present Director,
Vintcom Technology (SG) Co., Ltd.

Positions in listed companies

-None-

Positions in non-listed companies

-None-



Mr.Sooksun Tachawatcharaporn

Age 54 years Nationality Thai

Technical Director

Date of being Executive 1 October 2003

Education/Training

- Bachelor of Science/Mathematics,
King Mongkut's Institute of Technology Bangmod Campus

% of shareholdings as of 31 December 2020

200,000 shares

Work experience

Vintcom Technology Public Company Limited)

2002 - Present Technical Director

Subsidiaries

-None-

Positions in listed companies

-None-

Positions in non-listed companies

-None-



Mr.Poj Weerasuttakorn

Age 47 years Nationality Thai

Finance and Accounting Director

Date of being Executive 1 December 2016

Education/Training

- Bachelor of Commerce and Accounting/Accounting,
Thammasat University
- Master of Business Administration/Accounting,
Chiang Mai University
- Certified Public Accountant Registration No. 5352

% of shareholdings as of 31 December 2020 -None-

Work experience

Vintcom Technology Public Company Limited)

2016 - Present Finance and Accounting Director

Subsidiaries

May 2018 - Present Director,
Vintcom Technology (SG) Co., Ltd.

Aug 2020 - Present Director,
Vintcom Technology (Myanmar) Co., Ltd.

Positions in listed companies

-None-

Positions in non-listed companies

2016 - 2016 Finance and Accounting Director, President
Automobile Industries Co., Ltd.

2016 - 2016 Quality Control Reviewer, AST Master Co., Ltd.

2014 - 2015 Lecturer, Faculty of Accounting,
Rangsit University

2008 - 2014 Academic accounting standards and auditing
standards, FAPA Under the Royal Patronage of
His Majesty The King



Mr. Thanapol Narasetsataporn

Age 37 years Nationality Thai

Company Secretary

Date of being Executive 17 August 2015

Education/Training

- Bachelor of Laws Ramkhamhaeng university
- Barrister at Law, Thai Bar Association
- Company Secretary Program (CSP) 66/2015

% of shareholdings as of 31 December 2020 -None-

Work experience

Vintcom Technology Public Company Limited)

2015 - Present Company Secretary

Subsidiaries

-None-

Positions in listed companies

-None-

Positions in non-listed companies

Jun 2020 - Present	Director, Blue Fish Solution Co., Ltd.
Jun 2020 - Present	Director, Vnet SG Power Co., Ltd.
Apr. 2018 - Present	Director, Vnet Power Co., Ltd.
2013 - Present	Legal Counsel, Vnet Capital Co., Ltd.
2010 - Present	Legal Counsel, VST ECS (THAILAND) Co., Ltd.

The change of shareholding of the Directors and Executives of

Vintcom Technology Public Company Limited

Details as of 31 December 2020

Name	Position	Number of Shareholding as of 31 December 2019	Number of Shareholding as of 31 December 2020	Changing increased / (decreased)	% of Shareholding as of 31 December 2020
1. Mr.Narong Intanate ¹	Chairman of the Board of Directors, Executive Director Member of the Nomination and Remuneration Committee	219,996,800	219,996,800	-	73.333%
Spouse and minor children		-	-	-	-
2. Mr.Sopon Punyaratabandhu	Executive Director	-	-	-	-
Spouse and minor children		-	-	-	-
3. Mrs.Songsri Srirungroungjit	Managing Director, Executive Director, Member of the Risk Management Committee	3,500,000	-	(1.166%)	-
Spouse and minor children		-	-	-	-
4. Mr.Sanpat Sopon	Independent Director, Chairman of the Audit Committee	200,000	-	(0.066%)	-
Spouse and minor children		-	-	-	-
5. Mr.Thanachart Numnonda	Independent Director, Audit Committee, Chairman of the Risk Management Committee, Member of the Nomination and Remuneration Committee	100,000	100,000	-	0.033%
Spouse and minor children		-	-	-	-
6. Mr.Kriengkrai Boonlert-u-thai	Independent Director, Audit Committee, Member of the Risk Management Committee	100,000	-	(0.033%)	-
Spouse and minor children		-	-	-	-
7. Mr.Punn Kasemsup	Independent Director, Chairman of the Nomination and Remuneration Committee	100,000	100,000	-	0.033%
Spouse and minor children		-	-	-	-

Remark

¹ Indirectly through Vnet Capital Co., Ltd. and Thai Automotive VCF Co., Ltd.

Management					
1. Mr.Pisit Supataradit	Sales Director	20,000	-	(0.006%)	-
Spouse and minor children		-	-	-	-
2. Mr.Tanusit Skunnawat	Operation Director, Member of the Risk Management Committee	200,000	100,000	(0.033%)	0.033%
Spouse and minor children		-	-	-	-
3. Mr.Sooksun Tachawatcharaporn	Technical Director	200,000	200,000	-	0.066%
Spouse and minor children		-	-	-	-
4. Mr.Poj Weerasuttakorn	Finance and Accounting Director	-	-	-	-
Spouse and minor children		-	-	-	-



Major Shareholders

Vintcom Technology Public Company Limited is listed on the Market for Alternative Investment (MAI). Details of the registered and paid up capital as of December 31, 2020 were shown below.

Registered and Paid Up Capital : Baht 150,000,000 comprising 300,000,000 ordinary shares with par value at Baht 0.50

The top 10 shareholders as of December 31, 2020 are as follows;

Number	Names of Shareholders	Number of Shares	% Shareholding
1.	Vnet Capital Co., Ltd. ^{/1}	194,999,800	65.00
2.	Thai Automotive VCF Co., Ltd. ^{/1}	25,000,000	8.33
3.	Thai NVDR Co., Ltd.	10,515,742	3.50
4.	UBS AG LONDON BRANCH	4,706,100	1.57
5.	Mr.Chavalit Charatchotipinit.	3,000,000	1.00
6.	Ms.Natiya Wiwattananusorn	2,578,800	0.87
7.	NOMURA PB NOMINEES LTD.	2,513,600	0.84
8.	Asia Plus Group Holdings Public Company Limited	2,000,000	0.67
9.	Mr.Nutchapong peeradechapan	1,900,000	0.63
10.	Mr.Watson Anurakwongsri	1,690,000	0.56
11.	Others	51,095,958	17.03
Total		300,000,000	100.00

Note ^{/1} Mr.Narong Intanate the Chairman of the Board of Directors Indirectly held through Vnet Capital Co., Ltd. and Thai Automotive VCF Co., Ltd.



Dividend Policy

The Company has a policy to pay dividend of no less than 50% of net profit after taxes and any reserves legally required, based on separate financial states. Determination of dividend amount takes into the Company's cash flows, adequacy of working capital, future investment plans, loan repayment, agreements' terms and conditions, legal restrictions, and future business requirements. Once the Board of Directors has passed a resolution to approve dividend payment, it shall obtain approval from the shareholders' meeting. An exception shall apply to interim dividend payment, which may be approved by the Board of Directors provided that there is sufficient profit to do so. In such case, the Board of Directors shall report the payment to the next shareholders' meeting.

Subsidiary companies' dividend policy is similar to that of the Company i.e., dividend payout not be less than 50% of net profit after deduction of taxes and any reserves legally required.

Below table shows the Company's dividend payment in the past.

Year Earned	Dividend Payment (Baht per Share)
2019	0.160
2018	0.120
2017	0.225





Industry Overview

In 2020, there were multiple challenges following the coronavirus pandemic (COVID-19) which has affected the business sector in various aspects and has become a key accelerator for digital transformation. The COVID-19 crisis has propelled organizations to implement work-from-home policy in response to the lockdown measures, adopt automated systems to improve efficiency, reduce office space, and prioritize cost management. With such rapid digital adoption, information technology has become the backbone of businesses as they transition to a New Normal. According to Gartner, the world's leading research and advisory company, global IT spending is projected to reach \$3.8 trillion in 2021, an increase of 4% from 2020. Meanwhile, IT spending in Thailand is forecasted to reach THB659,089 million in 2021, an increase of 5.6% from the previous year.

Segment	Data	2019	2020	2021
Communications services	Spending	352,442	349,225	358,855
	Growth	3.2%	-0.9%	2.8%
Data center	Spending	24,994	24,788	27,829
	Growth	-4.2%	-0.8%	12.3%
Devices	Spending	189,157	149,438	167,527
	Growth	-2.3%	-21.0%	12.1%
IT services	Spending	62,288	59,727	58,560
	Growth	9.5%	-4.1%	-2.0%
Enterprise software	Spending	40,273	40,687	46,317
	Growth	12.1%	1.0%	13.8%
Overall spending		669,153	623,865	659,089
Overall growth		2.3%	-6.8%	5.6%

Source: Gartner (October 2020)



The emerging technologies that are worth highlighting include the fifth-generation mobile network (5G) and the Internet of Things (IoT), which will result in phenomenal changes and new business models, such as Smart City, Smart Farming, and Smart Factory. These emerging technologies will drive GDP growth and contribution in the new business sector, hence facilitating economic development in accordance with Thailand 4.0 strategic plan. Furthermore, the big data and analytics market is expected to experience significant growth as many organizations are actively attempting to become data-driven. Such growth of the IT sector will subsequently increase the demand for cybersecurity products and services, resulting in expansion of the cybersecurity market.

To accommodate business growth and digital transformation, Vintcom Technology Public Company Limited offers a comprehensive range of products and services, namely IT infrastructure, data management system, big data analytics, enterprise cybersecurity system, and system design, development and implementation that entail technical expertise from specialists. These products and services will enable organizations to gain a competitive edge in the digital era and ultimately adapt to technological change in a fast and sustainable manner.



Risks are inevitable in businesses and may pose significant impacts to enterprises, whether in the aspect of revenue, profit, assets, liquidity, sources of funds, operating performance, or financial position. Amid unforeseen circumstances such as changes in relevant laws and government policies, risks may affect the Company's opportunities in respect of forward-looking statements, future projects, business performance predictions, and business expansion plans. Investment in the Company calls for investors' consideration of key risk factors arising from its business conduct, as summarized below.

Risk Factors

(1) Risk of Reliance on Oracle Products

The Company has been appointed as an authorized distributor of Oracle products since 2010. The sales of Oracle products in 2019 and 2020 accounted for 51% and 63% of total consolidated revenue, respectively. This year-over-year, the high percentage of Oracle sales was attributable to revenue from big projects both domestic and, so the Company is undoubtedly exposed to high risk. More specifically, the Company's business performance and revenue could materially be affected by Oracle's termination of the distributor agreement or changes in the business policy and number of distributors.

Although Oracle products have consistently and increasingly generated sales for the Company, the Company recognizes the potential consequences of heavy reliance on Oracle products. In that regard, the Company strives to increase the variety of its products and services in response to customer needs. The Company has served as a partner and distributor of Hitachi Data Systems, Palo Alto Networks, Informatica, Splunk, CrowdStrike and

Anomali, it also has plans to expand new solutions that are consistent and synergy to continuous fill solutions.

In 2016, the Company partnered with VST ECS (Thailand) Company Limited ("VST ECS") to invest in vServePlus Company Limited ("vServePlus"), an IT service provider. More recently, in 2018, the Company acquired I-Secure Company Limited ("I-Secure"), which is a managed security service provider (MSSP) that offers outsourced IT security services to enterprises. Concerning the costs of hardware, software and labor, along with the lack of in-house security specialists, many enterprises are turning to MSSPs in an effort to combat these challenges. I-Secure houses a team of experienced professionals and has gained recognition among leading corporations in the financial services sector, such as banks, securities companies, asset management companies and insurance companies. Other corporate customers of I-Secure include reputable companies in the real estate industry, manufacturing industry and retail industry. The investment in vServePlus and the acquisition of I-Secure have enabled the Company to successfully expand the scope of IT services and offer a more comprehensive range of products of various brands. These subsequently allow the Company to diversify the risk of reliance on Oracle products.

(2) Customer Concentration Risk

The main revenue streams of the Company are enterprise-level IT products and services. In 2019 and 2020, the Company's top 10 corporate customers collectively accounted for 44% and 47% of total consolidate revenue, respectively- none of which individually represented more than 30% of total revenue. The foregoing 10 corporate

customers are varied from year to year, depending on the potential of SI customers to secure projects or win a bid on the projects of end users, which are predominantly medium and large enterprises. In 2020 we adjusted the risk indicators in this regard to the ratio of sales from the government to the private sector, with the year 2019, we had the ratio of government sales to the private sector, which was reduced in 2020, so the risk factors in this deal to be greatly reduced due to having the majority of customer base in the private sector. Until causes the risk level in this item to be low level of risk.

The Company acknowledges the risk of customer concentration and thereby endeavors to expand its customer base to CLM countries in an attempt to reduce over-dependence on large corporate customers. At present, the Company has been appointed as an authorized distributor for Oracle, Palo Alto Networks, Informatica, Splunk, CrowdStrike and Anomali in CLM countries. Additionally, the Company has relentlessly established a good relationship with customers through its provision of pre and post-sale services, which has strengthened customers' confidence in the Company's products. In efforts to maintain a strong relationship with customers and generate new business opportunities, the Company strives to equip customers with knowledge and new technological advancements associated with its products on a regular basis.

(3) Key-Person Dependency Risk

The IT products distributed by the Company are enterprise-level products that exhibit complexity and serve a variety of applications, hence entailing reliance on professional knowledge, skills and experience of specialists from presales to post sales. The distribution of products further requires personnel who have been trained and certified by vendors or product owners. In that regard, the Company may be exposed to the risk of reliance on specialists or key persons, which may subsequently impact the Company's business operations if there is a lack of personnel appurtenant to the functions.

Recognizing the importance of human resources, the Company has established a set of guidelines to avert potential risks arising from lack of personnel and ensure adequate workforce that is required for the Company's current and future needs to execute strategic business goals. The Company attaches great importance to the development of knowledge, skills and competencies of personnel to enhance creativity and quality of services offered to customers. Similarly, the Company strongly values employee training, organizational commitment, positive work environment, and strong culture of teamwork. The Company also strives to drive employee engagement and promote good relationships between employees at all levels. To motivate and retain employees, the Company offers monetary compensation and benefits that are competitive with or equivalent to those of other companies in the same industry.

(4) Foreign Exchange Risk

The Company imports certain products from overseas, making it exposed to foreign exchange risk. In 2019 and 2020, the Company's import of products and services accounted for 43.99% and 47.98% of total cost of products and services, respectively. The majority of such import are denominated in US dollars, while the Company's revenue is principally derived from domestic sales. Nonetheless, revenue from sales and services denominated in foreign currencies came from CLM countries. In 2019 and 2020, the Company's revenue from foreign currency-denominated sales contributed 18.83% and 29.64% to total revenue, respectively. In that respect, the Company's profitability may be affected by the volatility of foreign exchange rates.

To ease foreign exchange risk, the Company has entered into a forward contract to purchase foreign currencies at a predetermined price on a future date, as well as setting the price of each product by making allowances for foreign exchange risk. Various news and information are also closely

monitored to ensure timely decision making. In addition, the Company's executives are responsible for regulating and managing foreign exchange risk to achieve an acceptable level of risk that is appropriate to the Company's business operations.

(5) Risk of Technological Change

The Company and its subsidiaries are engaged in IT businesses, the nature of which involves rapid technological advancement and progress. New products with advanced features are continually launched to serve and fulfill the needs of customers. Accordingly, the Company's inability to adapt to the changes in market condition or offer up-to-date products and services to customers may provoke them to switch to competitors' products. This may consequently affect the number of customers and total revenue of the Company.

To ensure readiness for technological change and adaptability, the Company thoroughly monitors news, information and changes in related industries, as well as offering products and services that correspond to the market demand to prevent loss of business opportunities or competitive disadvantages. The Company has established a policy that requires all relevant personnel to study technology news and updates, as well as developing knowledge and attending training seminars on a continual basis to keep pace with technology. As a distributor of global leading IT products, the Company is well-equipped with information and news on latest technology trends and has provided employees with regular training on technological knowledge, which further enhances its readiness for technological change.

(6) Risk of Legal Dispute

The Company is in an unsettled legal dispute, which may have a material adverse impact on the Company's assets. On February 4, 2011, Telematics Company Limited ("Telematics") filed to Bangkok

South Civil Court a lawsuit against the Company on charges of infringement, claiming for damages in the amount of THB120.12 million or an equivalent of 26.63% of shareholders' equity or 8.22% of total assets as presented in the consolidated financial statements for the year ended December 31, 2020. Telematics also filed a lawsuit against the Company in the Criminal Court for offense under the Computer-Related Crime Act B.E. 2550 and the Act on Offenses Committed by Government Officials B.E. 2502.

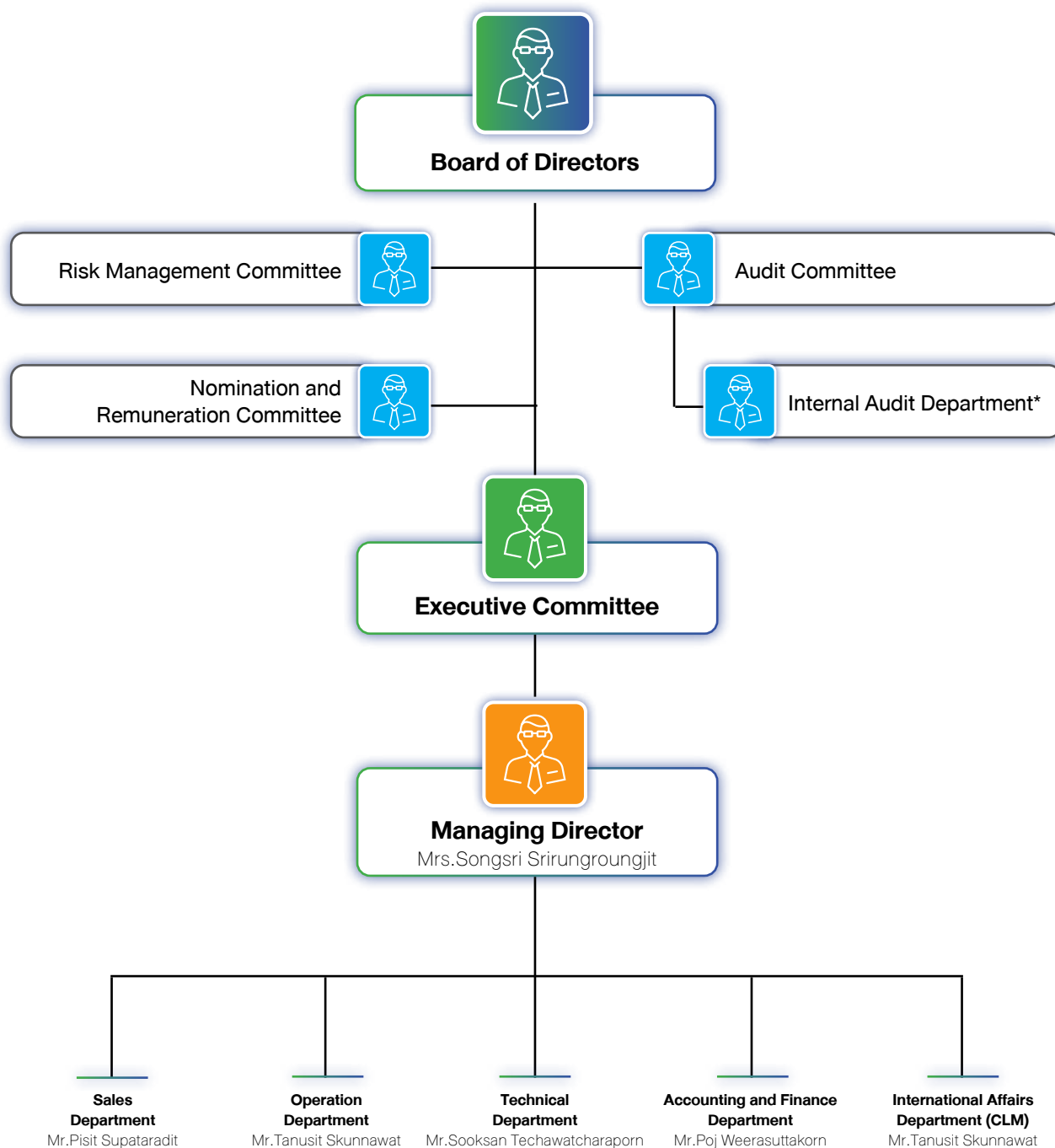
However, in the Criminal Court on November 15, 2018 the Court of Appeal dismissed the case and all of the 10 defendants were adjudged not guilty under the Act on Computer Crime B.E. 2550 and the Act on Offences Committed by Officials of State Organizations or Agencies B.E. 2502. The Plaintiff has filed the Appeal to the Supreme Court, but the Supreme Court did not accept the Appeal. Therefore, this case is now finalized.

To instill confidence in the investors and protect the interests of shareholders concerning potential damages that may arise from the aforementioned legal dispute, Vnet Capital Company Limited ("VNET")-the major shareholder of the Company- has entered into a memorandum of understanding with the Company to guarantee for damages attributable to the legal dispute. More specifically, VNET has pledged that, while the case is still pending, it will not sell or transfer the Company's shares in the amount at which the total value of shares computed from the IPO price ("Securities") equates the amount of damages. Furthermore, if the court finds the Company guilty and thereafter issues a compensation order, VNET agrees to sell the Securities and use the proceeds as compensation for damages, as well as holding the Company harmless from any claims, liability, or damage.



Organization Chart

Management Structure of the Company as of December 31, 2020



Note: The Company appointed Audit House Company Limited as its internal auditor.

The management structure of the Company is composed of the Board of Directors, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Executive Committee comprising competent individuals with qualifications pursuant to Section 68 of the Public Limited Companies Act B.E. 2535 and relevant notifications of the Capital Market Supervisory Board.

Board of Directors

As of December 31, 2020, the Board of Directors consisted of 7 members as follows:

Name	Position
1. Mr.Narong Intanate	Director / Executive Chairman
2. Mr.Sopon Punyaratabandhu	Director / Executive Director
3. Mrs.Songsri Srirungroungjit	Director / Executive Director / Managing Director
4. Mr.Punn Kasemsup	Independent Director
5. Mr.Sanpat Sopon	Independent Director / Chairman of the Audit Committee
6. Mr.Thanachart Numnonda	Independent Director / Audit Committee Member
7. Mr.Kriengkrai Boonlert U-Thai	Independent Director / Audit Committee Member

The Board of Directors consists of 4 independent directors, which exceed one-half of the total number of directors, and 3 of the independent directors are members of the Audit Committee. Mr.Thanachart Numnonda is the independent director with knowledge, experience, and expertise in computer technology and communication system. He currently holds a position of the Director General of IMC Institute, a research center aimed at developing competencies of personnel in the IT industry to accommodate business growth in the Digital Era.

Authorized Directors

Any two of the three directors, namely Mr.Narong Intanate, Mr.Sopon Punyaratabandhu and Mrs.Songsri Srirungroungjit, jointly sign their names with the Company's seal affixed.

Directors' Term of Office

At every annual general meeting of shareholders, one-third or the number nearest to one-third of the total number of directors shall retire by rotation. The directors to retire in the first and second years following the incorporation of the Company shall be drawn by lots. In subsequent years, the directors who have held office for the longest time shall retire. Directors retiring by rotation may be re-elected to continue office for another term.

Scope of Authority, Duties and Responsibilities of the Board of Directors

The Board of Directors is authorized to supervise the Company's management to comply with applicable laws, objectives, Articles of Association, and resolutions of shareholders' meetings. The Board of Directors shall perform its duties with integrity and honesty in the best interest of the Company, as follows:

- 1) To perform its duties with responsibility, prudence and integrity, and comply with applicable laws, objectives, Articles of Association, and resolutions of shareholders' meetings, particularly on matters which require prior approval of the shareholders' meeting, such as matters legally required to obtain resolutions of shareholders' meetings and matters relating to connected transactions and purchase or sale of significant assets pursuant to the regulations of the Stock Exchange of Thailand or other government agencies.
- 2) To review and approve the Company's management structure and authority.
- 3) To review and approve the Company's policies, vision, mission, business plans, and annual budget, including investment, establishment of subsidiaries, acquisitions, investment in associate companies or other companies, and agreements between the Company and distributors.
- 4) To supervise the Company's management to achieve objectives and goals in an efficient and effective manner in conformity with the policies, action plans, and budget.
- 5) To appoint the Executive Committee and sub-committees as deemed appropriate and determine the scope of authority and duties thereof.
- 6) To establish reliable systems for accounting, financial reporting and auditing, including appropriate documentation to allow for subsequent verification.
- 7) To regularly assess the Management's performance and ensure a suitable compensation mechanism for executives and employees.
- 8) To ensure that the Company has efficient and effective internal control and internal audit systems, comprehensive risk management system with suitable guidelines and procedures, efficient performance reporting and monitoring, and mechanisms for complaint-handling and whistleblowing, as well as to oversee the Company's compliance with good corporate governance policy.
- 9) To supervise the Management to implement clear, transparent, and adequate disclosure of information regarding connected transactions to prevent potential conflicts of interest and to report such transactions to the Board of Directors regularly.
- 10) To authorize one or multiple directors or any persons, when deemed appropriate, to act on behalf and under supervision of the Board of Directors, or to give the power of attorney to such persons within an appropriate scope and period; whereby such authorization may be terminated, revoked, amended, or modified whenever deemed necessary by the Board of Directors.

The foregoing authorization shall not be in such a manner that allows the authorized person to approve connected or related-party transactions or transactions that are susceptible to conflicts of interest with respect to the Company or its subsidiaries, unless such transactions are part of the Company's normal business operations and conform to the terms of trade or policies and criteria approved by the Board of Directors pursuant to the notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or relevant agencies.

The Meeting Attendance of the Board of Directors

For the year 2020, the directors attended the meetings as follow:

List of Name	Position	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee	Executive Committee	AGM
		7 Times	4 Times	2 Times	1 Times	12 Times	1 Times
1. Mr.Narong Intanate	Chairman of the Board of Directors, Executive Director, Member of the Nomination and Remuneration Committee	7/7	-	-	1/1	12/12	1/1
2. Mr.Sopon Punyaratabandhu	Executive Director	7/7	-	-	-	12/12	1/1
3. Mrs.Songsri Srirungroungjit	Managing Director, Executive Director, Member of the Risk Management Committee	7/7	-	2/2	-	12/12	1/1
4. Mr.Punn Kasemsup	Independent Director, Chairman of the Nomination and Remuneration Committee	7/7	-	-	1/1	-	1/1
5. Mr.Sanpat Sopon	Independent Director, Chairman of the Audit Committee	7/7	4/4	-	-	-	1/1
6. Mr.Thanachart Numnonda	Independent Director, Audit Committee, Chairman of the Risk Management Committee, Member of the Nomination and Remuneration Committee	7/7	4/4	2/2	1/1	-	1/1
7. Mr.Kriengkrai Boonlert U-Thai	Independent Director, Audit Committee, Member of the Risk Management Committee	7/7	4/4	2/2	-	-	1/1

Scope of Authority, Duties and Responsibilities of the Chairman

1. To supervise and oversee the performance of the Board of Directors, ensuring that it is efficient and conforms to the Company's main objectives and goals.
2. To encourage directors to perform their duties in accordance with the scope of authority, duties, and responsibilities of the Board of Directors, including applicable laws and good corporate governance, as well as to prompt all Board members to promote a corporate culture of ethical behaviors.
3. To convene and preside over a meeting of the Board of Directors, as well as to cast a casting vote in the event of equality of votes.
4. To ensure that the meeting is efficient and organized in such a way that provides sufficient time for the Management to propose and debate important matters, as well as to promote and give directors an opportunity to express their views and opinions freely.
5. To strengthen relationships between directors and between the Board of Directors and the Management.

Audit Committee

As of December 31, 2020, the Audit Committee consisted of 3 members as follows:

Name	Position
1. Mr.Sanpat Sophon	Chairman of the Audit Committee
2. Mr.Thanachart Numnonda	Audit Committee Member
3. Mr.Kriengkrai Boonlert U-Thai	Audit Committee Member

Mr.Kriengkrai Boonlert U-Thai is sufficiently knowledgeable and experienced to review the Company's financial statements. Mr.Kriengkrai Boonlert U-Thai graduated with a Doctor of Philosophy in Business Administration from Oklahoma State University, a Master of Science in Accounting from Oklahoma State University, a Master of Accountancy from Chulalongkorn University, and a Bachelor of Business Administration in Accounting from Rajamangala University of Technology Thanyaburi. Not only had he completed the Director Accreditation Program (DAP), Class 106/2013, but also the Advanced Audit Committee Program (AACP), Class 23/2016. In addition, Mr.Poj Weerasuttakorn, Director of Accounting and Finance Department, acts as the Secretary to the Audit Committee.

Audit Committee's Term of Office

The Audit Committee is subject to a three-year term of office, commencing from the date of appointment. The Audit Committee members who retire by rotation are eligible for re-election. A retiring member shall remain in office until a new member has been appointed to replace his/her position. In case of vacancy in the office due to reasons other than retirement by rotation, the Board of Directors shall elect a qualified director who has no prohibited characteristics to fill the vacant position and act as a substitute member. The substitute member shall hold office for a term equal to the remaining term of office of the former member.

Scope of Authority, Duties and Responsibilities of the Audit Committee

1. Authorities of the Audit Committee

The Audit Committee is authorized to convene a meeting with the Company's Management or staff to request for clarifications, opinions, or any necessary documents. Additional authorities of the Audit Committee include:

- 1.1 To propose the appointment of external auditors and the corresponding audit fee to the Board of Directors prior to seeking approval from the annual general meeting of shareholders, and to conduct annual performance evaluation of external auditors.
- 1.2 To consider and approve non-audit services and the corresponding service fees for external auditors, and to ensure that the provision of such services will not impair the independence of external auditors.
- 1.3 To consider and make decisions in the case where there is a disagreement between the Management and the external auditor with respect to financial reporting, or in the event of limitations in auditing practices.
- 1.4 To review corporate governance procedures, connected transactions, and transactions with potential conflicts of interest so as to ensure compliance with applicable laws or regulatory requirements.

- 1.5 To provide recommendations to the Board of Directors on the appointment, removal, transfer, or dismissal of the top management of the Internal Audit Office.
- 1.6 To consider and approve the appointment of external consultants or professional experts to obtain recommendations or opinions therefrom as deemed appropriate.
- 1.7 To consider and approve internal audit charter and annual action plans, as well as procurement of necessary resources.

2. Duties and Responsibilities of the Audit Committee

2.1 Financial Reporting

- 2.1.1 To hold a meeting with external auditors at least once a year without the presence of the Management.
- 2.1.2 To review the completeness and accuracy of the financial statements and evaluate the appropriateness of accounting principles adopted in financial reporting.
- 2.1.3 To review significant accounting and financial reporting issues, including complex or unusual transactions and items requiring judgement.
- 2.1.4 To discuss with the Management and external auditors regarding audit results, significant risks associated with financial reporting, and mitigation plans.
- 2.1.5 To review the effectiveness of internal control pertaining to financial reporting.

2.2 Internal Control

- 2.2.1 To ensure that the Management arranges for appropriate internal control processes, including internal control of information technology system, guidelines for communicating the significance of internal control, and risk management.
- 2.2.2 To ensure that the recommendations on internal control proposed by internal and external auditors are implemented by the Management.

2.3 Internal Audit

- 2.3.1 To review the activities, performance, and independence of the Internal Audit Office.
- 2.3.2 To review the effectiveness of internal audit practices, ensuring that they conform to the internal auditing standards.

2.4 Compliance with Laws and Regulations

- 2.4.1 To regularly review and report to the Board of Directors any regulatory changes affecting the Company's operations as proposed by the Internal Audit Office.
- 2.4.2 To review and report to the Board of Directors the findings presented by regulatory agencies and the corresponding corrective actions.
- 2.4.3 To review the effectiveness of the system in monitoring compliance with laws and regulations and corresponding corrective actions in case of non-compliance.

2.5 Risk Management

2.5.1 To review reports presented by the Risk Management Committee and discuss with the Management regarding the Company's risk assessment and management policies.

2.5.2 To review the adequacy of corporate governance and risk management practices of the Company and its subsidiaries.

2.5.3 To review the efficiency of the risk management system of the Company and its subsidiaries.

2.6 Ethical Compliance for Executives and Employees

2.6.1 To ensure that the ethical standards and the conflict of interest policy have been made in writing and acknowledged by all executives and employees.

2.6.2 To promote compliance with business ethics and conflict of interest policy.

2.7 Consideration of Connected Transactions

To review connected transactions or transactions with potential conflicts of interest in compliance with the regulations of the Stock Exchange of Thailand so as to ensure that they are reasonable and in the best interest of the Company.

2.8 Preparation of Reports

2.8.1 To report and recommend to the Board of Directors the corrective actions for transactions that exhibit conflicts of interest, fraud, or material weaknesses of internal control, including non-compliant transactions that materially affect the Company's financial position and performance, in accordance with the requirements of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and within the period deemed appropriate by the Board of Directors.

In the event that the Board of Directors fails to implement corrective actions for the aforementioned transactions within the specified period, any member of the Audit Committee may report such transactions to the Securities and Exchange Commission and the Stock Exchange of Thailand.

2.8.2 To prepare and disclose the Audit Committee's report in the Annual Report, whereby such report must be signed by the Chairman of the Audit Committee and contain at least the following information:

- Opinions on the accuracy, completeness, and reliability of the Company's financial reports
- Opinions on the adequacy of the Company's internal control system
- Opinions on compliance with the Securities Exchange Act, regulations of the Stock Exchange of Thailand, and other laws pertaining to the Company's business
- Opinions on the appropriateness of external auditors
- Opinions on transactions that are susceptible to conflicts of interest
- Number of the Audit Committee's meetings and attendance by each member of the Audit Committee
- General opinions or observations obtained by the Audit Committee upon performance of duties in accordance with the Charter

- Any other information which are deemed necessary to be reported to shareholders and investors within the scope of duties and responsibilities assigned by the Board of Directors

2.9 Other Responsibilities

2.9.1 To perform any other tasks assigned by the Board of Directors.

2.9.2 To regularly review and evaluate the Audit Committee's Charter and propose to the Board of Directors for approval in case of any amendment thereto.

2.9.3 To conduct self-assessment at least once a year and propose the results thereof to the Board of Directors.

The Company has appointed Audit House Company Limited, a third party that is not in any way related to the Company, as an internal auditor to be responsible for monitoring and evaluating the adequacy and appropriateness of the Company's internal control system.

Risk Management Committee

As of December 31, 2020, the Risk Management Committee consisted of 4 members as follows:

Name	Position
1. Mr.Thanachart Numnonda	Chairman of the Risk Management Committee (Independent Director)
2. Mr.Kriengkrai Boonlert U-Thai	Risk Management Committee Member (Independent Director)
3. Mrs.Songsri Srirungroungjit	Risk Management Committee Member (Managing Director)
4. Mr.Tanusit Skunnawat	Risk Management Committee Member

Risk Management Committee's Term of Office

The Risk Management Committee is composed of at least 1 independent director, 1 executive director, and 1 executive with sufficient knowledge and competency, wherein the independent director acts as the Chairman of the Risk Management Committee. The Risk Management Committee has a three-year term of office, commencing from the date of appointment. The Risk Management Committee members who retire by rotation are eligible for re-election. In case of vacancy in the office due to reasons other than retirement by rotation, the Board of Directors shall elect a qualified director to fill the vacant position and act as a substitute member. The substitute member shall hold office for a term equal to the remaining term of office of the former member.

Scope of Authority, Duties and Responsibilities of the Risk Management Committee

1. To formulate risk management policies, guidelines and framework, and review them at least once every 6 months.
2. To prepare and propose risk management plans to the Audit Committee to be approved by the Board of Directors.
3. To convene the Risk Management Committee's meeting every 6 months or whenever there is an incident that materially affects the Company's performance or whenever deemed appropriate by the Chairman of the Risk Management Committee.
4. To regularly monitor, review, and assess events that significantly impact the Company's risk appetite.

5. To advise and support the Board of Directors, the Management, and the Operations Department on overall risk management, as well as to promote continuous improvement and development of risk management systems.
6. To oversee and ensure that the risk management plans are implemented throughout the organization.
7. To report key risks of the Company, including risk profile, risk management guidelines, and status of the risk management process, to the Audit Committee every 6 months.
8. To appoint a committee to be responsible for supporting risk management processes and activities whenever deemed appropriate and necessary.

Nomination and Remuneration Committee

As of December 31, 2020, the Nomination and Remuneration Committee (NRC) consisted of 3 members as follows:

Name	Position
1. Mr.Punn Kasemsup	Chairman of the NRC (Independent Director)
2. Mr.Thanachart Numnonda	NRC Member (Independent Director)
3. Mr.Narong Intanate	NRC Member (Executive Chairman)

Nomination and Remuneration Committee's Term of Office

The Nomination and Remuneration Committee (NRC) is composed of 3 members, of which at least 1 member must be an independent director. The Chairman of the NRC shall be an independent director and appointed by the Board of Directors. The NRC shall have a three-year term of office, commencing from the date of appointment. The NRC members who retire by rotation are eligible for re-election. In the event that a member of the NRC is due to retire by rotation or unable to serve a full term of office, the Board of Directors shall elect a qualified director to fill the vacant position immediately or within 3 months of vacancy, so as to ensure continuity in the performance of the NRC's activities.

Scope of Authority, Duties and Responsibilities of the Nomination and Remuneration Committee

1. To determine the qualifications and guidelines for selecting members of the Board of Directors (including members of sub-committees) and managing director and nominating qualified individuals with sufficient knowledge, experience, and expertise to be appointed by the Board of Directors and/or at the shareholder's meeting, as the case may be.
2. To review guidelines and procedures with respect to the development of the managing director to be aligned with the Company's business and current situation.
3. To review guidelines and procedures for the payment of compensation (whether in a form of cash, securities, or any other arrangements) to directors, sub-committee members, and managing director, ensuring that they are appropriate and fair and comply with applicable laws.
4. To observe criteria for the performance evaluation of the managing director and propose to the Board of Directors for approval.
5. To review and recommend changes to the scope of authority, duties, and responsibilities of the Nomination and Remuneration Committee to be consistent with the current business situation.
6. To perform other activities assigned by the Board of Directors or in accordance with the policies prescribed by the Board of Directors.

Executive Committee

As of December 31, 2020, the Executive Committee consisted of 3 members as follows:

Name	Position
1. Mr.Narong Intanate	Executive Chairman
2. Mr.Sopon Punyaratabandhu	Executive Director
3. Mrs.Songsri Srirungroungjit	Executive Director

Executive Directors' Term of Office

The Executive Committee is subject to a three-year term of office, commencing from the date of appointment. Executive directors retiring by rotation are eligible for re-election. In case of vacancy in the office due to reasons other than retirement by rotation, the Board of Directors shall elect a qualified person to fill the vacant position and act as a substitute director. The substitute director shall hold office for a term equal to the remaining term of office of the former executive director. An executive director shall vacate office after being terminated from the director position.

Scope of Authority, Duties and Responsibilities of the Executive Committee

1. To determine the Company's management structure and authority and propose to the Board of Directors for approval.
2. To define the Company's vision, direction, policies, and strategies by preparing and proposing business plans and annual budget plans to the Board of Directors for consideration and approval.
3. To manage and operate the Company's business in accordance with the objectives, goals, policies, and regulations of the Company as well as resolutions of the Board of Directors' meetings and/or of the shareholder's meetings.
4. To monitor and supervise departmental performance.
5. To appoint a working group to be responsible for scrutinizing reports submitted to the Executive Committee or to perform any tasks that are conducive to the performance of the Executive Committee.
6. To delegate or assign any person to perform specific tasks on behalf of the Executive Committee.
7. To approve the employment, remuneration, appointment, or transfer of executive officers, excluding transactions with potential conflicts of interest which must be proposed to the Board of Directors for approval.
8. To consider or perform any other duties assigned by the Board of Directors.

Management

As of December 31, 2020, the Management consisted of 5 members as follows:

Name	Position
1. Mrs.Songsri Srirungroungjit	Managing Director
2. Mr.Tanusit Skunnawat	Operation Director
3. Mr.Pisit Supataradit	Sales Director
4. Mr.Sooksun Tachawatcharaporn	Technical Director
5. Mr.Poj Weerasuttakorn	Finance and Accounting Director

Company Secretary

To comply with the Securities and Exchange Act B.E. 2535 and any amendment thereto, the Board of Directors has appointed Mr.Thanapol Narasetsataporn as the Company Secretary to perform the following duties:

- 1) To provide preliminary recommendations to the Board of Directors and executives regarding pertinent laws and regulations that must be abided by the Board of Directors.
- 2) To supervise the Board of Directors' activities, organize meetings of the Board of Directors and shareholders, record the minutes of such meetings, and coordinate with relevant persons to ensure compliance with the meeting resolutions.
- 3) To prepare and maintain important documents of the Company, comprising:
 - 3.1) Register of directors
 - 3.2) Notices and minutes of the Board of Directors' meetings and annual reports of the Company
 - 3.3) Notices and minutes of shareholders' meetings
- 4) To maintain reports on the interests of directors and executives who are responsible for reporting their interests, including those of related parties, to the Company.
- 5) To perform any other duties required by the Capital Market Supervisory Board.

Mr.Thanapol Narasetsataporn has completed the Company Secretary Program (CSP), Class 66/2015.

Remuneration of Directors and Executives

Remuneration for the Board of Directors

The Board of Directors set up a fair and reasonable remuneration policy for the Company's Directors in accordance with good corporate governance principles. The Nomination and Remuneration Committee determines Directors' remunerations based on suitability of the Company's financial status and comparing with the other SET listed companies in the same industry and of similar size.

(1) Monetary Compensation

(a) Directors

On July 24, 2020, the Annual General Meeting of Shareholders approved the compensation for the Board of Directors and Sub-Committee at the amount not exceeding Baht 3,000,000 as follows:

Details of Remuneration	Rate of Remuneration (Baht)	
	Monthly Remuneration	Remuneration for Meeting Attendance per Time
- Chairman of the Board of Director	15,000	15,000
- Chairman of the Audit Committee	20,000	20,000
- Chairman of the Nomination and Remuneration Committee	-	15,000
- Chairman of the Risk Management Committee	-	15,000
- Board of Director	15,000	15,000
- Audit Committee	-	15,000
- Nomination and Remuneration Committee	-	15,000
- Risk management Committee	-	15,000
Bonus	Base on the Company's operating result	

(2) Compensation & Other Benefits

- None -

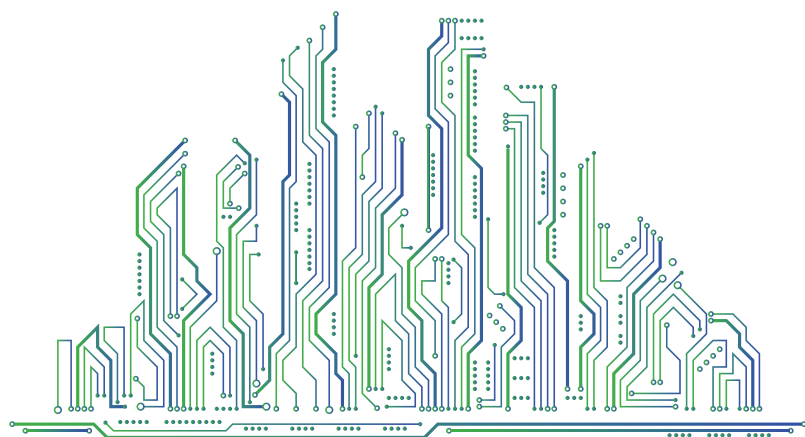
Summary on the Directors' Remunerations in 2020

List of Name	Monthly Remuneration (Baht)		Remuneration for Meeting Attendance per Time (Baht)				Bonus (Baht)	Total (Baht)
	Directors	Executive Committee	Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee		
1. Mr.Narong Intanate	180,000	-	105,000	-	15,000	-	-	300,000
2. Mr.Sopon Punyaratabandhu	180,000	-	105,000	-	-	-	-	285,000
3. Mrs.Songsri Srirungroungjit	180,000	-	105,000	-	-	30,000	-	315,000
4. Mr.Punn Kasemsup	180,000	-	105,000	-	15,000	-	-	300,000
5. Mr.Sanpat Sopon	240,000	-	140,000	80,000	-	-	-	460,000
6. Mr.Thanachart Numnonda	180,000	-	105,000	60,000	15,000	30,000	-	390,000
7. Mr.Kriengkrai Boonlert U-Thai	180,000	-	105,000	60,000	-	30,000	-	375,000
Total	1,320,000	-	770,000	200,000	45,000	90,000	-	2,425,000

Note: The Company does not have a policy to pay remuneration to the Executive Committee.

Remunerations for the Executives

The Company regularly reviews the performance of its executives by evaluating the implementation of long-term strategic objectives and the performance results of the Company. The Company also takes into account their duties, responsibilities and overall economic conditions to be criteria to determine the remuneration for their executives. The Board of Directors assigned the Nomination and Remuneration Committee to consider and determine the remuneration for the highest position of executives that is Managing Director. The other executives will be considered by the Managing Director.



In 2020, the Company paid remuneration to the executives as follows:

Remuneration	2020	
	Number of Executives	Amount (Million Baht)
- Salary, bonus, namely contributions to the social security fund, contributions to the provident fund	5	21.40
- Other Remuneration	-	-

Personnel

A. Number of personnel

As on December 31, 2020, the Company and its subsidiaries had 312 employees (excluding executives). It can be classified by responsibility as follows:

Field of work	Number of employees				
	As at December 31,2016	As at December 31,2017	As at December 31,2018	As at December 31,2019	As at December 31,2020
Vintcom Technology Public Company Limited					
Sales Department	12	16	12	12	13
Operations Department	10	12	12	11	11
Technical Department	20	18	16	16	13
Accounting and Financial Department	5	6	5	5	5
Office of Managing Director	5	8	7	7	8
Office of International Affair	2	4	6	6	6
vServePlus Company Limited*	166	170	169	173	145
Vintcom Technology (Myanmar) Company Limited	4	6	8	8	10
Vintcom Technology (SG) Company Limited	-	-	-	-	-
I-Secure Company Limited	-	-	59	79	101
Total	224	240	294	317	312

Note: vServePlus Company Limited was the transferee of 155 employees from VST ECS (Thailand) Company Limited according to the business transfer agreement of VST ECS (Thailand) Company Limited on September 1, 2016.

B. Employee compensation

In 2020, the Company paid compensation to employees totaling Baht 207.10 million. The compensation is in the form of salaries, bonuses, overtime, social security, provident funds and so on.

C. Provident Fund

The Company has established a provident fund since 2016, under the management of Kasikorn Asset Management Company Limited. The purpose is to create morale for the employees and to motivate employees to work with the company in the long run. The Company has contribution to the provident fund at a rate of 3 percent which is in an amount of Baht 1.28 million.

D. Other compensation

None

E. Development and Training

The Company recognizes the importance of employees, taking into account that all employees are the company's most valuable asset. The Company is committed to the development potential of employees by giving priority to the development of knowledge, the ability, and the skills of every employee at all positions by organizing training, seminars, and field visits both domestic and international. The Company also strives to continuously improve employees' capabilities to meet the standards of the manufacturers, especially technicians who will be trained and tested regularly.

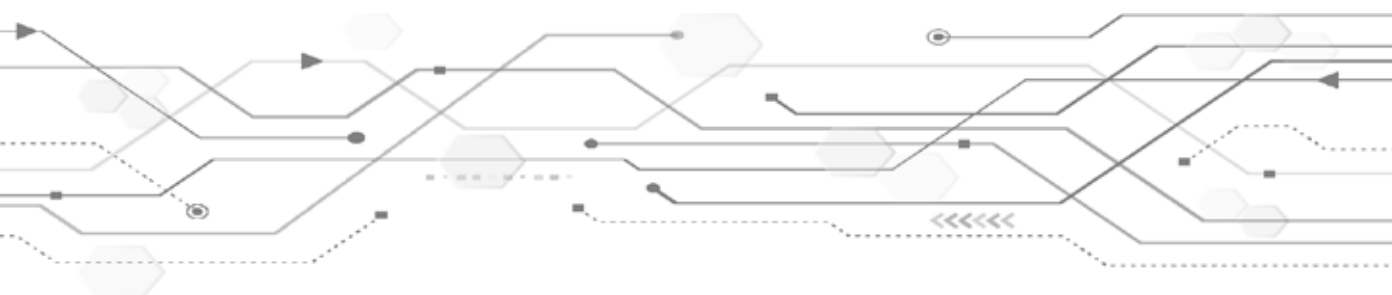
Some of the development and training in the year 2020 are as follows:

Products	Course	Duration of Training
1.Oracle	PCA x8/OVM WORKSHOP for Technical/Implementation	(2 days)
2.Oracle	PCA-X8 : EM Workshop	(3 days)
3.Oracle	Oracle Exadata Cloud@Customer Gen 2 Workshops	(1 day)
4.Splunk	Enterprise Deployment Practical Lab	(1 day)
5.Splunk	Splunk 8.0 Cloud Administration	(3 days)
6.Splunk	Core Consultant Labs	(5 days)
7.Splunk	Security Operation Center (SOC) Training	(4 days)
8.Informatica	Data Governance & Privacy: Data Democratization (Foundation level)	(1 day)
9.Informatica	Cloud Modernization: Data Catalog, Data Integration, & Mass Ingestion	(1 day)
10.CrowdStrike	CrowdStrike Falcon Overview Present	(1 day)
11.Hitachi	Hitachi Ops Center Training	(5 days)
12.Hitachi	Hitachi UCP Advisor Training	(5 days)

The company has a performance appraisal include indicators based on the goals of the work of the employee's competence, taking the results of the aforementioned assessment into consideration of compensation and career advancement, etc.

F. Working Environment

The Company pays attention to safety, sanitation, and working environment of the Company workplace. The company has an office located in an office building that meets safety standards and provides a security system in entering into the office for a safety reason. In terms of employees' health, the Company provides an annual health check-up, flu vaccination, resulting in zero statistic of accident, and illness from work throughout this year.



1. Corporate Governance Policy

The Company values a management system that embraces efficiency and transparency in the belief that good management that adheres to ethical standards and relevant laws is instrumental in fortifying the confidence of all stakeholders and achieving sustainable growth. With that respect, the Company has prescribed a good corporate governance policy to enhance its existing operations while maintaining clear standards of practice to be complied by employees at all levels, hence promoting a culture of corporate governance.

Section 1: Rights of Shareholders

The Company recognizes and values all fundamental rights of shareholders, both as investors and owners of the Company. These include the right to trade and transfer their own securities, the right to receive dividends from the Company, the right to access adequate information of the Company, the right to attend shareholders' meetings, the right to express opinions, and the right to make decisions on important affairs of the Company such as dividend allocation, capital reduction or capital increase, appointment or removal of directors, appointment of auditors, approval of significant transactions that influence the Company's direction, and amendment to the Company's Memorandum of Association and Articles of Association.

In addition to the foregoing fundamental rights, the Company has made additional efforts to promote and facilitate the exercise of rights of shareholders as follows:

(1) Shareholders' Meetings

- 1.1 The Company has a policy to encourage or promote all shareholders, including instructional shareholders, to attend the meeting.
- 1.2 The Company will prepare the meeting notice, which contains information such as the venue, date, time, agenda, and matters to be proposed to the meeting; whereby the clarifications and reasons or opinions of the Board of Directors will be included in each agenda item or resolution proposed in the meeting notice, or in other supplementary documents. The Company will circulate the meeting notice, along with all other supporting information, to the shareholders in advance according to the period prescribed by the law. The meeting notice will be advertised in a newspaper at least three days prior to the meeting date and for three consecutive days. Additionally, the Company will post the meeting notice and supporting documents on its website so as to ensure that shareholders have sufficient time to study all necessary information prior to attending the meeting.
- 1.3 The Company will fully facilitate the shareholders' exercise of rights to attend and vote at the meeting and will not engage in any act that discourages shareholders from attending the meeting, such as by ensuring that the meeting procedures are not complicated or costly and the meeting venue is easily accessible by shareholders.

- 1.4 The Company will provide opportunities for shareholders to submit questions prior to the meeting, whereby the criteria for submitting questions will be determined by the Company and will be thereafter posted on the Company's website.
- 1.5 To facilitate shareholders who cannot attend the meeting in person, the Company will provide an opportunity for the shareholders to appoint an independent director or any person to act as a proxy, using one of the proxy forms attached to the meeting notice. In addition, the Company will propose at least one independent director to serve as a proxy of the shareholders.

(2) Procedures on the Meeting Date

- 2.1 To ensure that each shareholders' meeting is proceeded in an accurate and timely manner, the Company promotes the use of technology in all shareholders' meetings, including in the registration of shareholders, the counting of votes, and the display of voting results.
- 2.2 The Company encourages the Board of Directors, executives, and related parties, including auditors, to attend the meeting in unison.
- 2.3 At each meeting, the Company will offer an equal opportunity to all shareholders. Prior to the commencement of the meeting, the Chairman will elaborate on the exercise of the voting rights and the vote counting procedures for each agenda item. Likewise, all shareholders will be provided an opportunity to freely express their opinions and propose suggestions and inquiries, ensuring that there is adequate time before casting votes on each agenda item. Additionally, the Chairman will ensure that the meeting is proceeded by the order of the agenda and attended by the directors and executives to answer any and all questions raised by the shareholders. All significant questions and suggestions will be recorded in the minutes of meeting so that they can be examined by the shareholders.
- 2.4 With respect to the agenda on the appointment of directors, the Company provides an opportunity for shareholders to vote for individual directors, whereby the shareholders have the right to nominate a candidate who is qualified to serve as a director in their interest. This will ensure diversity and true representation of shareholders.
- 2.5 The Company promotes for the assignment of independent representatives to examine the counting of votes at the meeting, which will be disclosed to the meeting and recorded in the minutes.
- 2.6 To ensure transparency and accountability in the event of disputes, the Company arranges for the use of voting cards for significant agenda items, such as related-party transactions and acquisition or disposal of assets.

(3) Preparation of the Minutes of Meeting and Disclosure of the Meeting's Resolutions

- 3.1 After each meeting, the Company will prepare the minutes of meeting, which contain complete and accurate information, including the questions and answers presented at the meeting, the voting results of each agenda item categorized by approved, disapproved, and abstained votes, and the list of directors who are present and absent at the meeting.

- 3.2 The Company will disclose on the Company's website the voting results of each agenda item on the business day following the date of the meeting and will thereafter publish the minutes of meeting on the Company's website so that they can be examined by the shareholders.

Section 2: Equitable Treatment of Shareholders

The Company has implemented a policy to treat all shareholders equally and fairly, including major or minor shareholders and executive or non-executive shareholders. The Company provides opportunities for minor shareholders to nominate director candidates in advance and to propose additional agenda items prior to the meeting. In addition, the Company offers an opportunity for shareholders who cannot attend the meeting in person to exercise their voting rights by proxy.

The Company has prescribed preventive measures to impede the misuse of inside information by directors and executives in a way that benefits themselves or others, such as trading securities by using inside information and disclosing inside information to persons associated with directors or executives which are considered as the exploitation of inside information or may cause damage to shareholders as a whole.

The Company requires all directors and executives to disclose their interests, including those of their related parties, to enable the Board of Directors to identify transactions that may have a conflict of interest and thereby make appropriate decisions in the interest of the Company. Directors and executives who have a vested interest in any of the Company's transactions are prohibited from making decisions on such transactions.

The Company has established guidelines for equitable treatment of shareholders as follows:

(1) Provision of Information Prior to the Shareholders' Meeting

- 1.1 The Company will notify the Stock Exchange of Thailand of the meeting schedule and agenda, which will be published on the Company's website at least 28 days prior to the meeting date.
- 1.2 Prior to each meeting, the Chairman will inform the shareholders of the meeting rules and regulations, voting procedures, voting rights, and vote counting procedures for each agenda item.

(2) Protection of Minor Shareholders' Rights

- 2.1 The Company has prescribed guidelines for minor shareholders to propose matters to be included in the agenda prior to the date of the meeting in order to emphasize fairness and transparency in the consideration of the inclusion or exclusion of the matters proposed by minor shareholders.

The qualifications of shareholders who are entitled to propose matters to be included in the meeting agenda shall be in accordance with Section 89/28 of the Securities and Exchange Act, which prescribes that a shareholder or shareholders who is/are entitled to submit to the Board of Directors a written proposal for inclusion of additional matters in the meeting agenda shall: 1) have the voting rights collectively amounting to at least five percent of the total voting rights of the Company; and 2) have held shares for at least 12 consecutive months commencing from the shareholding date until the date of proposal. In proposing each matter to be included in the meeting agenda, the shareholders shall specify the

objectives and details of the proposed matter, along with any other information that are beneficial for consideration.

The Company reserves the right to not include the proposed matter in the meeting agenda under the following circumstances:

- 1) The proposed matter is relevant to the Company's ordinary business operations and the facts given by the shareholders do not have sufficient grounds to suspect the irregularity of such matter.
- 2) The proposed matter is not within the Company's control.
- 3) The proposed matter is ordinarily required by law to be considered at a shareholders' meeting and is essentially included in the agenda of each meeting.
- 4) The proposed matter is not conducive to the Company's operations.
- 5) The proposed matter is in conflict with the laws, notifications, regulations, and rules of government agencies or supervisory authorities.
- 6) The proposed matter is in conflict with the Company's objectives, regulations, meeting resolutions, and corporate governance principles.
- 7) The information provided by the shareholders is incomplete or inaccurate, or the Company is unable to contact the shareholders to obtain additional information.
- 8) The matter has been proposed to the shareholders' meeting within the preceding 12 months and received a resolution with the vote of less than 10 percent of the total voting rights of the Company, whereby the facts provided by the shareholders are not significantly different from those proposed at the previous shareholders' meeting.
- 9) The proposed matter has already been acted upon by the Company.
- 10) Other matters, such as duplicate matters that have already been proposed.

In the event that the shareholders fail to comply with the specified guidelines, the Company will inform the shareholders at the meeting by specifying the reason for refusal of the inclusion of such matter in the meeting agenda.

The Company Secretary will examine the proposal and thereafter propose to the Board of Directors to consider including the proposed matter in the meeting agenda, whereby the Board of Directors' decision shall be deemed absolute and final.

- 2.2 The Company has established procedures for minor shareholders to nominate director candidates by submitting the name of the candidate to the Company Secretary at least three months prior to the shareholders' meeting, along with supporting information with respect to the candidate's qualifications and consent.

The qualifications of shareholders who are entitled to nominate director candidates shall be in accordance with Section 89/28 of the Securities and Exchange Act, which prescribes that a shareholder or shareholders who is/are entitled to nominate a director candidate shall: 1) have the voting rights collectively amounting to at least five percent of the total voting rights of the Company; and 2) have held shares for at least 12 consecutive months commencing from the shareholding date until the date of proposal.

The candidates who are to be nominated for the director position shall satisfy the qualification requirements prescribed in the Public Limited Companies Act, the Securities and Exchange Act, the regulations of the Securities and Exchange Commission, the regulations of the Stock Exchange of Thailand, and the Company's Articles of Association. In addition, the said candidates shall have other qualifications as specified by the Company, such as having knowledge, skills, and experience that are conducive and appropriate to the nature of business of the Company, having a satisfactory work record, having independence, adhering to the principles of integrity, morality, and ethics while performing duties as a director, and being able to attend the Board of Directors' meeting on a regular basis.

The independent directors will examine the director candidates and thereafter propose to the Board of Directors to consider whether or not to propose such candidates to the shareholders' meeting; whereby the Board of Directors' decision shall be deemed absolute and final.

- 2.3 The Company provides an opportunity for shareholders to exercise the right to appoint individual directors.
- 2.4 The Company has no policy to add agenda items at the meeting without notifying shareholders in advance, unless otherwise deemed necessary; whereby the foregoing particularly applies to significant agenda items that require a considerable amount of time to study the information before making decisions, in which case an advance notice is necessary to provide shareholders the opportunity to study any and all supporting information prior to decision making. Additionally, the Company does not limit the right of shareholders to attend the meeting in the event of late attendance.

(3) Prevention on the Misuse of Inside Information

The Company refined the internal regulations to supervise the use of inside information at the Board of Directors' Meeting No. 6/2020 with the aim to prevent the exploitation thereof for the benefit of oneself or others and to ensure fairness for all stakeholders. The Company has prescribed written guidelines to be complied by all employees with respect to the handling of inside information and prevention on the use of inside information for personal advantage. In addition, directors, executives, management personnel in the Accounting or Finance Department or equivalent, and employees who have access to inside information that could have a significant impact on the Company's share price are prohibited from using inside information prior to the public disclosure thereof. Likewise, the Company prohibits any persons in connection with inside information, including their spouses and minor children, from trading the Company's securities, whether directly or indirectly (such as through a nominee or private fund), before one month of disclosure to the Stock Exchange of Thailand of the Company's quarterly and annual financial reports and at least one business day after the disclosure thereof.

The Company has imposed disciplinary actions on those who exploited or disclosed the Company's inside information in such a way that may damage the Company; whereby such disciplinary actions will be considered on a case-by-case basis, which include verbal warning, written warning, probation, and termination of employment by means of discharge or dismissal, as the case may be.

Furthermore, the Company has provided information to its directors and executives concerning the obligations to report their ownership of the Company's securities, as well as the penalties pertaining thereto, in accordance with the Securities and Exchange Act B.E. 2535 and the requirements of the Stock Exchange of Thailand. All directors and executives are responsible for reporting their ownership of the Company's securities to the Office of the Securities and Exchange Commission within 30 days from the date of their appointment to the director or executive position. In addition, any changes in their holding of the Company's securities must be notified to the Company and reported to the Office of the Securities and Exchange Commission within three business days from the date of trading or transfer so as to comply with Section 59 of the Securities and Exchange Act B.E. 2535 and to be thereafter disclosed to the public.

(4) Directors' Interests

- 4.1 The Company adheres to the principles of equitable treatment of shareholders and has established management guidelines on the transparency of directors' interests, specifically in the case of related-party transactions where directors are required to promptly report such transactions to the Company, as well as to the Board of Directors' meeting prior to the consideration of that agenda item, whereafter such transactions must be recorded in the minutes of the meeting.
- 4.2 The Company has prescribed guidelines to prevent directors or executives with a vested interest in any of the Company's transactions from participating in the consideration or approval of such transactions. Likewise, directors with a vested interest in any agenda item of the Board of Directors' meeting are not entitled to cast votes on that agenda item.

Section 3: Roles of Stakeholders

(1) Treatment of Shareholders

The Company is committed to developing sustainable businesses, which means doing business with responsibilities to all stakeholders and attaches great importance to the rights of all stakeholders, including internal stakeholders such as shareholders, executives, and employees of the Company and external stakeholders such as customers, suppliers, creditors, competitors, public sector, society, community and environment. The Company realizes that the support and suggestions provided by all stakeholders are instrumental in its operations and business development. Accordingly, the Company strives to comply with applicable laws and regulations to ensure good and fair treatment towards all stakeholders. Furthermore, the Company is committed to operating its business by contemplating the rights of all stakeholders in accordance with the following policies:

Shareholders

- 1) The Company is responsible for encouraging shareholders to exercise their rights, whereby the fundamental rights of shareholders include the right to trade or transfer shares, the right to receive dividends from the Company, the right to access adequate information regarding the Company's business, and the right to attend shareholders' meetings for appointment or removal of directors, appointment of auditors, dividend allocation, establishment of or amendment to the Memorandum or Articles of Association, capital increase or capital reduction, and approval of special items. Alternatively, the Company is responsible for promoting and encouraging shareholders to exercise their rights on other matters with respect

to the shareholders' meeting, such as the right to propose agenda items in advance, the right to nominate director candidates in advance, the right to submit questions prior to the meeting, and the right to express opinions and raise questions at the meeting.

- 2) The Company is responsible for abstaining from any acts that violate or restrict the rights of shareholders, or deprive shareholders of the right to study information required to be disclosed by the Company and the right to attend shareholders' meetings; whereby these acts include failure to promptly distribute important or additional information to shareholders and failure to notify shareholders in advance of any additions to the meeting agenda or any important changes.
- 3) The Company is responsible for facilitating the exercise of rights of shareholders, such as posting significant and up-to-date information on the Company's website and arranging company visits for shareholders.
- 4) The Company is responsible for reporting its status, operating performance, financial position, and other reports on a regular basis in a complete and accurate manner.

Employees

- 1) The Company has the policy to treat all employees equally and fairly with fair returns based on their performance, which will be measured in a fair manner according to the Company's guidelines. Short-term benefits for employees include salary, bonus, and social security fund contribution.
- 2) The Company has a policy to promote continuous development of employees' skills and expertise, such as organizing internal and external training for employees and executives.
- 3) The Company is responsible for maintaining a safe and healthy work environment that is conducive to the employees' performance.
- 4) The Company is responsible for maintaining the privacy of employees, whereby the Company will not disclose employees' personal information, such as salary and medical record, to any third party unless such disclosure is required by relevant regulations and laws.
- 5) The Company places emphasis on the rights of employees and adheres to the principles of fair treatment by respecting their personal rights and offering employees the opportunity to file complaints for unfair treatment through a variety of channels, such as suggestion box and Human Resources Department.

Customers and Suppliers

The Company is responsible for complying with various laws that prohibit the Company from conducting unfair or deceptive business practices, which include bribing or offering benefits to obtain a business advantage or breach a contract with other parties. The Company has also established a policy that requires employees to adhere to the highest standards of honesty and integrity in all contacts with customers and suppliers, as well as abstaining from offering or accepting cash or any item of value that could be interpreted as a form of bribery. In conducting business with the public sector, employees are required to comply with relevant laws and regulations and obtain a solid understanding of any special laws that are applicable.

Creditors

The Company is obligated to strictly comply with any and all contracts or conditions agreed upon by both parties. In the event that the Company is unable to do so, it will promptly notify the respective creditor to identify appropriate solutions thereto. The Company shall maintain good relationships and establish credibility with creditors.

Competitors

The Company emphasizes on fair competition and does not seek confidential information of its competitors by unethical or inappropriate means. The Company shall conduct its business under the framework of fair competition and shall not practice any mala fide methods that violate confidentiality or misappropriate trade secrets of its competitors.

Public Sector

The Company conducts its business in the interest of the country's development and advancement by complying with relevant laws, rules, and regulations and conforming to conventional business practices.

Society, Community and Environment

- 1) The Company and its employees shall adhere to the principles of good citizenship by means of respecting human rights, treating neighboring communities with generosity, maintaining sustainable relationships with communities, and attending to and not discriminating against those who require special assistance, such as children, women, the disabled, and the elderly.
- 2) The Company is obligated to promote community engagement, as well as supporting and developing communities in various areas such as education, culture, public health, economy, job creation, and income generation, so as to enhance their quality of life.
- 3) The Company is responsible for supervising and supporting activities that are beneficial to the society, as well as cooperating with the public sector and other related organizations with the willingness to sacrifice for the common good.
- 4) The company complies with laws and regulations about the environment strictly and highlights the control of environmental impacts unceasingly. The company has the policy to support activities to enhance quality, occupational health, and the environment and to maintain the working environment to be safe to the lives and properties of the employees.

(2) Anti-Corruption

The Company has instituted a policy to operate its business in accordance with applicable laws and in the interest of society as a whole. The Company does not only promote employee commitment to integrity, ethical standards, and good citizenship but also transparency among its business partners. The Company pledges to ensure adequate implementation of the anti-corruption policy in concurrence with cultivation of consciousness, values and attitudes towards corruption at all levels. To achieve the foregoing, the Company has established a system of checks and balances and an effective internal control system with emphasis on prevention of conflicts of interest and abstention from acceptance of gifts and bribery; whereby all business partners have continuously undergone anti-corruption training on an annual basis.

The Company has implemented a policy to prevent directors, executives, and employees from exploiting internal data for personal benefit and to avert conflicts of interest. The Company further requires that all transactions with potential conflicts of interest are reported to the Board of Directors for acknowledgement. In addition, the Company has stipulated the anti-corruption policy as a written guideline for conducting business and achieving sustainable development. To induce confidence in the Company's stakeholders, all directors, executives and employees are prohibited from engaging in all forms of corruption, both directly and indirectly, and are required to strictly comply with the said policy. The Company calls for regular monitoring of compliance with the anti-corruption policy, along with regular review of the operating guidelines and procedures, to ensure consistency with changes in the business nature, rules, regulations, and legal provisions. To achieve the foregoing, the Company organizes training and seminars to review the guidelines for compliance with the anti-corruption policy on an annual basis. The guidelines for compliance with the foregoing policy are as follows:

Definition

Corruption means the illegitimate use of acquired power or assets for personal gain or in such a manner that causes harm to the interests of others. Corruption can occur in multiple forms, such as bribery by means of soliciting, offering, giving, or accepting bribes in monetary or material form; conflict of interest; fraud; money laundering; embezzlement; concealment of facts; obstruction of justice; and trading in influence.

Corruption does not only arise from relations between the private sector and the public sector but also transactions falling strictly within the private sector domain.

Responsibilities

- 1) The Board of Directors undertakes its duties and responsibilities to formulate the policy and enforce an effective system for combating corruption to ensure that the Management recognizes the importance thereof and cultivates a strong corporate culture of anti-corruption.
- 2) The Audit Committee is responsible for reviewing the Company's financial and accounting reporting system, internal control system, and risk management system to ensure that they are concise, appropriate, effective, and in accordance with international standards.
- 3) The managing directors and executives undertake their duties and responsibilities to establish an effective system and ensure that the anti-corruption policy is communicated to all employees and related parties and that the anti-corruption system and relevant measures are consistent with changes in the business nature, rules, regulations, and legal provisions.
- 4) The Internal Audit Department is responsible for auditing and reviewing compliance with relevant policies, code of conduct, scope of authority, laws and regulatory requirements so as to ensure that the Company's internal control system is appropriate and adequate for preventing potential corruption risks, of which the results shall be reported to the Audit Committee.

Anti-Corruption Guidelines

- 1) All directors, executives, and employees shall strictly comply with the anti-corruption policy by abstaining from involvement in corrupt practices, whether director or indirectly, and shall not neglect to report any incident of possible or suspected corruption relating to the Company.
- 2) The Company does not engage or support any forms of bribery. The Company ensures that all donations, gift-giving activities, and other supporting activities are transparent and have no intention whatsoever to influence public officials or private entities to perform wrongful action.
- 3) The Company promotes all employees, contracting parties, and business partners to be aware of potential fraud and fight against corruption.
- 4) The Company has established appropriate and effective systems of internal control, risk management, and internal audit to prevent misconduct. The Company has prescribed guidelines on the acceptance and giving of gifts, assets or other benefits, with the objective to prevent fraud or unfair business practices. To ensure that the procurement process is efficient and appropriate, the Company places importance on abstention from acceptance of gifts and/or anything of value from persons in relation to the Company's business affairs or any third parties.
- 5) The Company prohibits its employees from accepting hospitality from persons in relation to the Company's business affairs or any third parties who may gain advantage from the performance of duties of the Company's employees.
- 6) The Company disseminates anti-corruption knowledge to directors, executives, and employees in order to promote integrity, honesty, and accountability in their performance of duties. The Company also provides training on fraud prevention and management to new employees within 90 days from the start date of their employment.
- 7) The Company requires the Management to promptly report to the Board of Directors in the event of serious fraud, violation of laws, or other irregular activities that may significantly impact the Company's reputation and financial position.
- 8) Any person who conducts or is involved in a corrupt practice shall be subjected to disciplinary action in accordance with the Company's regulations, including possible legal punishment if such practice violates the law. The Company has established channels of communication for reporting fraudulent activities; wherein employees may notify or report incidents of fraud or suspicious activities through the channels announced by the Company. Details and status of offences and corresponding punitive measures are also specified by the Company.
- 9) The Company provides fairness and protection to employees who refuse to engage in corrupt practices, as well as those who notify the Company of any illicit activity, so as to safeguard whistleblowers or witnesses against retaliation.

(3) Whistleblowing Disclosures

The Company operates its businesses in a fair manner and honesty. The Company also expects all employees or customers or third parties to comply with laws, rules, policies and regulations, including to file through the whistleblowing channel of accounting and finance offenses. Internal control, detection of any fraud and illegal activities.

Qualifying Disclosures

1. Suspicious activities with respect to illegal activities, including corrupt practices and bribery
2. Violation of the Company's policies and regulations
3. Business practices that violate the Company's internal rules and regulations or regulatory requirements, or breach contractual obligations
4. Suspicious activities with respect to significant accounting or auditing matters
5. Any actions that fail to comply with ethical standards or social justice

Any employee, customer, or third party (whistleblower) who encounters or detects an incident or activity that is considered to be within the scope of the foregoing criteria is required to comply with the procedures specified below.

Filing of Complaints and/or Whistleblowing Disclosures

Filing of complaints and/or whistleblowing disclosures means disclosure of information concerning any wrongdoing that has occurred, is occurring, or is likely to occur in the future.

Procedures

1. Submission and receipt of complaints or whistleblowing disclosures

All complaints or whistleblowing disclosures shall be made in writing and shall include the name of the respective whistleblower as well as any necessary and reliable information, and shall be submitted to the Chairman of the Audit Committee via the following channels:

By post

Chairman of the Audit Committee
Vintcom Technology Public Company Limited
159/21 Sermit Tower, 14th Floor, Unit 1401,
Sukhumvit 21 Road (Asoke), Khlong Toei Nuea Subdistrict,
Wattana District, Bangkok 10110

By email

acchairman@vintcom.co.th

To ensure appropriate examination of the disclosed information and corresponding sources, the Company will not consider any complaint that does not contain the name of the whistleblower.

2. Confidentiality of complaints

The Company maintains the confidentiality of all complaints and will not disclose the names of whistleblowers unless with prior approval thereof.

3. Handling of complaints

Upon receipt of a complaint, the Audit Committee will assign the executive or appropriate person or the subcommittee to freely examine the complaint by taking into consideration the principles of justice, fairness, and integrity. After the result of examination has been reported to the Audit Committee, the Audit Committee will implement appropriate action on such complaint or take further action if necessary.

Upon investigation of facts and evaluation of the complaint, the executive or appropriate person or the subcommittee will take disciplinary action against the subject of the complaint; whereby the disciplinary procedures which are deemed appropriate by the Audit Committee will be proposed to the Executive Committee or senior management for authorization to proceed accordingly.

Section 4: Disclosure and Transparency

The Company values accurate, complete, and timely disclosure of both financial and non-financial information through channels that provide easy access to information with equality and reliability. The Company will disseminate its information, including annual registration statement (Form 56-1) and annual report, to shareholders, investors, and the general public through various channels and media of the Stock Exchange of Thailand and on the Company's website.

With respect to investor relations, the Company has not established a specific unit dedicated to such affairs due to a low volume of activities. Nonetheless, the Company has assigned the Managing Director to be responsible for communicating with investors, shareholders, analysts, and related government agencies. In 2020, the Company granted opportunities for analysts, mass media, and investors to meet with the executives to inquire about the Company's performance status, as well as providing knowledge to investors at various events such as the Opportunity Day that was held on May 29, 2020 and November 18, 2020.

(1) Information Disclosure

- 1.1 The Company regulates and oversees the disclosure of information that affect the decisions of investors and stakeholders, ensuring that it is accurate, complete, timely, reliable, transparent, and sufficient for the decision making of investors, as well as conforming to the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand; whereby these information include financial and non-financial information and other information that significantly impact the Company's share price and thereby the decision making of investors and stakeholders.
- 1.2 The Company provides an overview of its corporate governance policy, business ethics, risk management policy, and environmental and social policy, as well as the performance thereof and any incompliance with such policies along with the corresponding reason (if any). These policies are reported through various channels, such as annual report and the Company's website.
- 1.3 The Board of Directors reports the responsibilities of directors towards financial reporting, which are presented together with the auditor's report in the annual report.

- 1.4 The Company provides clarifications and analyses of the Management to support the disclosure of its quarterly financial reports so as to provide investors with information and better understanding of the quarterly changes in the Company's financial position and operating performance in addition to the quantitative information presented in the financial statements.
- 1.5 The Company discloses the auditor's fees and other related service fees in the annual report.
- 1.6 The Company discloses in the annual report the roles and responsibilities of the Board of Directors and subcommittees, the number of meetings held, the number of meetings attended by each director in the preceding year, and the opinions of directors, including information with regard to training and professional development of the Board of Directors.
- 1.7 The Company discloses in the annual report the policy on the remuneration of directors and senior executives that reflects their obligations and responsibilities, the form or type of remuneration, and the amount of remuneration received by each director, including directors of the Company's subsidiaries (if any).

(2) Minimum Disclosure of Information on the Company's Website

In addition to the disclosure of information through the channels of the Stock Exchange of Thailand, the annual registration statement (Form 56-1), and the annual report in accordance with the prescribed guidelines, the Company also provides a regular disclosure of pertinent information in both Thai and English through other channels, such as the Company's website, which consist of:

- 1) Vision and mission;
- 2) Nature of business;
- 3) List of directors and executives;
- 4) Financial statements and reports on the Company's financial position and operating performance in the current and previous year;
- 5) Form 56-1 and annual report that can be downloaded;
- 6) Other information or documents proposed to the analysts, fund managers, or other media;
- 7) Shareholding structure, both direct and indirect;
- 8) Organizational structure, including subsidiaries, associate companies, joint ventures, and special purpose enterprises or vehicles (SPEs/SPVs) (if any);
- 9) Major shareholders who directly or indirectly hold at least five percent of the total number of issued shares and have voting rights;
- 10) Direct and indirect shareholding of directors, major shareholders, and senior executives;
- 11) Notices of the annual general meeting of shareholders and the extraordinary general meeting of shareholders;
- 12) Articles of Association, Memorandum of Association, and shareholders' agreement (if any);
- 13) Corporate governance policy;
- 14) Risk management policy and procedures;
- 15) Charter or duties and responsibilities, qualifications, and term of office of the Board of Directors, including matters that require approval of the Board of Directors;
- 16) Charter or duties and responsibilities, qualifications, and term of office of the Audit Committee;
- 17) Code of conduct for employees, directors, and investor relations; and

- 18) Contact information of the agency or person responsible for investor relations, such as the name and telephone number of the contact person.

Section 5: Responsibilities of the Board of Directors

1. Structure of the Board of Directors

- 1.1 The Board of Directors is composed of qualified persons who possess an array of skills, experience, and expertise that are conducive to the Company. The Board of Directors plays a significant role in determining the Company's policies, outlook, and operational plans, as well as overseeing, monitoring, and assessing the Company's operating performance to be in line with the specified goals. In addition, the Board of Directors must not have any prohibited characteristics prescribed in the Public Limited Companies Act B.E. 2535 (including the amendment thereto), the Securities and Exchange Act B.E. 2535 (including the amendment thereto), the regulations of the Office of the Securities and Exchange Commission and the Capital Market Supervisory Board, and the Company's Articles of Association.
- 1.2 The Board of Directors shall have a sufficient number of directors to supervise the Company's operations and shall consist of persons who have adequate knowledge, experience, and skills to perform their duties effectively. Pursuant to the law, there shall be no less than five and no more than nine directors, and at least half of the Board of Directors shall be non-executive directors to ensure an appropriate balance between executive and non-executive directors.
- 1.3 At present, the Board of Directors consists of three independent directors from a total of seven directors, hence constituting more than one-third of the total number of directors. The independent directors are entitled to freely express their opinions on the operations of the Management to maintain a balance of votes on various agenda items, as well as reviewing the management practices of the executives to optimize the Company's benefits. All three independent directors also assume the position of member of the Audit Committee, whereby the number of independent directors and Audit Committee's members are in accordance with the regulations of the Office of the Securities and Exchange Commission, which require at least one-third of the Company's directors to act as independent directors and at least three members of the Audit Committee. Furthermore, all independent directors and Audit Committee's members have satisfied the qualification requirements prescribed in applicable notifications of the Capital Market Supervisory Board.
- 1.4 The Board of Directors prescribes that each independent director shall hold office for a term of no more than nine years from the date of appointment. Nonetheless, in case of reappointment of independent directors for a second term, the Board of Directors will consider the necessity for such reappointment.



- 1.5 The Board of Directors has explicitly determined the division of power and responsibilities in stipulating the Company's corporate governance policy and day-to-day management. The Chairman and the Managing Director have been elected by the Board of Directors and are not the same person to ensure clarity of responsibilities in policy formulation, corporate governance, and day-to-day management. Additionally, the Company has clearly defined the roles and responsibilities of the Board of Directors and the executives to uphold the balance of power. The Board of Directors is responsible for stipulating policies and supervising the operations of the executives at the policy level. Alternatively, the executives are responsible for managing the Company's operations to align with the prescribed policies. The Chairman is not engaged in day-to-day management but provides support and suggestions to the Management, through the Managing Director, on a regular basis. Meanwhile, the Managing Director is responsible for the management of the Company within the scope of authority assigned by the Board of Directors.
- 1.6 The directors shall hold office for a term of three years. To ensure consistency with good corporate governance practices and that the directors devote sufficient time to perform their duties in the Company, the Board of Directors will determine the number of companies in which each director may hold office, which shall be based on the performance of directors holding position in multiple companies and shall not exceed five listed companies.
- 1.7 The Board of Directors has clearly stipulated policies and procedures on the Company's Managing Director and senior executives holding directorship in other companies, whereby they shall not be a director in a limited company or public limited company, or a partner in an ordinary partnership or limited partnership conducting business in the same nature as and in competition with the Company's business, unless advance notice is given to the shareholders' meeting prior to the resolution for appointment.
- 1.8 The Board of Directors has appointed a qualified and experienced person to act as the Company Secretary, undertaking duties and responsibilities as prescribed in the Securities and Exchange Act. Moreover, the Company Secretary is responsible for providing legal advices and informing the Board of Directors of relevant rules and regulations, as well as overseeing the activities of the Board of Directors and ensuring compliance with the Board of Directors' resolutions. The qualifications and experience of the Company Secretary are disclosed in the annual report and on the Company's website.
- 1.9 The Board of Directors encourages and promotes the Company Secretary to undergo continuous training and development of knowledge in laws, accounting, and secretarial duties.



2. Subcommittees

The Board of Directors has appointed subcommittees in accordance with the laws and regulations pertaining to business operations, which include the Audit Committee, the Executive Committee, the Nomination and Remuneration Committee, and the Risk Management Committee.

3. Meeting of the Board of Directors and Subcommittees

3.1 Board of Directors

3.1.1 The Company convenes the Board of Directors' meeting at least 5 times per year, 4 of which are quarterly meetings. The schedules of the Board of Directors' meetings are determined in advance for the entire year and thereafter notified to all directors for acknowledgement. Such schedules are subject to change at any time as deemed appropriate and are exclusive of additional meetings that may be convened when necessary. Prior to each Board of Directors' meeting, the meeting notice and agenda are circulated to all directors at least 5 business days in advance. In 2020, the Board of Directors held a total of 7 meetings.

3.1.2 For every meeting of the Board of Directors, at least one-half of the total number of directors is required to constitute a quorum. The Chairman and the Managing Director and/or the Executive Committee will jointly consider the agenda items of the Board of Directors' meeting to ensure that important matters are included in the agenda and to provide opportunities for directors to freely propose matters that are beneficial to the Company for inclusion in the agenda.

3.1.3 Each director should attend the Board of Director's meetings at least 75 percent of the total number of meetings held during the year.

Each director should not only dedicate their time to attend the meeting but should also emphasize on exchanging opinions, suggestions, and experiences and enhancing relationships to benefit the Company's business.

3.2 Audit Committee

The Company convenes the Audit Committee's meeting at least 4 times per year, consisting of:

- A meeting with the Company's auditor to review quarterly financial statements, annual financial statements and other related financial reports, and propose the audited financial statements to the Board of Directors for approval.
- A meeting with the department responsible for overseeing the performance of internal control activities and internal audit system to approve the internal audit plan and review the adequacy of the internal audit system and compliance with applicable laws and regulations.

The Audit Committee may hold additional meetings as deemed necessary, including a meeting with external auditors, without the presence of the Management, at least once a year. In 2020, the Audit Committee held a total of 4 meetings.

3.3 Nomination and Remuneration Committee

The Board of Directors passed a resolution to approve the appointment of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee is required to convene a meeting at least once a year. In 2020, this committee held 1 meeting.

3.4 Risk Management Committee

The Risk Management Committee holds a meeting at least once every 6 months to ensure that the risk management activities are implemented according to the plan and the Risk Management Working Group reports such risks to the Risk Management Committee. In 2020, the Risk Management Committee held a total of 2 meetings.

3.5 Non-Executive Directors' Meeting

On December 17, 2020, the non-executive directors convened a meeting, without the presence of the Management, to discuss management issues that were of interest, and reported the meeting outcomes to the Executive Chairman for acknowledgement.

4. Board of Directors' Reports

4.1 Financial Reporting

The Board of Directors is accountable to the shareholders for the Company's financial statements and any and all financial information presented in the annual report. The Board of Directors is responsible for ensuring that the financial statements are prepared in accordance with applicable financial reporting standards and reviewed by a certified international auditor on a quarterly and yearly basis. Alternatively, the Audit Committee is responsible for conducting an independent review of the Company's financial reports and internal control systems with the auditor, as well as ensuring that significant information pertaining to the financial statements are accurately and completely disclosed in the notes to the financial statements.

4.2 Minutes of Meeting

The minutes of the Board of Directors' meetings and subcommittees' meetings must be recorded in a complete and accurate manner, covering all significant matters, including the directors' opinions and inquiries. In addition, the meeting minutes and any other supporting documents must be kept in an appropriate and secured storage system.

5. Board of Directors' Self-Assessment

The Board of Directors and subcommittees conduct self-assessment at least once a year to jointly review their performance and problems for further improvement. The Company Secretary is responsible for distributing the assessment form to be completed and returned by each director. The names of directors are kept confidential to allow them to freely evaluate their performance, whereafter the results of self-assessment are proposed at the Board of Directors' meeting. The assessment forms of the Board of Directors and subcommittees consist of self-assessment of the Board as a whole and on an individual basis. The Company adopts the self-assessment form of the Stock Exchange of Thailand, which covers the following key topics:

5.1 Self-assessment of the Board of Directors (as a whole) consists of:

- Structure and qualifications of the Board of Directors
- Roles, duties, and responsibilities of the Board of Directors
- Board of Directors' meeting
- Duties of directors
- Relationship with the Management
- Directors' self-development and management training

In 2020, the overall result of the self-assessment of the Board of Directors as a whole was highly satisfactory with a total score of 99.44%.

5.2 Self-assessment of the Board of Directors and subcommittees (on an individual basis) consists of:

- The structure and characteristics of the board
- The board meeting
- The roles and responsibilities of the board

In 2020, the overall result of the self-assessment of the Board of Directors on an individual basis was highly satisfactory with a total score of 100%.

5.3 Self-assessment for Subcommittee

The committees which consist of the number of the directors more than one-half of total number of such committees are responsible for conducting an evaluation in order to evaluate the subcommittee's performance as a team. The Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Management Committee are responsible for conducting a self-evaluation under the areas of assessment of

- The structure and characteristics of the subcommittee
- The sub-committee meeting
- The roles and responsibilities of such subcommittee

Results of the evaluation for the year 2020

(a) The Audit Committee

- The results of the evaluation of the Audit Committee (as the whole) was highly satisfactory with a total score of 99.68%.
- The results of the evaluation of an individual Audit Committee (self-assessment) was highly satisfactory with a total score of 99.17%.

(b) The Nomination and Remuneration Committee

- The results of the evaluation of the Audit Committee (as the whole) was highly satisfactory with a total score of 99.68%.
- The results of the evaluation of an individual Audit Committee (self-assessment) was highly satisfactory with a total score of 97.22%.

(c) The Risk Management Committee

- The results of the evaluation of the Audit Committee (as the whole) was highly satisfactory with a total score of 99.68%.
- The results of the evaluation of an individual Audit Committee (self-assessment) was highly satisfactory with a total score of 100%.

5.4 Performance Evaluation of the Managing Director

All non-executive directors are responsible for evaluating the performance of the Managing Director on an annual basis, whereof the outcome is used to determine the Managing Director's remuneration. The performance evaluation of the Managing Director is conducted based on tangible criteria concurred with by the Managing Director. The criteria cover a variety of topics comprising: 1) Progress of planning; 2) Performance measurement such as leadership, strategy formulation, financial performance, operational performance pertaining to strategic objectives, and management and relationship with employees; and 3) Management training. The performance evaluation outcome must be approved by the Board of Directors and thereafter notified to the Managing Director by the Chairman of the Board.

6. Consolidation or Separation of Position

The Board of Directors has required that the Chairman and Chairman of the Executive Committee must be two different persons in order to have a clear separation of roles and the balance of power in the administration.

7. Remuneration of Directors and Executives

7.1 The remuneration of directors is consistent with the scope of duties and responsibilities, experience, and benefits expected to be provided by each director. The Company has established a set of well-defined and transparent policies on the remuneration of directors, which are proposed to the shareholders' meeting for approval on a yearly basis. The Nomination and Remuneration Committee is responsible for determining the remuneration of directors on an annual basis by taking into consideration the transparency, appropriateness, practices of other companies of similar size in the same industry, and adequacy to motivate and retain highly qualified directors. Furthermore, directors who hold membership in a subcommittee shall be considered for additional remuneration in accordance with the increased responsibilities.

7.2 The remuneration of the Managing Director and senior executives shall be in accordance with the criteria and policies prescribed by the Board of Directors and/or the Executive Committee. For optimal benefits of the Company, the remuneration, whether in a form of salary, bonus, or incentive compensation, should be appropriate and consistent with the performance of each executive. Executives who have been assigned additional responsibilities shall be entitled to receive additional remuneration in accordance with the increased responsibilities. In addition, the remuneration should be competitive with those of other companies in the same industry so as to retain highly qualified executives. Notwithstanding the foregoing, the interests of the Company and shareholders should be taken into consideration.

Details of the remuneration of directors and executives for the year 2020 are disclosed in the “Organizational Structure” section.

8. Development of Directors and Executives

8.1 The Company encourages and promotes directors and executives to continually develop their knowledge by participating in seminars and training programs organized by related agencies, such as the Thai Institute of Directors, the Stock Exchange of Thailand, and the Office of the Securities and Exchange Commission; whereby the Company will deliver documents regarding seminars and training programs to the directors on an occasional basis, as well as any other relevant documents to provide directors with up-to-date information that are beneficial for their decision making.

8.2 In every appointment of a new director, the Management will provide relevant documents and information that are instrumental in the performance of duties of new directors, including information regarding the nature of business and business practices.

In 2020, the Company communicated and provided training to employees regarding its anticorruption policy and related policies i.e., corporate code of conducts, executives and employees can get access to the policies via internal communication channels of the Company.

9. Succession Plan

The Company determines a succession plan for essential executives as well as chief executive officer. It is clear for the business to be operated continuously with a policy of proper return payment as an incentive for the chief executive officers and essential executives of the organization to pay attention to work for the highest benefits of the Company and its shareholders. The performance will be assessed every year as criteria of return payment consideration and for the development of the capacity to enhance working efficiency. The Company has the policy to provide and enhance knowledge to important directors and executives by allocating each person to attend training arranged by sectors to increase awareness and new perspectives. It includes the provision of a program for executive development in favor of consideration for a succession plan.

10. Monitoring and Evaluation of the Implementation of Corporate Governance Policy

The Board of Directors will oversee directors, executives and employees to implement the corporate governance policy in order to enhance and continuously improve the quality of corporate governance and to build stability and sustainability for the organization, all shareholders and stakeholders and also regularly review the corporate governance policy. The company has review and considers regulating a strategic plan and budget every year to ensure that such a budget is consistent with the economic condition and potentials of the organization and to promote innovation construction and innovation and technology implementation in the enterprise.

11. Determining main objectives and goals of the enterprise with sustainability

The board of directors defines visions and missions of the organization clearly and suitably with the organization to communicate with stakeholders to understand the main objective and goals of the organization. That includes the personnel at every level to comply with duty performance to achieve such objectives and goals.

12. Self-development of directors and executives

In 2020, the Company's directors conducted various training programs are as below:

Director name	Year	Training course
Mr.Sopon Punyaratabandhu	2020	IT Governance and Cyber Resilience Program (ITG) 15/2020 (IOD)
Mr.Thanachart Numnonda	2020	Risk Management Program for Corporate Leader (RCL) 19/2020 (IOD)
Mr.Punn Kasemsup	2020	As a Speaker in the seminar "Business Consultation on the Guidelines for Entering into the International Trading Convention (CISG) organized by The Joint Standing Committee on Commerce, Industry and Banking (JSCCIB - Thailand)
Mr.Kriengkrai Boonlert-u-thai	2020	The Role of Financial Information in Decision Making Process

2. Nomination of Directors and Top Executives

Board of Directors

The Company appointed the Nomination and Remuneration Committee to nominate qualified candidates to assume the position of director or executive of the Company by taking into consideration the following qualifications:

- 1) A director shall possess knowledge, skills, and experience that are instrumental in the business operations, as well as adhering to the principles of honesty, integrity, and business ethics and having adequate time to fully devote knowledge, skills, and efforts to the Company.

- 2) A director shall be qualified and have no prohibited characteristics prescribed in the Public Limited Companies Act and the Securities and Exchange Act. Likewise, a director shall not possess characteristics that indicate a lack of appropriateness to be entrusted with the responsibilities of managing a public limited company as prescribed by the Securities and Exchange Commission. In addition, a director shall be a person whose name is listed in the database of directors and executives of a listed company pursuant to the Notification of the Capital Market Supervisory Board on the Procedures for Listing Names of Persons in the Database of Directors and Executives of a Listed Company.
- 3) A director shall not engage in any business which has the same nature as and is in competition with the business of the Company, or become a partner or a director in any other company operating business in the same nature as and in competition with the Company, whether for the benefits of oneself or others, unless advance notification is given to the shareholders' meeting prior to the resolution for appointment.
- 4) A director shall promptly notify the Company in the event that he/she has a vested interest, whether directly or indirectly, in the agreement executed by the Company, or in the event of any increase or decrease in the number of shares or debentures held in the Company or its subsidiaries.

The appointment of directors shall be in accordance with the procedures set forth in the Company's Articles of Association. The appointed directors shall be approved by the shareholders' meeting, whereby the meeting resolution shall be passed by the majority of votes of the shareholders present and entitled to vote.

1. The shareholders' meeting shall elect the Board of Directors, comprising at least five directors, to be responsible for managing all of the Company's affairs and have the authority to act within the scope of laws, objectives, Articles of Association, and resolutions of the annual general shareholders' meeting. In addition, the directors shall have the authority to engage in any act as specified in the Memorandum of Association or likewise. A director may or may not be a shareholder of the Company.
2. At least half of the total number of directors shall reside in the Kingdom of Thailand, and all directors of the Company shall have the qualifications and not have the prohibited characteristics as prescribed by the law.
3. The shareholders' meeting shall elect directors in accordance with the following criteria and procedures
 - (1) Each shareholder shall have one vote per share.
 - (2) Each shareholder shall be entitled to exercise the votes he/she has to elect one or several candidates to assume the direction person. If several candidates are elected as directors, the shareholder shall not be entitled to distribute his/her votes unequally across the selected candidates.

- (3) Candidates who receive the highest number of votes shall be elected in descending orders as directors according to the number of directors required at such meeting. In case where the number of candidates elected by equal number of votes exceeds the number of directors required at such meeting, the Chairman shall have a casting vote.
4. At every annual ordinary shareholders' meeting, at least one-third of the total number of directors shall vacate office. If the number of directors is not a multiple of three, the number of directors nearest to one-third shall retire from office.

The directors to retire from office in the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the directors who have remained in office for the longest time shall vacate office; whereby a vacating director may be eligible for re-election.

5. Any director who wishes to resign from office shall submit a resignation letter to the Company. The resignation shall be effective from the date on which the Company receives the resignation letter.

Directors who resigned under the preceding paragraph may additionally notify the Registrar of their resignation pursuant to the Public Limited Companies Act.

6. In case the director position is vacant due to reasons other than retirement by rotation, the Board of Directors may elect a person who has the qualifications and has no prohibited characteristics as prescribed by the Public Limited Companies Act and the Securities and Exchange Act to act as a substitute director at the subsequent Board of Directors' meeting, unless the remaining term of office of the former director is less than two months, in which case the substitute director shall hold office for the term equal to the remaining term of office of the former director.

The resolution of the Board of Directors under the preceding paragraph shall be passed by a vote of at least three-fourths of the number of remaining directors.

3. Independent Directors

The Company has determined the composition of the Board of Directors, comprising independent directors constituting at least one-third of the total number of directors.

Independent directors shall be appointed by the Board of Directors or the shareholders' meeting, as the case may be. The Company has also put in place a policy on the appointment of independent directors, which prescribes that the number of independent directors shall be no less than three and shall constitute at least one-third of the total number of directors.

The criteria for selection of independent directors shall be in accordance with the criteria for selection of members of the Board of Directors. The candidates for the position of independent director shall be considered based on the qualifications and prohibited characteristics prescribed in the Public Limited Companies Act and the Securities and Exchange Act, including any other applicable notifications, rules and/or regulations. An independent director shall have educational qualifications, expertise, work experience, and other appropriate qualities to be proposed to the shareholders' meeting for consideration. In the event that an independent director vacates office prior to the expiration of the term thereof, the Board of Directors may appoint a person who has satisfied the foregoing qualification requirements as a replacement. In such case, the replacing independent director shall hold office for the term equal to the remaining term of office of the former independent director.

The Board of Directors has defined the qualifications of independent directors, whereby each independent director shall:

1. Hold no more than one percent of the total number of voting shares of the Company, its parent company, subsidiaries, associate companies, major shareholders, or controlling persons of the Company, including those held by related parties;
2. Not be or have been a director in connection with management affairs, staff, employees, consultants who receive regular salary, or controlling persons of the Company, its subsidiaries, associate companies, sister companies or major shareholders, unless the foregoing relationship has ended at least two years prior to assuming the position of independent director;
3. Not be related by blood or legal registration as a father, mother, spouse, sibling, and child, including spouse of the child, of an executive, major shareholder, controlling person of the Company, or person to be nominated as the executive or controlling person of the Company or its subsidiary;
4. Not have or have had a business relationship with the Company, parent company, subsidiary, associate company, major shareholder, or controlling person of the Company in a manner that may interfere with their independent judgement, and shall not be or have been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person of the Company, unless the foregoing relationship has ended at least two years prior to assuming the position of independent director;
5. Not be or have been an auditor of the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person of the Company, and shall not be a significant shareholder, controlling person, or partner of an auditing firm that employs auditors of the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person of the Company, unless the foregoing relationship has ended at least two years prior to assuming the position of independent director;
6. Not be or have been a provider of any professional services, including legal and financial consultancy services, who receives service fees of more than two million Baht per year from the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person of the Company, and shall not be a significant shareholder, controlling person, or partner of the provider of such services, unless the foregoing relationship has ended at least two years prior to assuming the position of independent director;
7. Not be a director who has been appointed to act as a representative of the directors of the Company, major shareholders, or shareholders related to the major shareholders of the Company;
8. Not engage in any business in the same nature as and in competition with the business of the Company or its subsidiaries, or not be a significant partner in a partnership or an executive, staff, employee, or consultant who receives regular salary or holds more than one percent of the total number of voting shares of another company that conducts business in the same nature as and in competition with the business of the Company or its subsidiaries; and
9. Not possess any characteristics that impede the ability to express independent opinions on the Company's business operations.

Independent directors shall review and certify their qualifications with respect to independence at least once a year, as well as reporting the profiles of directors at the end of the year for preparation of the annual registration statement (Form 56-1) and annual report of the Company.

4. Audit Committee

The Board of Directors or the shareholders' meeting, as the case may be, shall appoint at least three independent directors as members of the Audit Committee. Each member shall not be a director who has been assigned by the Board of Directors to make decisions on the business operations of the Company, its parent company, subsidiaries, associate companies or sister companies, or being a major shareholder or controlling person of the Company. In addition, each member shall not hold directorship in the parent company, subsidiary, or sister company that is a limited company. The Audit Committee shall have the duties and responsibilities as prescribed in the Notification of the Stock Exchange of Thailand on the Qualifications and Scope of Duties of the Audit Committee.

At least one member of the Audit Committee shall have an adequate level of knowledge and experience for reviewing the credibility of the Company's financial statements.

5. Executives

The Company has established a policy to recruit executives by selecting persons whose knowledge, skills, and experience are pertinent to the Company's business; whereby the procedures for selection of executives shall be in accordance with the regulations on human resource management and shall be approved by the Board of Directors or the person assigned by the Board of Directors.

The Board of Directors shall consider and select candidates to assume the position of managing director, and the appointment thereof shall be approved by the Board of Directors. The Managing Director shall be responsible for employing and appointing persons who have knowledge, skills and experience in the Company's business to assume the staff position at various levels.

The appointment of supervisors or persons responsible for internal audit and control shall be subjected to prior approval of the Audit Committee.

6. Supervision of Subsidiaries and Associate Companies

The Company has stipulated a policy on the investment in other businesses that are relevant or conducive to the Company's core business, whereby such businesses shall have the potential and ability to generate profits for the Company in the long run. In addition, the Company stringently supervises and monitors the management practices of its subsidiaries and associate companies with the aim to protect its interests on a continual and sustainable basis, as well as creating added value for and enhancing confidence of all stakeholders. Accordingly, the Company has prescribed a policy on the supervision of subsidiaries and associate companies as follows:

1. The Company has determined the management structure of its subsidiaries and associate companies to allow for supervision of their management practices and operations, as follows:

Nomination of Directors and Executives of Subsidiaries and Associate Companies

1.1 The Company will assign a person who has been approved by the Board of Directors' meeting to act as a director and executive of a subsidiary and to be responsible for supervising and formulating management policies to the extent as if such subsidiary is part of the Company. The number of persons to hold directorship in a subsidiary shall be in accordance with the Company's percentage of ownership in the subsidiary or as mutually agreed upon by both companies. With respect to investment in associate companies, the Company has not established a policy to exercise full control over the associate companies. The assignment of a person to act as a director of an associate company shall be considered on the basis of appropriateness and mutual agreement between both companies, whereby such person shall have the qualifications and experience relevant to the management of the business of that subsidiary and associate company.

1.2 The scope of duties and responsibilities of directors and executives in the subsidiary and associate company is as follows:

- To closely monitor the operations of the subsidiary and associate company to be in line with the Company's objectives;
- To perform duties assigned by the Board of Directors of the subsidiary and associate company and/or by the shareholders' meeting of the subsidiary and associate company;
- To consider and cast votes at the Board of Directors' meeting of the subsidiary and associate company on matters pertaining to their ordinary business operations as deemed appropriate by the directors and executives thereof, for the optimal benefits of the subsidiary, associate company, and the Company. The consideration and voting on matters other than those specified hereinbelow shall be subjected to prior approval of the Board of Directors and/or shareholders' meeting of the Company;
 - (a) Transactions of a subsidiary pursuant to the Notification of Connected Transactions¹ and the Notification of Acquisition and Disposal of Assets²
 - (b) Transactions which may have a material adverse effect on the financial position and operating performance of a subsidiary, such as:
 - Sale or transfer of the entire or significant portion of the subsidiary's business to other parties;
 - Acquisition or acceptance of transfer of another company's business to be under the ownership of the subsidiary;
 - Dissolution of the subsidiary's business;
 - Transfer or waiver of rights or material claims against damages incurred by the subsidiary;

¹ Notification of Connected Transactions means the Notification of the Capital Market Supervisory Board No. TorJor. 21/2551 on the Rules for Connected Transactions and the Notification of the Board of Governors of the Stock Exchange of Thailand on the Disclosure of Information and Other Acts of Listed Companies Concerning Connected Transactions B.E. 2546 and any amendments thereto.

² Notification of the Acquisition and Disposal of Assets means the Notification of the Capital Market Supervisory Board No. TorJor. 20/2551 on the Rules for Significant Transactions Related to the Acquisition or Disposal of Assets and the Notification of the Board of Governors of the Stock Exchange of Thailand on the Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposal of Assets B.E. 2547 and any amendments thereto.

- Borrowing, lending, provision of guarantees, occurrence of contingent liabilities, or provision of financial assistance to other companies which significantly affect the financial position of the subsidiary;
 - Amendment to the Articles of Association of the subsidiary; and
 - Capital increase, allotment of shares, and capital decrease of the subsidiary, including any other acts which cause the Company's shareholding, both direct and indirect, in the subsidiary to be decreased by more than 10 percent of the subsidiary's paid-up capital or until the percentage of shareholding is less than 50 percent of the subsidiary's paid-up capital.
2. The directors and executives of the subsidiary, including persons relating thereto, shall be responsible for notifying the Company's Board of Directors of any relationships and transactions with the subsidiary that may result in a conflict of interest, and shall avoid any transactions that may result in a conflict of interest with the subsidiary; whereby the Board of Directors of the subsidiary shall be obligated to notify the Company of such matter.
- The directors and executives of the subsidiary shall not participate in the approval of matters in which they have vested interest or conflict of interest.
3. The subsidiary shall report to the Company its business plans, investment projects, and joint investment with other companies through its monthly operating performance report. In addition, the subsidiary shall submit information or documents relating to its operations upon request of the Company. In the event that the Company discovers any material issues, it will notify the subsidiary to provide clarifications and/or submit additional documents to support the Company's consideration.
4. The Company has established a policy on the financial control of its subsidiaries and associate companies, which prescribes that the subsidiaries and associate companies shall:
- Submit to the Company the monthly operating performance report and the quarterly financial statements that have been audited by the auditor, along with supplementary information in relation to the financial statements of the subsidiary and associate company, for preparation of the quarterly or annual consolidated financial statements or operating performance report of the Company, as the case may be;
 - Prepare a report on the operating performance forecast and compare the forecasted performance with the actual performance on a quarterly basis, as well as monitoring the operating performance to be aligned with the plan in order to be reported to the Company; and
 - Report any financial issues that materially affect the Company once they have been discovered or upon request of the Company.

7. Supervision of the Use of Inside Information

The Company attaches great importance to the supervision of the use of information to ensure compliance with the principles of good corporate governance. The Company has prescribed a policy to prevent the use of inside information, which has not been disclosed to the public, in a self-dealing manner and to ensure fairness for all stakeholders, as follows:

- The Company has established a set of written guidelines for keeping inside information and preventing the use of inside information for personal benefits, and have notified all members of the organization to abide by the said guidelines.
- The Company prohibits directors, executives, and employees from trading the Company's securities and/or engaging in any other legal acts by exploiting confidential and/or inside information to the extent that cause damage to the Company, whether directly or indirectly.
- Directors, executives, and employees who have access to the Company's inside information shall not use such information prior to the disclosure to the public. In addition, any persons in connection with inside information, including their spouses and minor children, are prohibited from trading the Company's securities, whether directly or indirectly (such as through a nominee or private fund), before one month of disclosure of the Company's quarterly and annual financial reports and at least three business days after the disclosure thereof.
- The Company has imposed disciplinary actions on those who exploited or disclosed the Company's inside information in such a way that may damage the Company; whereby such disciplinary actions will be considered on a case-by-case basis, which include verbal warning, written warning, probation, and termination of employment by means of discharge or dismissal, as the case may be.
- Directors and executives are obligated to report to the Office of the Securities and Exchange Commission their ownership of the Company's securities, including those of their spouses and minor children, within 30 days from the date of their appointment to the director or executive position. Any changes in their holding of the Company's securities must be informed at the Board of Directors' meeting and reported to the Office of the Securities and Exchange Commission within three business days from the date of trading or transfer so as to comply with Section 59 of the Securities and Exchange Act B.E. 2535 and to be thereafter disclosed to the public.

8. Auditor's Remuneration

In 2020, the remuneration of auditors is as detailed below.

	Unit: Baht				
	2016	2017	2018	2019	2020
Audit Fees	3,040,000	2,260,000	2,300,000	2,450,000	2,530,000
Other service fees (audit fees for special reports)	-	-	-	-	-
Total	3,040,000	2,260,000	2,300,000	2,450,000	2,530,000



Legal Disputes

The Company had legal disputes that have not yet become final. Such legal disputes resulted from its normal course of business operation and could have a negative impact on its assets in the amount higher than 5% of its shareholders' equity under the financial statements for the accounting period ended December 31, 2020. They include the legal disputes between the Company and Telematics Co., Ltd. ("Telematics") as follows:

1) Civil Case (Black Case No. 207/2554 and Red Case No. 1281/2555)

February 4, 2011:

Telematics, as the plaintiff, filed a lawsuit against the Company, as the defendant, with the Civil Court of Southern Bangkok for a violation charge with a damage claim of approximately Baht 120.12 million.

July 17, 2012:

The Civil Court temporarily struck such civil case out of the case-list because the case is the same cause of action as (1) Black Case No. 330/2554 filed by the plaintiff with the Central Administrative Court against TOT Plc. ("TOT") during 2010-2011 on a violation charge committed jointly with the Company; and (2) a criminal case filed by the plaintiff against the Company and others, altogether 10, for jointly committing an offence under the Act on Computer Crime B.E. 2550 at the Economic Crime Suppression Division as resulting from the same cause of action (details of the criminal case are given under the following Item). When the two cases could reach conclusion, Telematics and/or the Company shall put forward the cases for further consideration.

2) Criminal Case (Black Case No. Or.4184/2555 and Red Case No. Or.954/2559)

November 8, 2012:

Telematics, as the plaintiff, filed a lawsuit against the Company (Defendants No. 1 - 5) and TOT (Defendants No. 6 - 10) with the Criminal Court for committing an offence under the Act on Computer Crime B.E. 2550 and the Act on Offences Committed by Officials of State Organizations or Agencies B.E. 2502, without any damage claim.

March 30, 2016:

The court dismissed the case and all of the 10 defendants were adjudged not guilty under the Act on Computer Crime B.E. 2550 and the Act on Offences Committed by Officials of State Organizations or Agencies B.E. 2502.

November 15,2018:

the Court of Appeal dismissed the case and all of the 10 defendants were adjudged not guilty under the Act on Computer Crime B.E. 2550 and the Act on Offences Committed by Officials of State Organizations or Agencies B.E. 2502. The Plaintiff has filed the Appeal to the Supreme Court, but the Supreme Court did not accept the Appeal. Therefore, this case is now finalized.

3) Criminal Case (Black Case No. Or.2181/2556 and Red Case No. Or.3238/2556)

The Company, as the plaintiff, filed a counter-suit against Telematics, as the defendant, and others, altogether 3, with the Criminal Court in the Black Case No. Or.2181/2556 on charge of false filing, thereby demanding a damage claim of Baht 150 million. However, the court wait for the result of other cases with same cause of action from Central Administrative Court before the Civil Court of Southern Bangkok will make the further consideration.

The Company has not set aside a provision for such damage claim since its management believes that the Company did not commit the violation charged, as opined by the Company's lawyer.

To give confidence to investors and protect interest of minority shareholders of the Company with respect to the damage that may arise from the said legal disputes, VNET has signed with the Company the Memorandum of Agreement on Liability for Damages Incurred from Legal Disputes. VNET undertakes that, while the said cases have not yet become final, VNET agrees not to dispose of, assign, transfer or create any obligations on shares of the Company held by VNET in the amount calculated based on the IPO price of shares ("Securities") that is sufficient for the said damage claim. If the court passes the final judgment of such cases that the Company is guilty and must pay the damage claim to Telematics, VNET agrees to sell the aforementioned Securities and use the proceeds thereof for compensating for such damage claim to the Company and shall not exercise the right to make any claim from the Company for such compensation.





Amid the increasing challenges and competition in the current global business environment, Vintcom Technology Public Company recognizes the vital role of sustainability in driving the organization toward the defined vision and mission and ultimately achieving sustainable growth. In this regard, the Company strives to conduct its management practices under the concept of “**Driving Sustainability**”, which is centered on the following dimensions:

Dimension 1: Human Resources

Employees are deemed the most valuable asset of the Company and the key to business success and sustainable growth. The Company therefore places great value on all employees and has explicitly defined a set of management practices to express employee appreciation and respect for human rights in multiple aspects as follows:

Recruitment and Hiring

Our recruitment and hiring process is carried out in a fair and equitable manner through the provision of equal opportunities to all suitably qualified candidates. All job applications, whether submitted through the Company’s website or recruitment agencies, are treated equally and fairly, irrespective of gender, age, religion, nationality, or academic institution.

Compensation and Other Benefits

Our compensation structure has been standardized and established in accordance with legal provisions. We have designed our compensation packages and benefits to be appropriate to the level of responsibilities of each employee, while ensuring that they are competitive or comparable to other companies in the same industry.

Career Advancement

We have instituted a standard code of conduct as a foundation for non-discriminatory practices to afford equal opportunities for career advancement. As part of employee incentives, we provide compensation (professional fees) to engineers who have been certified in accordance with the Company’s regulations.

Employee Development

Having recognized that high-potential employees are the driving forces of business sustainability, we place a strong emphasis on employee development in respect of knowledge, competencies, and skills. In addition to training programs, seminars, and domestic and international business trips, we strive to continuously develop the competencies of employees at all levels to be in line with the manufacturers’ standards. Specifically, all engineers are required to undergo training and examination on a regular basis.



Occupational Safety and Health

We highly value the occupational safety and health of employees, as reflected in our health benefits package that includes annual health check-ups and reimbursement for any inpatient hospitalization expenses not covered by social security.

Since the coronavirus (COVID-19) outbreak in Thailand, the safety of employees and their family members has become our top priority. To minimize the risk of contracting COVID-19 on public transport and in crowded areas, we have implemented the work-from-home policy and compensated employees, particularly those in high-risk areas, for mandatory COVID-19 testing after returning from New Year's holidays.

Despite improvement in the COVID-19 situation, we have continued to apply stringent prevention measures by adjusting the working hours to avoid peak periods in transportation, specifically for employees commuting by public transport.

Work Environment

We acknowledge that a conducive work environment is instrumental in improving employee productivity. In this regard, we have provided all employees with high-quality equipment and facilities, as well as maintaining adequate lighting, appropriate indoor temperature, and cleanliness in the workplace. In addition, we are fully aware of the air pollution crisis that has begun to pose serious health risks following the increase in PM2.5 levels that have exceeded the safety standard. To reassure employees of their safety and health, we have installed air purifiers in multiple locations in the workplace.

Employee Participation

We focus our efforts on encouraging employee participation and treat employees like family. We share the Company's operating performance report with employees twice a year and encourage employees to voice their opinions and ideas for business growth. In addition, team building activities, outings, and events are organized annually to foster teamwork and collaboration between employees at all levels. We believe that these activities do not only ease workplace stress but also cultivate positive relationships and effective teamwork.

Dimension 2: Responsibility Towards Customers

With customer service being our utmost priority, we strive to offer products and services that correspond to customer needs, at a suitable and fair price. We provide professional advices to ensure that every customer receives the best experience and optimal benefits from our products and services. To achieve service excellence and enhance efficiency, we welcome customer feedback and provide external channels for customers to contact the executives directly through the Company's website.

In response to the coronavirus (COVID-19) pandemic in 2020, the Company has prioritized the safety of all related parties by changing the way in which training seminars and workshops are organized. Specifically, we have shifted from face-to-face seminars to virtual workshops and webinars, which have been organized in both Thailand and CLM countries, as follows:

Thailand	CLM Countries
<p>Tech Refresh : Knowledge Transfer</p> <p>This workshop was organized to equip customers with knowledge and techniques for accessing and managing the products of Oracle Exadata, PCA, and Storage ZS5. Simulations of these products were also provided to illustrate their applications in a real-world setting.</p> <p>Hyatt Regency Sukhumvit Bangkok Hotel - September 2020</p>	<p>Data Driven Digital Transformation in Vientiane</p> <p>This training seminar was held to provide knowledge and update information about Oracle Engineered Systems to customers in Laos.</p> <p>Crowne Plaza Hotel, Vientiane, Laos – February 2020</p>
<p>The Cybersecurity Thriving in 20s Shortages</p> <p>This training seminar was held to provide knowledge regarding the importance and role of artificial intelligence in cyber security, as well as an in-depth overview of cyber threats and strategies to protect against fileless and ransomware attacks.</p> <p>Skyview Hotel Bangkok Sukhumvit 24 - September 2020</p>	<p>4th e-Government Conference and ICT Exhibition</p> <p>The Company participated in the ICT exhibition, which was organized with the support of the Ministry of Transport and Communications and MCF-an umbrella organization of ICT-related associations in Myanmar. The exhibition also includes presentations by e-Government experts on their perspectives of the development of e-Government in Myanmar.</p> <p>MICC-II, Nay Pyi Taw - February 2020</p>
<p>Oracle Technology Transfer</p> <p>This workshop was organized to convey knowledge about the new technologies of Oracle Site Guard. A demo of Oracle Site Guard was also conducted to help customers gain a better understanding of the product.</p> <p>Crowne Plaza Bangkok Lumpini Park Hotel – November 2020</p>	

Digital Transformation with Oracle Infrastructure



This webinar was organized to equip customers with a better understanding of Oracle cloud products and their applications in banking and finance. Phnom Penh, Cambodia – December 2020

Dimension 3: Anti-Corruption

The Company has instituted a policy to conduct businesses in compliance with laws and in the best interests of society. We direct our efforts towards promoting employee commitment to integrity, ethics, and good citizenship, while advocating transparency among business partners to cultivate a harmonious and inclusive society. We endeavor to ensure adequate implementation of the anti-corruption policy and create a corporate culture with anti-corruption consciousness, values, and attitudes. These are achieved through the system of checks and balances and effective internal control system, which have been established with strong emphases on prevention of conflicts of interest, abstention from acceptance of gifts, and zero tolerance towards all forms of bribery. Moreover, all business partners are required to undergo anti-corruption training on an annual basis.

Dimension 4: Social Engagement

While profit maximization is the primary goal of the Company, we attach equal importance to social responsibility by taking into consideration the welfare of society and refraining from actions that could potentially harm the society as a whole. We have instituted a policy as a framework for social engagement, which includes:

1. To promote, foster, and cultivate a culture of social responsibility by ensuring that all executives and employees strictly adhere to the policies, regulations, and laws concerning society and environment, such as campaigning against the use of foam containers.
2. To promote philanthropic activities as a means of giving back to the society by regularly organizing activities that deliver societal benefits, such as providing internship opportunities to IT graduates and offering reasonable compensation to attract young talents and thereupon build a team of high-quality IT personnel.
3. To provide channels of communication for stakeholders and related parties to express their opinions on the Company's operations or lodge complaints for unfair treatment through the Company's website.

Dimension 5: Respect for Human Rights

1. With IT being the core business of the Company, we have placed a strong emphasis on legitimate acquisition and use of software copyrights, which have been explicitly defined in our IT policy and the latest version of Employee Handbook.
2. Following the Company's expansion to foreign countries such as Myanmar and Cambodia, we have implemented a policy to provide equal employment opportunities to all candidates, regardless of their race, nationality, or religion, by establishing the selection criteria based on knowledge and competence.

Dimension 6: Environmental Stewardship

The Company recognizes that its business activities, which are related to technology and information system, may adversely affect the environment to some extent. In this respect, we advocate the use of technology and have implemented various practices to minimize environmental impact. These practices include promoting communication through email or website to reduce paper usage, encouraging employees to turn off non-essential lights and other unused electrical appliances to conserve energy, and fostering environmental awareness among employees by organizing an annual seminar to provide knowledge and review the environmental mitigation procedures.

Dimension 7: Development and Dissemination of Innovations Through Activities Oriented Towards Society, Environment, and Stakeholders

As a professional provider of all-inclusive IT services, including network and data security solutions, the Company realizes the importance of technology in driving business innovation and growth. Our extensive range of solutions will not only promote businesses but also contribute to the development of society and benefit all stakeholders.





Report of the Risk Management Committee

The Risk Management Committee was appointed by the Board of Directors to manage the Company's risks in accordance with the scope of duties outlined in the Risk Management Committee Charter. Such duties include identifying, analyzing, and assessing all potential risks, as well as establishing appropriate measures for managing and monitoring significant risks. The Risk Management Committee consists of two independent directors, one managing director, and one department director, with the independent director acting as the Chairman.

In 2020, the Risk Management Committee held a total of two meetings and has continuously monitored and reviewed performance in observance of the risk management plan. The Committee has analyzed the risk factors and their potential impacts to the Company, which encompass financial risks, operational risks, and external risks, so as to ensure that the risk management plan is up-to-date and consistent with the current condition.

The Risk Management Committee has duly performed its duties as assigned by the Board of Directors and is of the opinion that the Company has sufficient risk management policy and framework.

(Mr. Thanachart Numnonda)

Chairman of the Risk Management Committee



Internal Control and Risk Management

The Audit Committee is composed of independent directors who are responsible for overseeing the adequacy of the Company's internal control system and compliance with legal and regulatory requirements. The Audit Committee regularly undertakes a thorough review of the performance of internal and external auditors and proposes an audit report on internal control to the Board of Directors for consideration. The Audit Committee has been appointed in conformity with the requirements of the Securities and Exchange Commission, with the primary objectives to ensure good corporate governance and evaluate the adequacy of internal control system pursuant to the guidelines of the Stock Exchange of Thailand.

The Company appointed Audit House Company Limited as its internal auditor to be responsible for providing advice and reviewing and monitoring the Company's internal control system, risk management system, and corporate governance. The Company's corporate governance procedures are adequate, efficient, and in line with the predetermined objectives. The internal auditor is independent of the Company and has sufficient and appropriate resources to perform its internal audit functions in accordance with applicable laws and regulations; whereby all audit findings are reported to the Audit Committee on a regular basis.

At the Board of Directors' Meeting No. 1/2564 on February 21, 2021, the Board of Directors reviewed the adequacy of the Company's internal control system in five aspects, pursuant to the guidelines prescribed by the Securities and Exchange Commission. The Board of Directors concluded that the Company's internal control system was adequate and appropriate to the current operating conditions, as detailed below.

- 1. Internal Control** – The Company has established an appropriate organizational structure and constantly promotes the Management to perform its duties with efficiency. The Company has formulated a clear set of policies, operating procedures, and a written code of ethics.
- 2. Risk Management** – The Company places emphasis on risk management and conducts a regular assessment of internal and external risk factors that may significantly impact the Company's operation. The Company analyzes both controllable and uncontrollable risk factors to identify appropriate preventive or mitigation measures, and all risk factors are regularly monitored to assess potential impact on the Company.
- 3. Control Activities** – The Company has clearly defined the scope of authorities of each level of management and places importance on the segregation of duties to prevent fraud and corruption. Monitoring measures have been implemented to ensure that the approval of connected transactions conforms to the regulations of the Securities and Exchange Commission and that such transactions are carried out in the best interest of the Company. In addition to reviewing the performance of subsidiaries on a regular basis, the Company has set a clear direction for directors or executives of the subsidiaries to adhere to. Furthermore, the Audit Committee attaches great importance to the oversight of legal and regulatory compliance in order to reduce business risks and maintain the Company's reputation.

4. **Information and Communication** – The Company has established an efficient system for internal and external communications, including accurate and comprehensive information systems with respect to accounting and finance. Moreover, the Company’s accounting policies are appropriate to its business nature.
5. **Monitoring** – The Company promotes a regular review of compliance with the internal control system by hiring an external auditor to perform the internal audit function. The internal audit report is directly submitted to the Audit Committee, and the copy is presented to the executives and relevant personnel to implement corrective actions recommended by the internal auditor. The effectiveness of such corrective actions is also monitored and reported to the Audit Committee for acknowledgement.

The Board of Directors reviewed the internal control system of the Company by taking into account the information presented by the Management regarding compliance matters and recommendations on the improvement of internal controls. The internal control system was reviewed based on five aspects, specifically internal control, risk management, control activities, information and communication, and monitoring. The Board of Directors was of the opinion that the Company’s internal control system was adequate and appropriate for business operation; the risk management system was at a satisfactory level; the accounting and financial reporting systems were accurate and reliable; and the Company commanded compliance with applicable laws and regulations.

Risk Management

The Company places great value on risk management and thereby instituted the risk management policy with emphasis on developing a comprehensive risk management system that conforms to the principles of good corporate governance. The Company has also established the Risk Management Committee to be responsible for assessing and determining the significance of risks, as well as formulating appropriate risk management plans; however, in the past risk management was conducted by the Risk Management Working Group. Which has classified the types of risk as follows:

- 1) Vendor risk
- 2) Sales and customer risk
- 3) Installation and service contract renewal risk
- 4) Credit risk
- 5) Human resources risk
- 6) IT system risk
- 7) Compliance risk

The Risk Management Working Group has performed its duties in a systematic and continuous manner; it consists of executives from each department who are responsible for overseeing and ensuring that risk management practices are in line with the objectives and conform to the acceptable level of risk.



Related Transaction

1. Normal business transaction

The Company has a business transaction which is purchase and sale of goods and services between the Company and its subsidiaries and the parties with a possible conflict of interest in the future and related persons. This is in accordance with the commercial terms and conditions agreed upon in the normal course of business.

Companies / individuals involved	Types of transactions	Value (Thousand Baht)					Necessity and reasonableness
		2020	Q4 2020	2019	2018	2017	
Vnet Capital Co., Ltd. ("VNET") Relationship: 73% shareholding in the Company and common directors	<ul style="list-style-type: none"> Revenue from sales and services Provide maintenance services to VNET for a period of time. 	24	-	24	24	30	It is reasonable because the service fee and gross profit margin are close to those of the general customers.
	<ul style="list-style-type: none"> Office service fee Pay service to VNET for office services. 	361	95	367	376	402	It is reasonable because it can save a lot of money from sharing resources when compared to the price that the Company has to process itself and employing staff directly.
	<ul style="list-style-type: none"> Other revenues Office space fee charged to VNET. 	19	19	-	-	-	It is reasonable because the price is agreed based on actual cost and general commercial terms.
	<ul style="list-style-type: none"> Other expenses Management of support services such as human resource services, recruiting services, copying costs, etc. 	240	60	311	282	343	It is reasonable because it can save a lot of money from sharing resources when compared to the price that the Company has to process itself and employing staff directly.

Companies / individuals involved	Types of transactions	Value (Thousand Baht)					Necessity and reasonableness
		2020	Q4 2020	2019	2018	2017	
VST ECS (Thailand) Co., Ltd. (“VST ECS”) Relationship: Common directors (To February, 2017)	<ul style="list-style-type: none"> Revenue from sales and services To Vintcom, sells goods and services to VST ECS at normal rates, and vServePlus receives the service fees in accordance with the terms of the business transfer agreement. 	-	-	-	-	14,185	It is reasonable that the sale of goods and services is a normal business transaction, as well as the sale of goods and services to other customers, and is in accordance with the agreement of business transfer.
	<ul style="list-style-type: none"> Other revenues Vintcom receives promotional fees at the same rate as other VST ECS customers receives and vServePlus earns revenue from rental and related services. 	-	-	-	-	217	It is reasonable that the promotional fee to be paid in due time as a normal business transaction, as is the case with other VST ECS customers, and the rental of the space will allow vServePlus to benefit from the use of the space. This is because the rental and service fees are higher than the rental cost.
	<ul style="list-style-type: none"> Purchase goods or services. Vintcom purchases products and services from VST ECS for resale to customers and vServePlus buys parts used to repair products from VST ECS. 	-	-	-	-	1,617	It is reasonable that such purchases and services are a normal business transaction as VST ECS is a legitimate representative in Thailand and purchased at a price close to the market price.
	<ul style="list-style-type: none"> Purchase of Assets Purchase of assets used in the business of VST ECS sold at a cheaper price compared to purchase from other people at general retail prices. 	-	-	-	-	895	It is reasonable that the Company benefits from the purchase of assets for business purposes, which is cheaper than the retail price, if purchased from other parties.

Companies / individuals involved	Types of transactions	Value (Thousand Baht)					Necessity and reasonableness
		2020	Q4 2020	2019	2018	2017	
	<ul style="list-style-type: none"> Other expenses vServePlus paid for accounting services to VST ECS at the initial stage of its establishment and transferred its business from VST ECS and vServePlus was still recruiting accounting personnel. In 2016, most of the other costs were advance paid by VST ECS and vServePlus was charged at actual rates. 	-	-	-	-	497	It is necessary and reasonable to allow vServePlus to close its financial statements on time from the beginning of business transfer. This item will be temporary until vServePlus can recruit an accountant. The fees charged are based on the actual costs incurred by VST ECS. Other expenses that VST ECS has advance paid were charged to vServePlus at the actual rate.
CTC Global (Thailand) Co., Ltd. ("CTC")	<ul style="list-style-type: none"> Revenue from sales and services Provided services to CTC Global (Thailand) by receiving service fees at the service margin received in the same manner as services provided to other customers. 	-	-	-	-	1,921	It is reasonable as it is a normal business transaction as well as providing services to other customers. The Company charges a price based on the general commercial terms.
(To November, 2017)							
BCBG Co., Ltd. ("BCBG")	<ul style="list-style-type: none"> Purchase of Assets vServePlus purchased used assets for use. 	-	-	50	-	-	It is reasonable because the purchase price is based on the condition of assets.
Relationship: Common shareholders and directors							
	<ul style="list-style-type: none"> Other expenses Purchased products of BCBG to give to customers during the New Year. The price is the same price that BCBG sells to general customers. 	4	4	67	15	104	It is reasonable as the normal business transaction and the price is the same price that BCBG sells to other customers.
(Common directors to December, 2019)							

Companies / individuals involved	Types of transactions	Value (Thousand Baht)					Necessity and reasonableness
		2020	Q4 2020	2019	2018	2017	
NTN Solution Limited ("NTN") Relationship: Common shareholders and directors (Common directors to June, 2018)	<ul style="list-style-type: none"> Revenue from sales and services Sales and maintenance services for NTN by receiving revenue at the same rate as the general customer. 	36	4	93	218	194	It is reasonable as it is a normal business transaction as well as providing services to other customers The Company charges a price based on the general commercial terms.
	<ul style="list-style-type: none"> Other revenues Office space fee charged to VNET. 	60	41	-	-	-	It is reasonable because the price is agreed based on actual cost and general commercial terms.
	<ul style="list-style-type: none"> Purchase of Assets Pay for programming and royalties to use the program. 	336	61	246	678	597	It is reasonable because it is the same program that vServePlus used to run continuously, have a fully functional and inexpensive system compared to buying other programs. Programming fees and installation and implementing fees are charged at the same rate as for general customers.
	<ul style="list-style-type: none"> Other expenses Paid NTN to maintain the program purchased from NTN to use. 	1,032	258	982	432	447	It is necessary and reasonable because NTN is the developer of the program. When the problem occurs, NTN can maintain the program conveniently, quickly, in a timely manner and not cause business interruption.

Companies / individuals involved	Types of transactions	Value (Thousand Baht)					Necessity and reasonableness
		2020	Q4 2020	2019	2018	2017	
Blue Fish Solution Co., Ltd. ("Blue Fish") Relationship: Common shareholders and directors	<ul style="list-style-type: none"> Revenue from sales and services vServePlus has service income from Blue Fish. 	143	-	-	3	-	It is reasonable as it is a normal business transaction as well as providing services to other customers.
	<ul style="list-style-type: none"> Other revenues vServePlus has revenue from space rental and office space management services, floor 1 - 2, and cargo space for Blue Fish. 	1,330	363	1,427	1,427	1,330	It is reasonable because the Company benefits from the use of space to generate revenue and the Company charges a price based on the general commercial terms.
	<ul style="list-style-type: none"> Cost of Sales and Services Payment for document management services. 	-	-	10	-	-	It is reasonable that the fee charged is based on the general commercial terms.
	<ul style="list-style-type: none"> Other expenses Payment for document storage services to Blue Fish. Due to its limited storage space so external document storage services are required. 	25	7	15	16	9	It is reasonable that the fee charged is lower than the fee charged by the third party.

Companies / individuals involved	Types of transactions	Value (Thousand Baht)					Necessity and reasonableness
		2020	Q4 2020	2019	2018	2017	
Copperwired Public Company Limited ("CPW") Relationship: Common shareholders and directors	• Revenue from sales and services	50	50	-	-	-	
	• Purchase of Assets Purchased assets for use in normal price.	20	-	38	-	25	It is reasonable because the purchase price is the same price as sold to the general public.
	• Other expenses Vintcom paid for Copperwired conference room services, which was lower than if the Company needed to have its own conference room and purchased Copperwired products for use in promotional campaigns.	47	41	102	13	2	It is reasonable that the rent of the meeting room allows the Company to save on the use of shared resources when compared to the price that the Company has to process itself and employ staff directly. The purchase price is the same as that sold to the general public
vHealth Threesixty Co., Ltd. ("VH") Relationship: Common shareholders and directors	• Other expenses Vintcom purchased VH products to give to customers during the New Year. The price is the same price that VH sells to general customers.	-	-	6	6	-	It is reasonable as the normal business transaction and the price is the same price that VH sells to other customers.

Companies/ individuals involved	Types of transactions	Value (Thousand Baht)					Necessity and reasonableness
		2020	Q4 2020	2019	2018	2017	
LogistPlus Co., Ltd. ("LP") Relationship: Common shareholders	<ul style="list-style-type: none"> Revenue from sales and services vServePlus sold maintenance services at the same rate as the general customer. 	24	24	130	-	-	It is reasonable as the normal business transaction and the price is based on the general commercial terms.
	<ul style="list-style-type: none"> Cost of Sales and Services Payment for warehouse and inventory management services. 	2,142	464	1,167	-	-	It is reasonable as the normal business transaction and the price is based on the market price.
	<ul style="list-style-type: none"> Other expenses Payment for inventory management and logistic services. 	40	14	491	-	-	It is reasonable as the normal business transaction and the price is based on the market price.
	<ul style="list-style-type: none"> Other expenses Service fee to determine the company valuation and provide valuation report of the target company. 	400	-	-	-	-	It is reasonable as the normal business transaction and the price is based on the general commercial terms.
VNET Venture Capital Management Securities Co., Ltd. Relationship: Common shareholders							

2. Measures or Procedures of Approval for Connected Transactions

The Company has set policy and procedure for approval of connected transactions between the Company and its subsidiaries with related parties. This is a person who may have conflicts of interest, any interest or potential conflict of interest in the future through considering the reasonableness, appropriateness of the price, and the terms and conditions of the transaction, in order to be transparent and beneficial to the Company. The Company has also paid attention to the prevention of conflict of interest.

Upon entering into any connected transaction, the Company shall comply with the law governing securities and exchange, regulations, announcements, orders or requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand related in such matters, including compliance with the disclosure requirements of the connected transactions of the Company or its subsidiaries in accordance with the accounting standards prescribed by the Federation of Accounting Professions. Those who may have a conflict of interest or have a stake in the transaction cannot participate or have no right to vote in the approval of the transaction.

In the case where the law requires the approval of entering into connected transactions from the Board of Directors or shareholders' meeting, the Company will arrange for the Audit Committee to attend the meeting to consider and give opinion on the matter required for transaction and reasonableness of the transaction.

3. Policy and trend of connected transactions in the future.

3.1. Policy of connected transactions

The connected transactions that are commercial transactions subject to general trading conditions, and transactions that do not comply with general trading conditions, or other transactions, shall have the following principles:

1) Trade transactions with general trading conditions.

The Company has set the framework for trade transactions that are subject to normal trading conditions that are normally performed by the Company for business purposes or as trade transactions, in which such company is in the same business as the Company, is usually done to support its normal business which the price and conditions are fair and do not cause the transfer of benefits. This is considered and approved by the Audit Committee and has been approved by the Board of Directors. Upon such transaction, the Managing Director or the Executive Committee. ("Management") of the Company can approve the transaction.

2) Trade transactions that are not general trade conditions. or other transactions.

Trade transactions that are not general trade condition. or other transactions that the Company will have to propose to the Audit Committee to consider and give opinions on the necessity and appropriateness of entering into the transaction as well as the price and conditions of the transaction prior presented to the Board of Directors and/or shareholders, as the case may be for consideration and approval. It shall comply with the law governing securities and exchange, regulations, announcements, orders or requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand related in such matters.

In the event that the Audit Committee is unqualified in considering potential connected transactions, the Company will provide the independent expert or the auditor of the Company to comment on such connected transactions to be used for the decision of the Audit Committee, Board of Directors, and/or the shareholders' meeting as the case may be. Those who may have a conflict of interest or any interest in the transaction will not be able to participate or have no right to vote in approving the connected transaction.

3.2. Trend of connected transactions in the future.

The Company expects the connected transactions resulting from the normal business operations and support the normal business of the Company, including sales of goods and services, purchase of goods and services, rental of space, etc. It is either an on-going existing connected transactions or an occurring of the new connected transactions in the future. The pricing policy will be clearly defined at fair and reasonable prices and market conditions and will not result in any transfer of benefits, as well as taking into account the interests of the Company and its subsidiaries. The Audit Committee of the Company will review and comment on connected transactions which are normal business transactions or normal business support on a quarterly basis.

The connected transactions that may occur in the future, the Board of Directors shall act in accordance with the law governing securities and exchange, regulations, announcements, orders or requirements of the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand related in such matters, including compliance with the disclosure requirements of the connected transactions of the Company or its subsidiaries in accordance with the accounting standards prescribed by the Federation of Accounting Professions.





Report of the Audit Committee

The Audit Committee was established with the primary objective to assist the Board of Directors in its oversight of the Company's financial reporting, internal control system, internal audit functions, and compliance with applicable laws, regulations, and code of ethics so as to promote good corporate governance in the Company and its subsidiaries. In addition, the Audit Committee is responsible for reviewing the adequacy and effectiveness of risk management of the Company and its subsidiaries. To ensure efficient performance, the Audit Committee conducts performance evaluation and self-assessment at the end of each fiscal year, which encompass various matters such as its performance of duties in accordance with the scope of responsibilities. This year's result indicates that the performance of the Audit Committee was satisfactory and is relatively similar to the last year's performance. The composition of the Audit Committee is in line with the requirements of the Stock Exchange of Thailand, which stipulate that the Audit Committee shall consist of qualified independent directors with expertise in business administration and at least one member who is sufficiently knowledgeable and experienced to review the reliability of financial statements. More specifically, the Company's Audit Committee comprises three independent directors, namely Mr. Sanpat Sapon (Meeting attendance 4/4) who serves as the Chairman and Mr. Thanachart Numnonda (Meeting attendance 4/4) and Mr. Kriengkrai Boonlert U-Thai (Meeting attendance 4/4) who serve as members. In 2020, the Audit Committee held a total of four meetings, of which significant matters are summarized below.

1. The Audit Committee reviewed the Company's quarterly and annual financial statements and held the same opinion as the external auditor that these financial statements were accurate and reliable in all material respects and provided adequate disclosure of information in accordance with the financial reporting standards.
2. The Audit Committee reviewed all connected transactions undertaken by the Company and its subsidiaries in accordance with the guidelines of the Stock Exchange of Thailand. The Audit Committee was of the opinion that these transactions were undertaken in the normal course of business and had been completely disclosed in the financial statements.
3. The Audit Committee considered and approved the internal audit plan submitted by the internal auditor, and acknowledged the results of assessment of internal control system. The Audit Committee reviewed corrective actions towards significant issues encountered in the course of internal audits and provided recommendations to the Management regarding the plan for improvement and development of internal control system so as to ensure the Company's compliance with applicable laws and regulations. The assessment results confirmed that the Company's internal control system and risk management were adequate and effective.

4. The Audit Committee had examined the performance, knowledge, expertise and independence of the external auditor, as well as the appropriateness of the audit fee, and thus appointed KPMG Phoomchai Audit Limited as the Company's external auditor for the year 2021.

In summary, the Audit Committee performed its duties with due care and independence in the interest of shareholders. The Audit Committee was of the opinion that the Company's internal control system was adequate and effective; the financial statements accurately represent the Company's financial position, performance and cash flows in all material respects in accordance with the financial reporting standards; and the Company commanded compliance with applicable laws and regulatory requirements and provided adequate disclosure of connected transactions.



(Mr. Sanpat Sopon)

Chairman of the Audit Committee



Report of the Board of Directors' Responsibilities for Financial Reporting

The Board of Directors is responsible for financial reporting, including financial information contained in the annual report and financial statements of Vintcom Technology Public Company Limited. The consolidated and separate financial statements for the year ended December 31, 2020 have been audited by KPMG Phoomchai Audit Company Limited. The Board of Directors has provided all necessary information and documents to the external auditor to review and express opinions in accordance with the auditing standards. The foregoing audited financial statements accurately represent the Company's financial position and performance in all material respects in accordance with the financial reporting standards. The Board of Directors considers the accounting policies pursued to be appropriate and that they have been applied consistently with adequate disclosure of significant information in the notes to the financial statements for the benefits of shareholders and investors.

The Board of Directors has appointed the Audit Committee, consisting of independent directors who are responsible for overseeing and evaluating the internal control system, as well as reviewing financial reports and connected transactions. The Audit Committee has expressed its opinion on such matter in the Report of the Audit Committee as presented in this Annual Report.

The Board of Directors is of the opinion that the Company's internal control system is satisfactory and sufficient to assure that the consolidated and separate financial statements of Vintcom Technology Public Company Limited for the year ended December 31, 2020 are reliable and have been prepared in accordance with the financial reporting standards, as well as applicable laws and regulations.

(Mr. Narong Intanate)

Chairman of the Board of Directors



Management discussion and analysis for the year ended December 31, 2020

Vintcom Technology Public Company Limited (the “Company”) would like to submit the management discussion and analysis of the Company’s and its subsidiaries’ results of operations for the year ended December 31, 2020. In addition, the Company would also like to provide clarification regarding changes of the Company and its subsidiaries’ operating results more than 20% compared to the same period of last year.

Operating results

Operating results of the Company and its subsidiaries (Unit : Million Baht)	Q4/2020	Q4/2019	Changes +/(–)	YE 2020	YE 2019	Changes +/(–)
Revenue from sales and services	457	452	1.1%	2,283	1,774	28.7%
Gross profit	88	100	(11.7%)	415	383	8.3%
Other income	3	2	28.9%	10	8	28.5%
Distribution costs	(13)	(11)	20.1%	(57)	(56)	2.5%
Administrative expenses	(80)	(80)	0.7%	(238)	(236)	1.0%
Finance costs	(2)	(2)	(20.0%)	(5)	(4)	13.0%
Profit (loss) before tax	(4)	9	(148.9%)	125	95	31.2%
Net profit (loss) after tax	(1)	8	(109.6%)	106	82	30.1%
Non-controlling interests	(2)	(3)	(36.7%)	(16)	(15)	10.8%
Net profit (loss) of parent company	(3)	5	(163.1%)	90	67	34.4%
Gross profit margin	19.3%	22.1%		18.2%	21.6%	
Net profit margin	(0.7%)	1.1%		3.9%	3.7%	

Revenue from sales and services for Q4/2020 was not substantially different from Q4/2019 though gross profit margin for Q4/2020 was lower than that of Q4/2019 and the Company incurred a THB 3 million net loss in Q4/2020 (THB 5 million net profit in Q4/2019). The main reasons are as follows:

- The Company recognized loss from changes in fair value of the consideration paid for business acquisition amounting to THB 21 million (Q4/2019: THB 24 million). Under the acquisition agreement, the consideration to be paid is conditional on the amount of net profit after tax of I-Secure for the fiscal years 2020 and 2019. Following immense growth of Cyber security business, I-Secure's actual operating results and net profits were significantly better than previously anticipated at time of concluding the acquisition agreement. So the amount of consideration for business acquisition increased and the impact was recognized in the financial statements for the years 2020 and 2019 as a loss from changes in fair value of the consideration paid for business acquisition.
- The Company recognized THB 12 million loss relating to cancellation of purchase orders by a customer (Q4/2019: none), against which the Company had subsequently filed the lawsuit. This lowered Q4/2020 gross profit margin to 19.3% compared to 22.1% in Q4/2019.

However, the Company's overall operating results for the fiscal year 2020 tremendously increased from 2019. Revenue grew by 28.7%, and net profit increased by 34.4% from 2019. The Company achieved a net profit of THB 90 million in 2020 (2019: THB 67 million) even after deduction of THB 21 million loss from changes in fair value of the consideration paid for business acquisition (2019: THB 24 million), THB 16 million loss on customer's cancellation of orders, (2019: none), and the THB 11 million doubtful debts (2019: THB 0.03 million). More details analysis are discussed below.

1. Revenue from sales and services

For the year 2020 revenue was THB 2,283 million, an increase of THB 509 million, or 28.7% from 2019. Revenue increased in both domestic and overseas regions; in particular revenue from CLM countries in 2020 was about twice as much as last year.

2. Gross profit

For the year 2020, gross profit was THB 415 million (2019: 383 Million Baht). Gross profit margin was 18.2% (2019: 21.6%). The decline in gross profit margin resulted from the increase, in proportion to total revenue, of revenue from sales and major projects with low gross profit margin in 2020, and THB 16 million loss from customer's cancellation of orders of which THB 12 million recognized in Q4/2020 as mentioned above.

3. Distribution costs

In 2020, distribution costs was THB 57 million, 2.5% increase from last year. Distribution costs was 2.5% of revenue in 2020 (2019: 3.1%). Lower percentage of distribution cost to revenue was a result of cost reduction and control measures in respect of staff expense, commission and marketing expenses.

4. Administrative expenses

Administrative expenses of 2020 was THB 238 million, slightly increase from 2019 which was THB 236 million. In general, the administrative expenses consisted of staff expense, rental and office-facility service expenses, depreciation and amortization, and loss from changes in fair value of the consideration paid for business acquisition etc. The administrative expenses was 10.4% of total revenue, which was lower than last year (13.2% in 2019) due to expenses control.

Administrative expenses of 2020 and 2019 included losses from changes in fair value of the consideration paid for the business acquisition of THB 21 million and THB 24 million, and doubtful debts of THB 11 million and THB 0.03 million, respectively.

5. Net profit and Net profit margin

Net profit was THB 90 million, an increase of THB 23 million or 34.4% from 2019. The net profit margin for 2020 was 3.9% (2019: 3.7%).

Financial Position

Assets

A majority of assets were account receivables, other receivables, cash and cash equivalent, and goodwill. Total assets as at December 31, 2020 and 2019 were THB 1,461 million and THB 1,161 million, respectively. The increase in total assets by THB 300 million, or 25.8% from 2019 was mainly due to an increase in account receivables.

Cash and cash equivalent as at December 31, 2020 and 2019 was THB 285 million and THB 261 million, respectively. Account receivables and other current receivables as at December 31, 2020 and 2019 were THB 738 million and THB 540 million, respectively. The increase in these receivables by THB 198 million was resulted from revenue from major projects realized before the end of year.

Investment in associates as at December 31, 2020 was THB 17 million. This was the investment in 22% equity interest in M Intelligence.

Goodwill amounting to THB 210 million arose from purchase of 100% shares of I-Secure.

Liabilities

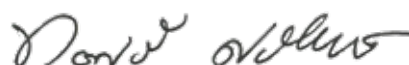
95% of total liabilities was current and consisted of trade, other current payables, and payable relating to business combination which were due within one year. A significant amount of non-current liabilities was the provisions for employee benefits. Total liabilities as at December 31, 2020 and 2019 were THB 956 million and THB 654 million, respectively. The THB 302 million increase in total liabilities, or 46.16% from 2019, was mainly due to increase in short-term loans from financial institutions and account payables.

Shareholders' Equity

Total shareholders' equities as at December 31, 2020 and 2019 were THB 451 million and THB 440 million, respectively. The increase was due to net profit for 2020 amounting to THB 90 million and dividend paid during the year amounting to THB 78 million.

Please be informed accordingly.

Yours Sincerely,



(Mrs. Songsri Srirungroungjit)

Managing Director

Vintcom Technology Public Company Limited



Vintcom Technology Public Company Limited and its Subsidiaries

Financial statement for the year ended
31 December 2020
and
Independent Auditor's Report





KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
โทร +66 2677 2000
แฟกซ์ +66 2677 2222
เว็บไซต์ home.kpmg/th



Independent Auditor's Report

To the Shareholder of Vintcom Technology Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Vintcom Technology Public Company Limited and its subsidiaries (the "Group") and of Vintcom Technology Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 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 Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

Maria

Revenue from contracts recognition	
Refer to Notes 2 (c), 4 (r) and 21	
The key audit matter	How the matter was addressed in the audit
<p>Recognition of the Group's revenue is complex due to a lot of customer contracts which several contracts involve multiple performance obligations that combines the sales of goods, rendering of services and subsequent services (maintenance services), allocation transaction price to the performance obligations in the contract and timing of revenue recognition.</p> <p>I focused on this area as recognition of revenue involves significant judgment made by Management including; determining performance obligations, determining the allocation on a relative stand-alone selling price basis, allocation calculation of multiple performance obligations and timing of revenue recognition.</p> <p>Therefore, this matter is key area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • understanding and assessing the design and implementation of relevant controls regarding revenue recognition of multiple performance obligations, consisted of management's review of multiple performance obligations, a relative stand-alone selling price determination, allocation calculation and timing of revenue recognition; • sampling testing the relevant controls regarding revenue recognition of multiple performance obligations; including sampling testing the appropriateness of a relative stand-alone selling price determination, allocation with relevant document and timing of revenue recognition; • reading the contracts for key terms, testing separation relevant performance obligations, testing allocation calculation and timing of revenue recognition by sampling basis; • considering the adequacy of the disclosures in accordance with the Thai Financial Reporting Standards

Impairment of goodwill and investment in subsidiary	
Refer to Notes 2 (c), 4 (m), 11 and 15	
The key audit matter	How the matter was addressed in the audit
<p>The declining in economic in the present, the increasing of competition and rapid change in IT business affect to the subsidiary's future operation which goodwill and investment in such associate and subsidiary will be impaired. The impairment assessment requires management to make judgements on estimating recoverable amount of those assets.</p> <p>Due to the recoverable amount estimation involved a significant level of judgment in determining the key assumptions of management. Therefore, this is an area of focus in my audit.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • inquiring management to understand recoverable amount estimation method for impairment assessment; • evaluating appropriateness of valuation technique used for recoverable amount of goodwill, and key assumptions such as forecast of revenue and expenses, profit rate, growth rate and discount rate by comparing to historical data, operation plan including information derived from external source, testing calculation and performing sensitivity analysis around the key assumptions; • considering the adequacy of the disclosures in accordance with the Thai Financial Reporting Standards <p style="text-align: right;">Mairisa</p>

Measurement of expected credit losses on trade receivables	
Refer to Notes 2 (c), 4 (l), 8 and 27	
The key audit matter	How the matter was addressed in the audit
<p>The Group's trade accounts receivable comprise of System Integrator and End User which are both government agencies and private companies. During 2020, certain of trade accounts receivable have significant outstanding balances and expose the Group to additional credit risk by given the age profile and high debt levels.</p> <p>The Group measured expected credit losses on trade receivables are based on management's estimate of the lifetime expected credit loss, which is estimated by taking into account the credit history of the Group's customers, the current and future market environment and customer-specific conditions.</p> <p>I identified the measurement of expected credit losses as a key audit matter because trade receivables are material to the Group and the recognition of expected credit loss requires the exercise of significant management judgement.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> • obtaining an understanding of and evaluating the design, implementation of key internal controls over the measurement of expected credit losses on trade receivables, including credit approval process, credit monitoring management, segmentation on trade receivables by risk characteristics, aging analysis review, forward-looking, management overlay and estimation of allowance for expected credit losses; • testing the historical default data by assessing the segmentation on trade receivables by risk characteristics with management analysis report, Group's historical experience; • assessing the categorization in the trade receivables aging report and testing the default data by comparing a sample with the relevant underlying documents such as invoice/tax invoice/delivery order and inspecting, on a sample basis, cash receipts from debtors subsequent from 31 December 2020; • assessing overall data and assumptions used in management estimation whether the assumptions used in making the accounting estimate are reasonable, including interdependent and internally consistent for that accounting estimate; • testing the calculation of expected credit losses on trade receivables, including testing the calculation of the adjustment on first time adoption of TFRS 9; • considering the adequacy of disclosures in accordance with Thai financial reporting standards

Other Information

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

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

Manna.



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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.

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

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

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

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but 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 considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Monsa.



- 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 and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with 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 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.



(Marisa Tharathornbunpakul)
Certified Public Accountant
Registration No. 5752

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2021



Vintcom Technology Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Current assets					
Cash and cash equivalents	6	284,986,335	260,736,928	32,579,026	124,706,418
Trade and other receivables	5, 8, 17	737,697,939	540,109,037	519,604,122	340,087,155
Short-term loans to related party	5	-	-	149,337,000	35,972,061
Inventories	9	7,230,252	23,127,723	252,158	17,329,163
Total current assets		1,029,914,526	823,973,688	701,772,306	518,094,797
Non-current assets					
Restricted deposits with					
financial institutions	7, 17	27,001,450	17,473,351	26,725,000	16,725,000
Trade accounts receivable	8	32,327,427	3,922,669	-	-
Investments in subsidiaries	11	-	-	398,251,493	362,078,952
Investment in associate	10	17,266,874	-	17,266,874	-
Equipment	13	27,059,510	36,065,564	6,666,058	11,238,770
Right-of-use assets	14	39,599,697	-	8,987,303	-
Goodwill	15	210,007,302	210,007,302	-	-
Intangible assets other than goodwill	16	7,245,333	4,666,029	117,122	194,359
Deferred tax assets	24	21,419,910	10,674,121	20,178,541	10,066,875
Corporate income tax and					
withholding tax refund		41,703,125	46,846,634	26,164,084	33,369,589
Other non-current assets		7,410,984	7,420,467	2,225,800	2,231,767
Total non-current assets		431,041,612	337,076,137	506,582,275	435,905,312
Total assets		1,460,956,138	1,161,049,825	1,208,354,581	954,000,109

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



Vintcom Technology Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Current liabilities					
Short-term borrowings					
from financial institutions	17	220,000,000	-	220,000,000	-
Trade and other payables	5, 18	560,133,348	461,052,524	409,921,515	333,460,422
Business acquisition payable	29	101,049,527	81,879,291	101,049,527	81,879,291
Current portion of long-term borrowings	17	620,000	3,141,204	-	-
Current portion of lease liabilities					
(2019: Current portion of					
finance lease liabilities)	17	13,775,341	439,117	2,652,910	439,117
Current income tax payable		8,499,355	4,941,599	3,128,033	3,128,033
Total current liabilities		904,077,571	551,453,735	736,751,985	418,906,863
Non-current liabilities					
Lease liabilities					
(2019: Finance lease liabilities)	17	27,219,376	2,630,981	6,446,517	2,630,981
Business acquisition payable	29	-	80,336,824	-	80,336,824
Non-current provisions					
for employee benefits	19	24,842,664	19,801,587	14,065,986	12,002,019
Other non-current provisions		100,000	-	-	-
Total non-current liabilities		52,162,040	102,769,392	20,512,503	94,969,824
Total liabilities		956,239,611	654,223,127	757,264,488	513,876,687

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



Vintcom Technology Public Company Limited and its Subsidiaries

Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
Equity					
Share capital:					
Authorised share capital					
(300 million ordinary shares,					
par value at Baht 0.5 per share)		150,000,000	150,000,000	150,000,000	150,000,000
Issued and paid-up share capital					
(300 million ordinary shares,					
par value at Baht 0.5 per share)		150,000,000	150,000,000	150,000,000	150,000,000
Share premium:					
Share premium on ordinary shares	20	182,453,164	182,453,164	182,453,164	182,453,164
Retained earnings					
Appropriated					
Legal reserve	20	15,000,000	15,000,000	15,000,000	15,000,000
Unappropriated		105,382,404	93,506,019	105,501,263	93,624,878
Other component of equity	20	(1,864,334)	(954,620)	(1,864,334)	(954,620)
Equity attributable to owners of the parent		450,971,234	440,004,563	451,090,093	440,123,422
Non-controlling interests	12	53,745,293	66,822,135	-	-
Total equity		504,716,527	506,826,698	451,090,093	440,123,422
Total liabilities and equity		1,460,956,138	1,161,049,825	1,208,354,581	954,000,109

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



Vintcom Technology Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Revenue from sale of goods and rendering of services	5, 21	2,283,380,043	1,773,790,577	1,278,611,518	951,120,952
Cost of sale of goods and rendering of services	5	(1,868,470,432)	(1,390,698,220)	(1,131,160,001)	(812,342,746)
Gross profit		414,909,611	383,092,357	147,451,517	138,778,206
Other income	5	10,325,413	8,035,990	7,409,399	5,012,291
Distribution costs	5	(56,965,831)	(55,594,847)	(28,947,183)	(28,863,777)
Administrative expenses	5	(237,996,819)	(235,912,865)	(93,652,964)	(87,290,037)
Profit from operating activities		130,272,374	99,620,635	32,260,769	27,636,683
Finance costs		(5,032,688)	(4,453,494)	(3,878,600)	(3,741,227)
Share of loss of associate	10	(333,126)	-	(333,126)	-
Share of profit of subsidiaries	11	-	-	67,529,256	47,757,231
Profit before tax expense		124,906,560	95,167,141	95,578,299	71,652,687
Tax expense	24	(18,861,158)	(13,657,277)	(5,856,205)	(4,874,483)
Profit for the year		106,045,402	81,509,864	89,722,094	66,778,204
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements	11	(909,714)	(633,568)	(909,714)	(633,568)
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Gain on remeasurements of defined benefit plans	19	152,849	-	-	-
Share of other comprehensive income of subsidiary		-	-	152,849	-
		152,849	-	152,849	-
Other comprehensive expense for the year, net of tax		(756,865)	(633,568)	(756,865)	(633,568)
Total comprehensive income for the year		105,288,537	80,876,296	88,965,229	66,144,636

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



Vintcom Technology Public Company Limited and its Subsidiaries

Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Profit attributable to:					
Owners of the parent		89,722,094	66,778,204	89,722,094	66,778,204
Non-controlling interests	12	16,323,308	14,731,660	-	-
		106,045,402	81,509,864	89,722,094	66,778,204
Total comprehensive income attributable to:					
Owners of parent		88,965,229	66,144,636	88,965,229	66,144,636
Non-controlling interests	12	16,323,308	14,731,660	-	-
		105,288,537	80,876,296	88,965,229	66,144,636
Basic earnings per share	25	0.30	0.22	0.30	0.22

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

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



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



Vintcom Technology Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements					
		Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings		Other component of equity
					Unappropriated	Translation reserve	
(in Baht)							
Year ended 31 December 2019							
Balance at 1 January 2019		150,000,000	182,453,164	15,000,000	62,846,674	(321,052)	409,978,786
Transactions with owners, recorded directly in equity							
Distribution to owners of the parent							
Dividends to owners of the Company	26	-	-	-	(36,000,000)	-	(36,000,000)
Total distribution to owners of the parent		-	-	-	(36,000,000)	-	(36,000,000)
Comprehensive income for the year							
Profit or loss		-	-	-	66,778,204	-	66,778,204
Other comprehensive income		-	-	-	-	(633,568)	(633,568)
Total comprehensive income (expense) for the year		-	-	-	66,778,204	(633,568)	66,144,636
Balance at 31 December 2019		150,000,000	182,453,164	15,000,000	93,624,878	(954,620)	440,123,422

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



Vintcom Technology Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements					
		Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity	
				Legal reserve	Unappropriated	Translation reserve	Total equity
(in Baht)							
Year ended 31 December 2020							
Balance at 1 January 2020		150,000,000	182,453,164	15,000,000	93,624,878	(954,620)	440,123,422
Transactions with owners, recorded directly in equity							
Distribution to owners of the parent							
Dividends to owners of the Company	26	-	-	-	(77,998,558)	-	(77,998,558)
Total distribution to owners of the parent		-	-	-	(77,998,558)	-	(77,998,558)
Comprehensive income for the year							
Profit or loss		-	-	-	89,722,094	-	89,722,094
Other comprehensive income		-	-	-	152,849	(909,714)	(756,865)
Total comprehensive income (expense) for the year		-	-	-	89,874,943	(909,714)	88,965,229
Balance at 31 December 2020		150,000,000	182,453,164	15,000,000	105,501,263	(1,864,334)	451,090,093

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



Vintcom Technology Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	106,045,402	81,509,864	89,722,094	66,778,204
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	18,861,158	13,657,277	5,856,205	4,874,483
Finance costs	5,032,688	4,453,494	3,878,600	3,741,227
Depreciation	20,607,479	12,803,783	4,430,996	4,798,503
Amortisation	1,354,167	3,091,860	77,237	131,129
Unrealised loss on foreign exchange	380,606	54,210	7,477,428	2,140,102
Share of (profit) loss of subsidiaries and associate accounted for using equity method	333,126	-	(67,196,130)	(47,757,231)
Impairment loss recognised in profit or loss	11,140,206	28,548	4,144,370	-
Losses on inventories devaluation	109,924	135,193	109,924	135,193
(Gain) loss on disposal of equipment	(422,107)	289,004	(447,863)	-
Written-off equipment	22,328	-	22,328	-
Difference from rental reduction	90,351	-	-	-
Interest income	(3,000,425)	(1,813,496)	(3,804,591)	(1,984,734)
Employee benefits expenses	5,193,926	6,782,922	2,063,967	4,181,339
Fair value adjustment of business acquisition payable	21,052,723	23,714,586	21,052,723	23,714,586
	186,801,552	144,707,245	67,387,288	60,752,801
<i>Changes in operating assets and liabilities</i>				
Trade and other receivables	(238,335,852)	202,987,492	(182,422,446)	203,311,215
Inventories	15,787,547	12,951,520	16,967,081	(2,134,370)
Other non-current assets	9,483	(71,007)	5,967	(75,356)
Trade and other payables	98,724,314	(10,882,412)	75,974,457	25,563,030
Net cash generated from (used in) operating	62,987,044	349,692,838	(22,087,653)	287,417,320
Taxes received	9,304,177	8,722,335	9,304,177	8,722,335
Taxes paid	(30,209,860)	(37,292,324)	(18,066,543)	(23,310,931)
Net cash from (used in) operating activities	42,081,361	321,122,849	(30,850,019)	272,828,724

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



Vintcom Technology Public Company Limited and its Subsidiaries

Statement of cash flows

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Cash flows from investing activities					
Payment for capital increase in subsidiary		-	-	-	(4,714,500)
Acquisition of associate		(17,600,000)	-	(17,600,000)	-
Payment for business acquisition payable	28, 29	(84,282,487)	(14,911,576)	(84,282,487)	-
Proceeds from sale of equipment		1,317,060	964,198	1,256,000	17,806
Acquisition of equipment		(6,681,475)	(17,336,593)	(2,523,670)	(1,540,217)
Acquisition of intangible assets		(3,655,615)	(436,345)	-	(40,000)
Proceeds from repayment of short-term loans to related parties		-	-	78,522,000	19,800,000
Short-term loans to related parties		-	-	(198,866,000)	(32,859,044)
(Increase) decrease in restricted deposits with financial institutions		(9,528,099)	659,223	(10,000,000)	-
Dividend received		-	-	30,599,850	-
Interest received		3,030,479	1,783,580	2,264,186	2,274,465
Net cash used in investing activities		(117,400,137)	(29,277,513)	(200,630,121)	(17,061,490)
Cash flows from financing activities					
Proceeds from short-term borrowings from financial institution		780,000,000	177,000,000	780,000,000	177,000,000
Repayment of short-term borrowings from financial institutions		(560,000,000)	(354,000,000)	(560,000,000)	(354,000,000)
Proceeds from borrowings		620,000	-	-	-
Repayment of borrowings		(3,141,204)	(2,743,218)	-	-
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)		(8,632,814)	(1,353,432)	(766,113)	(1,353,432)
Dividends paid to owners of the Company	26	(77,998,558)	(36,000,000)	(77,998,558)	(36,000,000)
Dividends of subsidiary paid to non-controlling interests		(29,400,150)	-	-	-
Interest paid		(1,760,705)	(668,979)	(1,794,827)	(411,690)
Net cash from (used in) financing activities		99,686,569	(217,765,629)	139,440,502	(214,765,122)

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



Vintcom Technology Public Company Limited and its Subsidiaries

Statement of cash flows

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
<i>(in Baht)</i>					
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates		24,367,793	74,079,707	(92,039,638)	41,002,112
Effect of exchange rate changes on cash and cash equivalents		(118,386)	32,624	(87,754)	(96,499)
Net increase (decrease) in cash and cash equivalents		24,249,407	74,112,331	(92,127,392)	40,905,613
Cash and cash equivalents at 1 January		260,736,928	186,624,597	124,706,418	83,800,805
Cash and cash equivalents at 31 December	6	284,986,335	260,736,928	32,579,026	124,706,418
Non-cash transactions					
Equipment and intangible assets payable		595,351	261,688	394,972	38,032
Business acquisition payable		21,233,412	25,574,049	21,233,412	25,574,049
Lease liabilities for right-of-use assets		46,440,568	-	6,438,895	-
Purchase of equipment under financial lease		-	3,000,000	-	3,000,000

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



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Note	Contents
1	General information
2	Basis of preparation of the financial statements
3	Changes in accounting policies
4	Significant accounting policies
5	Related parties
6	Cash and cash equivalents
7	Restricted deposits with financial institutions
8	Trade and other receivables
9	Inventories
10	Investment in associate
11	Investments in subsidiaries
12	Non-controlling interests
13	Equipment
14	Leases
15	Goodwill
16	Other intangible assets
17	Interest-bearing liabilities
18	Trade and other payables
19	Non-current provisions for employee benefits
20	Share premium and reserves
21	Segment information and disaggregation of revenue
22	Employee benefit expenses
23	Expenses by nature
24	Income tax
25	Basic earnings per share
26	Dividends
27	Financial instruments
28	Commitments with non-related parties
29	Business acquisition agreement
30	Contingent liabilities
31	Events after the reporting period



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 21 February 2021.

1 General information

Vintcom Technology Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in December 2017. The Company’s registered office at 159/21 Serm-Mit Tower, 14th Floor, Sukhumvit 21 Road (Asoke), North-Klongtoey, Wattana, Bangkok.

The parent company during the financial year was Vnet Capital Co., Ltd. (65% shareholding) which was incorporated in Thailand.

The principal activities of the Company and its subsidiaries are trading computer and equipment including related software and related services for computer. Details of the Company’s subsidiaries as at 31 December 2020 and 2019 are given in note 11.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. The Group has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company’s functional currency. All financial information has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(c) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

4 (k) and 14 Leases:

- whether an arrangement contains a lease;
- whether the Group is reasonably certain to exercise extension options;
- whether the Group exercise termination options.

4 (r) and 21 Revenue recognition:

- whether performance obligations in a bundled sale of products and services are capable of being distinct;
- allocation of transactions to performance obligations in the contract by using the stand-alone selling prices of difference products or services;
- whether revenue from sales of products is recognised over time or at a point in time.

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4 (k)	Identify additional loan interest rate for rental lease;
4 (m), 11 and 15	Impairment test of goodwill: key assumptions underlying recoverable amounts;
4 (o) and 19	Measurement of defined benefit obligations: key actuarial assumptions;
4 (r) and 21	Revenue recognition: several performance obligations;
4 (l) and 27	Allowance for impairment losses on trade account receivables and assets from agreement: key assumptions underlying Weighted average loss rate; and
30	Recognition and measurement of provisions and contingencies.

3 **Changes in accounting policies**

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

(a) ***TFRS - Financial instruments standards***

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The details of accounting policies are disclosed in note 4 (d) and 4 (l). The impact from adoption has no material effect on the financial statements.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(b) TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- exclude initial direct costs from measuring the right-of-use asset.

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Decrease in equipment	(3,853)	(3,853)
Increase in right-of-use assets	27,692	3,853
Increase in lease liabilities	(23,739)	-
Increase in decommission provision	(100)	-
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	20,810	2,288
Recognition exemption for short-term leases	(6,297)	(2,288)
Extension options reasonably certain to be exercised	12,012	-
	26,525	-
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	23,739	-
Finance lease liabilities recognised as at 31 December 2019	3,070	3,070
Lease liabilities recognised at 1 January 2020	26,809	3,070
Weighted-average incremental borrowing rate (% per annum)	4, 6	4



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associate.

Business combinations

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

The acquisition date is the date on which control is transferred to the acquirer.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any gain on bargain purchase is recognised in profit or loss immediately.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration and share-based payment awards of the acquiree that are replaced mandatorily in the business combination. If a business combination results in the termination of pre-existing relationships between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity - accounted investees

The Group's interests in equity - accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity - accounted investees, until the date on which significant influence ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Investments in subsidiaries and associate

Investments in subsidiaries and associate in the separate financial statements of the Company are accounted for using the equity method.

Interests in subsidiaries and associate are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the separate financial statements include the Company's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or control ceases.

Disposal of investments in the separate financial statements

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(c) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When a foreign operation is disposed of in its entirety or partially such that control, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity until disposal of the investment.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - business model assessment

The Group makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment,

‘principal’ is defined as the fair value of the financial asset on initial recognition.

‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
---------------------------	--

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
------------------------------------	--

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Accounting policies applicable before 1 January 2020

Derivatives

Derivatives are used to manage exposure to foreign exchange arising from operational, financing and investment activities. Derivatives are not used for trading purposes.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(e) 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. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(f) Trade and other receivable and contract assets

A receivable is recognised when the Group has an unconditional right to receive consideration. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is measured at transaction price less allowance for expected credit loss (2019: *allowance for doubtful accounts*) which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Group is entitled to, less impairment losses.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using specific identification basis in case of goods bought for specific customers and first in first out basis is applied for goods not specifically bought for specific customers. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

(h) Equipment

Recognition and measurement

Owned assets

Equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

Any gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of 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 equipment are recognised in profit or loss as incurred.

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 equipment. The estimated useful lives are as follows:

Spare parts	5 years
Office equipment	1 - 6 years
Furniture and fixtures	1 - 6 years
Leasehold building improvement	3 - 10 years
Vehicles	5 years

No depreciation is provided on assets under construction and installation.



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

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

(i) *Contract cost assets*

Contract cost assets are the incremental costs to obtain a contract with a customer. The Group expects to recover these costs. However, the incremental costs of obtaining a contract are expensed when incurred, if the expected amortisation period is one year or less.

Contract cost assets are measured at cost less accumulated amortisation and impairment losses. Amortisation is charged to profit or loss on systematic basis over the term of the contract it relates to, consistent with the related revenue recognition.

(j) *Intangible assets*

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4 (a) to the financial statements. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. For equity instruments, In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted investee.

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognised in profit or loss as incurred.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives are as follows:

Computer software	3 - 5 years
Service agreement	5 years 11 months

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

(k) Leases

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable. The lease payments also include amount under purchase, extension or termination option if the Group is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit or loss.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(l) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other receivables, loans to related parties), contract assets, lease receivables, and loan commitments issued which are not measured at FVTPL.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The Group considers a financial asset to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments' credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(m) Impairment of non-financial assets

The carrying amounts of the Group'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. For goodwill and 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 recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss.

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

An impairment loss in respect of goodwill is not reversed. Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(n) Contract liabilities

A contract liability is the obligation to transfer goods or services to the customer. A contract liability is recognised when the Group receives or has an unconditional right to receive non-refundable consideration from the customer before the Group recognises the related revenue.

(o) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) 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 a finance cost.

(q) 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 market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(r) Revenue

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.

Sale of goods and services

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time as the services are provided. The stage of completion is assessed based on cost-to-cost method. The related costs are recognised in profit or loss when they are incurred.

For bundled packages, the Group accounts for individual products and services separately if they are distinct (i.e. if a product or service is separately identifiable from other items and a customer can benefit from it) or the multiple services are rendered in different reporting periods. The consideration received is allocated based on their relative stand-alone selling prices.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(s) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

(t) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

(u) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in 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 reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised 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 not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

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 reporting date.

In determining the amount of current and deferred tax, the Group takes into account 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 judgements about future events. New information may become available that causes the Group to change its judgement 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.

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 realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(v) *Earnings per share*

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(w) *Related parties*

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

(x) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly assets, liabilities, other income, distribution costs and administrative expenses, finance costs, share of loss of associate and share of profit of subsidiaries.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

5 Related parties

Relationships with subsidiaries and associate are described in note 10 and 11. Other related parties that the Group had significant transactions with during the year were as follows:

Name of entities	Country of incorporation	Nature of relationships
Vnet Capital Co., Ltd.	Thailand	65% shareholding and common directors
NTN Solution Limited	Thailand	Common shareholders and common directors
Blue Fish Solution Co., Ltd.	Thailand	Common shareholders and common directors
Copperwired Co., Ltd.	Thailand	Common shareholders and common directors
Vhealth Threesixty Co., Ltd.	Thailand	Common shareholders and common directors
Logistplus Co., Ltd.	Thailand	Common shareholders
Vnet Venture Capital Management Securities Co., Ltd.	Thailand	Common shareholders

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Sale of goods or rendering of services	Price closed to market price or contractually agreed price
Interest income	Base on promissory notes at 2.15% - 6.00% per annum
Other income	Price closed to market price or contractually agreed price
Purchase of goods or receiving of services	Price closed to market price
Purchase of assets	Price closed to market price
Rental expense	Price closed to market price
Other expenses	Price closed to market price or contractually agreed price
Key management personnel compensation	Shareholders and/or Board of Directors approve/ employment contract

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent				
Sale of goods or rendering of services	24	24	24	24
Other income	19	-	19	-
Rental expense	361	367	361	367
Other expenses	240	311	240	267
Subsidiaries				
Sale of goods or rendering of services	-	-	36,327	6,795
Other income	-	-	-	114
Purchase of goods or receiving of services	-	-	572	551
Interest income	-	-	3,486	1,286
Other expenses	-	-	2,182	382
Other related parties				
Sale of goods or rendering of services	253	223	-	-
Other income	1,390	1,427	60	-
Purchase of goods or receiving of services	2,142	1,177	457	353
Purchase of assets	356	334	20	-
Other expenses	1,549	1,663	570	193
Key management personnel compensation	27,428	27,593	23,828	23,993



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Key management personnel compensation

Key management personnel compensation include as follows;

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Short-term benefits of management	26,444	25,024	22,844	21,424
Defined benefits obligation	984	2,569	984	2,569
Total	27,428	27,593	23,828	23,993

Balances as at 31 December with related parties were as follows;

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Trade and other receivables				
Trade accounts receivable				
Subsidiary	-	-	778	-
Other related parties	43	17	-	-
Total	43	17	778	-
Unbilled trade accounts receivable				
Subsidiary	-	-	142	-
Other related party	10	-	-	-
Total	10	-	142	-
Other receivables				
Subsidiaries	-	-	3,386	1,465
Other related party	320	315	320	315
Total	320	315	3,706	1,780
Total trade and other receivables	373	332	4,626	1,780

Short-term loans to related party	Interest rate At 31 December (% per annum)	Separate financial statements			
		1 January	Increase	Decrease	31 December
		<i>(in thousand Baht)</i>			
2020					
Subsidiary	3.00	35,972	198,866	(85,501)	149,337
2019					
Subsidiaries	2.15 - 2.35	24,867	31,111	(20,006)	35,972

As at 31 December 2020, the Company had short-term loans to related party which are repayable on call. The loans are unsecured.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>Trade and other payables</i>				
	<i>(in thousand Baht)</i>			
Trade accounts payable				
Subsidiary	-	-	86	173
Other related party	4	-	-	-
Total	4	-	86	173
Other payables				
Parent	6	69	6	30
Subsidiaries	-	-	90	406
Other related parties	439	611	78	230
Total	445	680	174	666
Total trade and other payables	449	680	260	839

Significant agreements with related parties

Sales or services agreements

Coordination with customer services agreements

The Company and Vintcom Technology (SG) Pte. Ltd. entered into the Coordination with customer services agreement with Vintcom Technology (Myanmar) Co., Ltd. Vintcom Technology (Myanmar) Co., Ltd. will provide coordination with customer to build up sales opportunities in Myanmar. The service fee is fixed fee amounting to USD 6,000 per month and USD 14,000 per month, respectively. The agreement had starting from 1 January 2021 to 31 December 2021.

Office service contracts and employee payroll services

The Company entered into the Office and Payroll Service Agreement with Vnet Capital Co., Ltd. Vnet Capital Co., Ltd. would provide related office services such as office space support services, reception services, facility services, meeting room arrangement services including payroll services, withholding tax calculation, social security calculation and filing necessary tax forms. The service fee is fixed fee amounting to Baht 45,000 per month including the agreed amount eligible for reimbursement. The agreement had starting from 1 January 2021 to 31 December 2021.

Equipment and spare parts management agreement

The Company entered into equipment and spare parts management agreement with vServePlus Co., Ltd. vServePlus Co., Ltd. would provide storage service and logistic service for equipment and spare parts as agreed. Moreover, the relating services included fire insurance and accident insurance for the equipment and spare parts. The service fee is fixed fee amounting to Baht 32,000 per month. The agreement had starting from 1 October 2020 to 30 September 2021.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Software license agreement

vServePlus Co., Ltd. entered into a software license agreement with NTN Solution Limited granting right to use NIMBUS (ERP) for operation and providing relevant support services. The service fee is fixed fee amounting to Baht 80,000 per month. The agreement period is 1 February 2020 to 31 January 2021.

In 2021, the Company entered into the agreement under the same conditions. The agreement period is 1 February 2021 to 31 January 2022.

Commercial guarantee service agreement

The Company entered into the commercial guarantee service agreement for vServePlus Co., Ltd. The Company has guaranteed obligation for 51% according to the Company's interests in vServePlus Co., Ltd.

6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	1,274	788	476	580
Cash at banks - current accounts	125,000	13,838	145	120
Cash at banks - savings accounts	150,168	224,015	23,495	121,950
Cash at banks - fixed deposit 3 months	86	20,044	5	4
Cheques on hand	8,458	2,052	8,458	2,052
Cash and cash equivalents in the statement of financial position and statement of cash flows	284,986	260,737	32,579	124,706

7 Restricted deposits with financial institutions

As at 31 December 2020, savings accounts and fixed deposit in the consolidated and separate financial statements amounting to Baht 27.00 million and Baht 26.73 million, respectively (*2019: Baht 17.47 million and Baht 16.73 million, respectively*) are pledged at banks due to the Company's bank overdraft, commitment and contingent liabilities.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

8 Trade and other receivables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Trade accounts receivable					
Related parties	5	43	17	778	-
Other parties		535,902	344,686	388,394	206,119
Total	27	535,945	344,703	389,172	206,119
Finance lease receivables					
Other parties	27	46,232	10,361	-	-
Unbilled trade accounts receivable					
Related parties	5	10	-	142	-
Other parties		33,446	44,881	7,583	10,358
Total	21, 27	33,456	44,881	7,725	10,358
Other receivables					
Related parties	5	320	315	3,706	1,780
Other parties		165,918	144,478	123,373	122,058
Total		166,238	144,793	127,079	123,838
Total trade and other receivables		781,871	544,738	523,976	340,315
Less allowance for impairment (2019: allowance for doubtful accounts)		(11,846)	(706)	(4,372)	(228)
Trade and other receivables - net		770,025	544,032	519,604	340,087
Current		737,698	540,109	519,604	340,087
Non-current		32,327	3,923	-	-
Total		770,025	544,032	519,604	340,087
Impairment loss (2019: bad and doubtful debt expense) for the year		11,140	28	4,144	-

Other receivables include as follows;

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Prepaid sales and services cost	141,407	120,008	120,031	113,410
Input value added tax suspense and Revenue Department receivable	14,563	18,433	923	6,802
Prepaid expense	7,517	3,939	2,119	1,335
Advance payment	2,127	1,928	2,234	1,647
Others	624	485	1,772	644
Total	166,238	144,793	127,079	123,838



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

9 Inventories

	Consolidated financial statements		Separate financial statements	
<i>Note</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	2,780	19,352	772	17,441
Work in progress	3,437	3,394	-	-
Spare parts	2,506	1,289	973	795
Goods in transit	-	476	-	476
Total	8,723	24,511	1,745	18,712
Less allowance for declining in value	(1,493)	(1,383)	(1,493)	(1,383)
Net	7,230	23,128	252	17,329
Inventories recognised in 'cost of sale of goods and rendering of services':				
- cost of sale of goods	23 1,501,691	984,790	913,656	597,261
- write-down to net realisable value	110	135	110	135
Total	1,501,801	984,925	913,766	597,396

10 Investment in associate

	Consolidated/ Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 January	-	-
Share of net losses	(333)	-
Acquisition	17,600	-
At 31 December	17,267	-

On 23 September 2020, the Company acquired 132,000 ordinary shares of M Intelligence Co., Ltd. referring to the resolutions of the Board of Director's meeting No.5/2020 held on 13 August 2020, representing 22% of the issued and paid up capital, for a consideration of Baht 17.60 million.

The existing shareholders agreed to transferred additional shares at 1% (with a cap of 5%) of M Intelligence Co., Ltd.'s share capital, without charges ("Free share") to the Company in future in the event that the Company help conclude and bring in, within 2 years from the investment date, revenue to M Intelligence Co., Ltd. in respect of clients in CLM countries (Kingdom of Cambodia, Lao People's Democratic Republic, The Republic of the Union of Myanmar) leading to sufficient turnover as agreed.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Investment in associate as at 31 December 2020 and 2019 were as follows:

Name of associate	Country of operation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
M Intelligence Co., Ltd.	(1) Thailand	22	-	6,000	-	17,600	-	17,267	-	-	-
Total						17,600	-	17,267	-	-	-

Type of business

(1) Trading, installation and maintenance services for software products specializing in analysis and data analytic for customer relationship management, including training services.

None of the Group's associate is publicly listed and consequently do not have published price quotation.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

11 Investments in subsidiaries

	Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 January	362,079	310,241
Share of net profits	67,529	47,757
Other component of equity	(910)	(634)
Share of other comprehensive income	153	-
Acquisition	-	4,715
Dividend income	(30,600)	-
At 31 December	398,251	362,079

During the year ended 31 December 2019, there was the following acquisition of investment in subsidiary:

On 15 February 2019, the Company made an additional investment in Vintcom Technology (Myanmar) Co., Ltd., incorporated in Myanmar, for a consideration of Baht 4.72 million. There was no change in the percentage of ownership.

Impairment testing

Management of the Group performed an impairment test of carrying amount of investment in subsidiary by using valuation technical and key assumption same as described in note 15 relating in the part of impairment testing.



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

Investments in subsidiaries as at 31 December 2020 and 2019 were as follows:

Separate financial statements										
Name of subsidiary	Country of operation	Ownership interest (%)		Paid-up capital/ Call-up capital		Cost		Equity		Dividend income for the year ended
		2020	2019	2020	2019	2020	2019	2020	2019	
<i>(in thousand Baht)</i>										
Vintcom Technology (Myanmar) Co., Ltd.	(1) Myanmar	100	100	16,556	16,556	16,556	141	109	-	-
Vintcom Technology (SG) Pte. Ltd.	(2) Singapore	100	100	513	513	513	35,745	14,431	-	-
I-Secure Co., Ltd.	(3) Thailand	100	100	40,000	40,000	249,833	306,426	277,990	-	-
vServePlus Co., Ltd.	(4) Thailand	51	51	40,000	40,000	20,400	55,939	69,549	30,600	-
Total				287,302	287,302	287,302	398,251	362,079	30,600	-

Type of business

- (1) Providing installation service, consulting service and computer system maintenance service
- (2) Trading computer and equipment including related software
- (3) Providing computer and network security monitoring services
- (4) Providing installation service, consulting service and computer system maintenance service



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

12 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2020 vServePlus Co., Ltd. (in thousand Baht)
Non-controlling interest percentage	49%
Current assets	156,147
Non-current assets	17,733
Current liabilities	(61,784)
Non-current liabilities	(2,411)
Net assets	109,685
Carrying amount of non-controlling interest	53,745
Intra-group eliminations	-
Total	53,745
Revenue	293,155
Profit	33,313
Other comprehensive income	-
Total comprehensive income	33,313
Profit allocated to non-controlling interest	16,323
Intra-group eliminations	-
Total	16,323
Other comprehensive income allocated to non-controlling interest	-
Intra-group eliminations	-
Total	-
Cash flows from operating activities	58,198
Cash flows from investing activities	(1,544)
Cash flows from financing activities	
(Dividends to non-controlling interest: Baht 29,400,150)	(60,000)
Effect of exchange rate changes on cash and cash equivalents	700
Net decrease in cash and cash equivalents	(2,646)



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	31 December 2019 vServePlus Co., Ltd. (in thousand Baht)
Non-controlling interest percentage	49%
Current assets	173,826
Non-current assets	29,748
Current liabilities	(61,797)
Non-current liabilities	(5,405)
Net assets	136,372
Carrying amount of non-controlling interest	66,822
Intra-group eliminations	-
Total	66,882
Revenue	390,490
Profit	30,065
Other comprehensive income	-
Total comprehensive income	30,065
Profit allocated to non-controlling interest	14,732
Intra-group eliminations	-
Total	14,732
Other comprehensive income allocated to non-controlling interest	-
Intra-group eliminations	-
Total	-
Cash flows from operating activities	47,522
Cash flows from investing activities	(19,470)
Cash flows from financing activities	-
(Dividends to non-controlling interest: nil)	-
Effect of exchange rate changes on cash and cash equivalents	130
Net increase in cash and cash equivalents	28,182



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

13 Equipment

Consolidated financial statements							
	Office equipment	Spare parts	Furniture and fixtures	Leasehold building improvement (in thousand Baht)	Vehicles	Assets under construction and installation	Total
Cost							
At 1 January 2019	44,634	8,613	10,638	13,123	4,810	1,432	83,250
Additions	5,514	393	1,780	1,386	6,700	3,488	19,261
Transfers	309	-	18	4,641	-	(4,775)	193
Disposals	(922)	-	(1,882)	(1,953)	(1,670)	-	(6,427)
At 31 December 2019 and 1 January 2020	49,535	9,006	10,554	17,197	9,840	145	96,277
Transfer to right-of-use asset on initial application of TFRS 16 (see note 3 (b))	(161)	-	-	-	(6,140)	-	(6,301)
At 1 January 2020 - as adjusted	49,374	9,006	10,554	17,197	3,700	145	89,976
Additions	4,101	964	1,268	15	-	548	6,896
Transfers	-	-	-	484	-	(693)	(209)
Disposals	(236)	-	(215)	-	-	-	(451)
At 31 December 2020	53,239	9,970	11,607	17,696	3,700	-	96,212
Depreciation							
At 1 January 2019	32,338	4,603	6,396	6,807	2,425	-	52,569
Depreciation charge for the year	5,735	1,685	3,749	670	965	-	12,804
Transfers	12	-	-	-	-	-	12
Disposals	(901)	-	(1,880)	(1,667)	(726)	-	(5,174)
At 31 December 2019 and 1 January 2020	37,184	6,288	8,265	5,810	2,664	-	60,211
Transfer to right-of-use asset on initial application of TFRS 16 (see note 3 (b))	(104)	-	-	-	(2,344)	-	(2,448)
At 1 January 2020 - as adjusted	37,080	6,288	8,265	5,810	320	-	57,763
Depreciation charge for the year	5,068	1,472	1,696	2,796	742	-	11,774
Transfers	-	-	(2,112)	2,112	-	-	-
Disposals	(229)	-	(156)	-	-	-	(385)
At 31 December 2020	41,919	7,760	7,693	10,718	1,062	-	69,152
Net book value							
At 31 December 2019							
Owned assets	12,294	2,718	2,289	11,387	3,380	145	32,213
Assets under finance leases	57	-	-	-	3,796	-	3,853
	12,351	2,718	2,289	11,387	7,176	145	36,066
At 31 December 2020							
Owned assets	11,320	2,210	3,914	6,978	2,638	-	27,060



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements					
	Office equipment	Spare parts	Furniture and fixtures (in thousand Baht)	Leasehold building improvement	Vehicles	Total
Cost						
At 1 January 2019	27,285	8,613	1,001	608	3,140	40,647
Additions	777	393	9	224	3,000	4,403
Disposals	(22)	-	-	-	-	(22)
At 31 December 2019 and 1 January 2020	28,040	9,006	1,010	832	6,140	45,028
Transfer to right-of-use asset on initial application of TFRS 16 (see note 3 (b))	(161)	-	-	-	(6,140)	(6,301)
At 1 January 2020 - as adjusted	27,879	9,006	1,010	832	-	38,727
Additions	1,908	964	8	-	-	2,880
Disposals	(23)	-	(69)	-	-	(92)
At 31 December 2020	29,764	9,970	949	832	-	41,515
Depreciation						
At 1 January 2019	21,009	4,603	883	608	1,892	28,995
Depreciation charge for the year	2,458	1,685	57	146	452	4,798
Disposals	(4)	-	-	-	-	(4)
At 31 December 2019 and 1 January 2020	23,463	6,288	940	754	2,344	33,789
Transfer to right-of-use asset on initial application of TFRS 16 (see note 3 (b))	(104)	-	-	-	(2,344)	(2,448)
At 1 January 2020 - as adjusted	23,359	6,288	940	754	-	31,341
Depreciation charge for the year	1,987	1,472	38	75	-	3,572
Disposals	(1)	-	(63)	-	-	(64)
At 31 December 2020	25,345	7,760	915	829	-	34,849
Net book value						
At 31 December 2019						
Owned assets	4,520	2,718	70	78	-	7,386
Assets under finance leases	57	-	-	-	3,796	3,853
	4,577	2,718	70	78	3,796	11,239
At 31 December 2020						
Owned assets	4,419	2,210	34	3	-	6,666

The gross amount of the Group and the Company's fully depreciated equipment that was still in use as at 31 December 2020 amounted to Baht 40.05 million and Baht 25.17 million, respectively (2019: Baht 36.88 million and Baht 23.29 million, respectively).



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

14 Leases

As a lessee

	Consolidated financial statements (in thousand Baht)	Separate financial statements
At 31 December 2020		
Right-of-use assets		
Buildings	37,031	6,418
Equipment	25	25
Vehicles	2,544	2,544
Total	39,600	8,987

In 2020, additions to the right-of-use assets of the Group and the Company were Baht 13.19 million and Baht 6.42 million, respectively.

The Group leases a number of office buildings for 1 year 8 months to 4 years 8 months, with extension options at the end of lease term. The rental is payable monthly as specified in the contract.

Extension options

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

	Consolidated financial statements		Separate financial statements	
For the year ended 31 December	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Amounts recognised in profit or loss				
Depreciation of right-of-use assets:				
- Buildings	8,351	-	378	-
- Equipment	32	-	32	-
- Vehicles	450	-	450	-
Interest on lease liabilities	1,320	-	178	-
Expenses relating to short-term leases	7,432	-	2,335	-
Lease expense	-	14,271	-	2,589

In 2020, total cash outflow for leases of the Group and the Company were Baht 15.77 million and Baht 2.94 million, respectively.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

15 Goodwill

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cost				
At 1 January	210,007	210,007	-	-
At 31 December	210,007	210,007	-	-
Impairment losses				
At 1 January	-	-	-	-
Impairment loss	-	-	-	-
At 31 December	-	-	-	-
Net book value				
At 31 December	210,007	210,007	-	-

Goodwill arose from the Company's purchase of shares at 100% shareholding of I-Secure Co., Ltd. (see note 29).

Impairment testing

The recoverable amount was based on the value in use of cash generating unit (CGU) with goodwill, determined by discounted future cash flows to be generated from the going concern of I-Secure Co., Ltd.

The values assigned to the key assumptions represented management's assessment of future trends in the relevant industries and were based on historical data from external and internal sources. The key assumptions used in the estimation of the recoverable amount were as follows:

Discount rate

The discount rates were based on weighted average cost of capital comprised of key financial assumptions such as cost of debt and cost of equity with 9.03%.

Budgeted NPAT

Budgeted NPAT were based on expectations of future outcomes taking into the past experience, adjusted for the anticipated revenue growth. Revenue growth was projected from past experience and estimate sale growth.

Management has identified that a reasonably possible change in two key assumptions, discount rate and budgeted EBITDA growth rate, which in 2020 if discount rate increases by 6.39% or revenue growth rate decreases by 2.44% could cause the recoverable amount to be equal to the carrying amount.

Based on the impairment testing, the recoverable amount was estimated to be higher than its carrying amount. The Group did not recognise impairment in the financial statements.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

16 Other intangible assets

	Consolidated financial statements			Separate financial statements
	Computer software	Service agreement	Total	Computer software
	<i>(in thousand Baht)</i>			
Cost				
At 1 January 2019	8,811	9,819	18,630	6,214
Additions	403	-	403	40
Transfers	(193)	-	(193)	-
Disposals	(87)	-	(87)	-
At 31 December 2019 and 1 January 2020	8,934	9,819	18,753	6,254
Additions	3,724	-	3,724	-
Transfers	209	-	209	-
At 31 December 2020	12,867	9,819	22,686	6,254
Amortisation				
At 1 January 2019	6,669	4,425	11,094	5,929
Amortisation for the year	623	2,469	3,092	131
Transfers	(12)	-	(12)	-
Disposals	(87)	-	(87)	-
At 31 December 2019 and 1 January 2020	7,193	6,894	14,087	6,060
Amortisation for the year	727	627	1,354	77
At 31 December 2020	7,920	7,521	15,441	6,137
Net book value				
At 31 December 2019	1,741	2,925	4,666	194
At 31 December 2020	4,947	2,298	7,245	117

Service agreement above is assets from business combination during 2016 and 2018.

17 Interest-bearing liabilities

	Consolidated financial statements					
	2020		Total (in thousand Baht)	2019		Total
	Secured	Unsecured		Secured	Unsecured	
Short-term loans from financial institutions	220,000	-	220,000	-	-	-
Long-term loans from financial institution	-	620	620	3,141	-	3,141
Lease liabilities (2019: Finance lease liabilities)	40,995	-	40,995	3,070	-	3,070
Total interest-bearing liabilities	260,995	620	261,615	6,211	-	6,211

As at 31 December 2020, the Company has short-term borrowings from financial institutions carry interest rates as at fixed rate per annum and MMR per annum. The condition of repayment are on call.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

As at 31 December 2020, the Group has long-term borrowings from a financial institution carry interest rate as at 2.00% per annum. The borrowings is repayable installments from January 2021 to June 2022. The Group fully repaid the long-term borrowings in 2021.

As at 31 December 2019, the Group had long-term borrowings from a financial institution carry interest rate as at MLR - 0.25% per annum and the maturity date is within 2021. The Group fully repaid the long-term borrowings in 2020.

	Separate financial statements					
	Secured	2020 Unsecured	Total (in thousand Baht)	Secured	2019 Unsecured	Total
Short-term loans from financial institutions	220,000	-	220,000	-	-	-
Lease liabilities (2019: Finance lease liabilities)	9,099	-	9,099	3,070	-	3,070
Total interest-bearing liabilities	229,099	-	229,099	3,070	-	3,070

<i>Assets pledged as security for liabilities as at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019 (in thousand Baht)	2020	2019
Accounts receivable *	-	686	-	-
Deposits with financial institution	25,625	10,500	25,625	10,500
Total	25,625	11,186	25,625	10,500

* A subsidiary has transferred the right to a bank for receipt of trade accounts receivable under contracts to a bank.

As at 31 December 2020, the Group and the Company has unutilised credit facilities totalling Baht 594.86 million and Baht 493.11 million, respectively (2019: Baht 816.03 million and Baht 713.11 million, respectively).

	Consolidated financial statements			Separate financial statements		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
Finance lease liabilities						
<i>At 31 December 2019</i>						
Within 1 year	582	143	439	582	143	439
1 - 5 years	2,972	341	2,631	2,972	341	2,631
Total	3,554	484	3,070	3,554	484	3,070



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

18 Trade and other payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Trade accounts payable					
Related parties	5	4	-	86	173
Other parties		167,911	158,916	122,740	113,537
Total		167,915	158,916	122,826	113,710
Other payables					
Related parties	5	445	680	174	666
Other parties		391,773	301,457	286,922	219,084
Total		392,218	302,137	287,096	219,750
Total trade and other payables		560,133	461,053	409,922	333,460

Other payables include as follows:

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Unearned income	21	207,513	166,704	151,686	136,079
Accrued expenses		158,796	103,510	125,284	62,945
Revenue Department payable		10,969	18,881	7,991	14,952
Deposits and advances received		5,415	4,890	51	3,444
Others		9,525	8,152	2,084	2,330
Total		392,218	302,137	287,096	219,750

19 Non-current provisions for employee benefits

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

Present value of the defined benefit obligations		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
At 1 January		19,802	13,019	12,002	7,821
Include in profit or loss:	22				
Current service cost		4,728	3,991	1,760	1,563
Past service cost		-	3,078	-	2,360
Interest on obligation		466	401	304	258
		5,194	7,470	2,064	4,181



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Present value of the defined benefit obligations	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Included in other comprehensive income				
Actuarial (gain) loss				
- Demographic assumptions	(331)	-	-	-
- Financial assumptions	324	-	-	-
- Experience adjustment	(146)	-	-	-
	(153)	-	-	-
Others				
Benefit paid	-	(687)	-	-
At 31 December	24,843	19,802	14,066	12,002

Principal actuarial assumptions	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(%)</i>			
Discount rate	1.68 - 2.53	2.31 - 3.26	2.53	2.53
Future salary growth	3.00 - 5.00	3.00 - 5.00	5.00	5.00
Employee turnover rate	0 - 25	0 - 25	0 - 25	0 - 25

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2020 and 2019, the weighted-average duration of the defined benefit obligation of the Group were 9.31 - 14.10 years and 9.31 - 16.52 years, respectively.

At 31 December 2020 and 2019, the weighted-average duration of the defined benefit obligation of the Company was 9.31 years.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect to the defined benefit obligation	Consolidated financial statements			
	1% increase in assumption		1% decrease in assumption	
At 31 December	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate	(2,348)	(1,942)	2,763	2,289
Future salary growth	3,205	2,470	(2,754)	(2,124)
Employee turnover	(2,516)	(2,082)	1,081	880
	1 year increase in assumption		1 year decrease in assumption	
Future mortality	144	118	(143)	(71)



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

<i>Effect to the defined benefit obligation At 31 December</i>	Separated financial statements			
	1% increase in assumption 2020	2019	1% decrease in assumption 2020	2019
		<i>(in thousand Baht)</i>		
Discount rate	(1,077)	(969)	1,238	1,111
Future salary growth	1,486	1,197	(1,310)	(1,061)
Employee turnover	(1,152)	(1,034)	372	317
	1 year increase in assumption		1 year decrease in assumption	
Future mortality	66	57	(65)	(57)

20 Share premium and reserves

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward (if any), to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

21 Segment information and disaggregation of revenue

Management determined that the Group/Company has two reportable segments, as described below, which are the Group/Company's strategic divisions for different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group/Company's reportable segments.

Segment 1	Sale of goods
Segment 2	Rendering of services

Each segment's performance is measured based on gross profit, as included in the internal management reports that are reviewed by the Group's CODM. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

	Consolidated financial statements				Total reportable segments	
	Sale of goods		Rendering of services			
	2020	2019	2020	2019	2020	2019
<i>For the year ended 31 December</i>			<i>(in thousand Baht)</i>			
<i>Information about reportable segments</i>						
External revenue	<u>1,687,779</u>	<u>1,126,498</u>	<u>595,601</u>	<u>647,293</u>	<u>2,283,380</u>	<u>1,773,791</u>
<i>Disaggregation of revenue</i>						
<i>Primary geographical markets</i>						
Thailand	1,066,478	819,213	540,004	620,583	1,606,482	1,439,796
Myanmar	160,273	194,670	29,212	8,586	189,485	203,256
Cambodia	448,342	87,342	11,774	3,929	460,116	91,271
Other countries	12,686	25,273	14,611	14,195	27,297	39,468
Total revenue	<u>1,687,779</u>	<u>1,126,498</u>	<u>595,601</u>	<u>647,293</u>	<u>2,283,380</u>	<u>1,773,791</u>



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Consolidated financial statements

	Sale of goods		Rendering of services		Total reportable segments	
<i>For the year ended 31 December</i>	2020	2019	2020	2019	2020	2019
			<i>(in thousand Baht)</i>			
Major products and service lines						
Computer equipment and related software	1,687,779	1,118,300	-	-	1,687,779	1,118,300
Computer and network security monitoring services	-	-	65,162	69,281	65,162	69,281
Maintenance and other services	-	8,198	530,439	578,012	530,439	586,210
Total revenue	<u>1,687,779</u>	<u>1,126,498</u>	<u>595,601</u>	<u>647,293</u>	<u>2,283,380</u>	<u>1,773,791</u>
Timing of revenue recognition						
At a point in time	1,687,779	1,126,498	358,477	378,633	2,046,256	1,505,131
Over time	-	-	237,124	268,660	237,124	268,660
Total revenue	<u>1,687,779</u>	<u>1,126,498</u>	<u>595,601</u>	<u>647,293</u>	<u>2,283,380</u>	<u>1,773,791</u>
Gross profit	<u>174,906</u>	<u>139,600</u>	<u>240,004</u>	<u>243,492</u>	<u>414,910</u>	<u>383,092</u>

Separate financial statements

	Sale of goods		Rendering of services		Total reportable segments	
<i>For the year ended 31 December</i>	2020	2019	2020	2019	2020	2019
			<i>(in thousand Baht)</i>			
Information about reportable segments						
External revenue	<u>1,018,150</u>	<u>689,244</u>	<u>260,462</u>	<u>261,877</u>	<u>1,278,612</u>	<u>951,121</u>
Disaggregation of revenue						
Primary geographical markets						
Thailand	920,656	614,738	228,550	251,586	1,149,206	866,324
Myanmar	55,631	45,383	24,480	6,362	80,111	51,745
Cambodia	41,844	29,123	7,432	3,929	49,276	33,052
Other countries	19	-	-	-	19	-
Total revenue	<u>1,018,150</u>	<u>689,244</u>	<u>260,462</u>	<u>261,877</u>	<u>1,278,612</u>	<u>951,121</u>



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

<i>For the year ended 31 December</i>	Separate financial statements				Total reportable segments	
	Sale of goods		Rendering of services		2020	2019
	2020	2019	2020	2019		
	<i>(in thousand Baht)</i>					
Major products and service lines						
Computer equipment and related software	1,018,150	681,047	-	-	1,018,150	681,047
Maintenance and other services	-	8,197	260,462	261,877	260,462	270,074
Total revenue	<u>1,018,150</u>	<u>689,244</u>	<u>260,462</u>	<u>261,877</u>	<u>1,278,612</u>	<u>951,121</u>
Timing of revenue recognition						
At a point in time	1,018,150	689,244	135,658	141,318	1,153,808	830,562
Over time	-	-	124,804	120,559	124,804	120,559
Total revenue	<u>1,018,150</u>	<u>689,244</u>	<u>260,462</u>	<u>261,877</u>	<u>1,278,612</u>	<u>951,121</u>
Gross profit	<u>102,255</u>	<u>89,504</u>	<u>45,196</u>	<u>49,274</u>	<u>147,452</u>	<u>138,778</u>

(a) Reconciliations of reportable segment revenues, profit or loss

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Profit or loss				
Gross profit for reportable segments	414,910	383,092	147,452	138,778
Unallocated amounts:				
- Other income	10,326	8,036	7,409	5,012
- Distribution costs	(56,966)	(55,595)	(28,947)	(28,863)
- Administrative expenses	(237,997)	(235,913)	(93,653)	(87,290)
- Finance costs	(5,033)	(4,453)	(3,879)	(3,741)
- Share of loss of investment in associate	(333)	-	(333)	-
- Share of profit of investments in subsidiaries	-	-	67,529	47,757
Profit before income tax	<u>124,907</u>	<u>95,167</u>	<u>95,578</u>	<u>71,653</u>
Unallocated assets	<u>1,460,956</u>	<u>1,161,050</u>	<u>1,208,355</u>	<u>954,000</u>
Unallocated liabilities	<u>956,240</u>	<u>654,223</u>	<u>757,264</u>	<u>513,877</u>



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(b) Major customer

Revenues from two customers of the Group's and the Company's 1 and 2 segments represents approximately Baht 363 million and Baht 300 million, respectively, (2019: one customer; Baht 266 million and Baht 260 million, respectively) of the Group's and the Company's total revenues.

(c) Promotional privileges

The Company has been granted a promotional certificate by the office of the Board of Investment for software business. The Company has been granted several privileges including exemption and/or reduction of income tax on net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificate.

Consolidated financial statements						
Year ended 31 December	2020		Total	2019		Total
	Promoted businesses	Non- promoted businesses		Promoted businesses	Non- promoted businesses	
			<i>(in thousand Baht)</i>			
Export sales	-	676,898	676,898	-	333,995	333,995
Local sales	65,446	1,541,036	1,606,482	69,281	1,370,515	1,439,796
Total	65,446	2,217,934	2,283,380	69,281	1,704,510	1,773,791

Separate financial statements						
Year ended 31 December	2020		Total	2019		Total
	Promoted businesses	Non- promoted businesses		Promoted businesses	Non- promoted businesses	
			<i>(in thousand Baht)</i>			
Export sales	-	129,406	129,406	-	84,797	84,797
Local sales	-	1,149,206	1,149,206	-	866,324	866,324
Total	-	1,278,612	1,278,612	-	951,121	951,121

(d) Contract Balances

	Consolidated financial statements		Separate financial statements	
	Contract assets	Contract liabilities	Contract assets	Contract liabilities
				<i>(in thousand Baht)</i>
At 1 January 2020	44,881	(166,704)	10,358	(136,079)
Recognised as revenue during the year	520,459	354,973	250,572	299,468
Advance received	-	(395,782)	-	(315,075)
Transfer to receivables	(531,884)	-	(253,205)	-
At 31 December 2020	33,456	(207,513)	7,725	(151,686)
At 1 January 2019	49,728	(106,867)	11,348	(81,916)
Recognised as revenue during the year	404,634	204,887	52,785	137,845
Advance received	-	(264,724)	-	(192,008)
Transfer to receivables	(409,481)	-	(53,775)	-
At 31 December 2019	44,881	(166,704)	10,358	(136,079)



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

The contract assets comprising of unbilled trade accounts receivable primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on sales of goods under finance lease, maintenance and other services. The contract assets are transferred to receivables when the rights become unconditional to the Group. This usually occurs when an invoice is issued to the customer.

The contract liabilities comprising of unearned income primarily relate to the advance consideration received from customers for sales of goods and rendering of services. The Group recognises such contract liabilities as revenue when transferring control of the goods to the customers and consideration allocated to unsatisfied service-type warranty, for which revenue is recognised on a straight-line basis over the term of the service-type warranty.

(e) Revenue expected to be recognised in the future related to performance obligations that are unsatisfied

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied	Consolidated financial statements			Separate financial statements		
	Within 1 year	After 1 year but within 5 years	After 5 years	Within 1 year	After 1 year but within 5 years	After 5 years
<i>(in thousand Baht)</i>						
At 31 December 2020						
Sales of software license	3,511	2,372	-	1,150	2,214	-
Maintenance service and other services	120,377	52,488	-	5,555	22,435	-
Finance leases	1,569	1,677	-	-	-	-
Total	125,457	56,537	-	6,705	24,649	-
At 31 December 2019						
Sales of software license	18,177	6,235	-	18,177	6,235	-
Maintenance service and other services	52,511	41,604	-	27,515	23,352	-
Finance leases	1,221	-	-	-	-	-
Total	71,909	47,839	-	45,692	29,587	-

Consideration from contracts with customers is included in the amounts presented above.

The Group applies the practical expedient not to disclose revenue expected to be recognised in the future related to performance obligations that are unsatisfied as at 31 December 2020 when it is initially expected that the contracts have original durations of one year or less.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

22 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Salaries, wages, overtime and bonus	198,374	196,744	58,393	55,584
Commission fee	17,750	13,182	9,083	6,735
Defined benefit plans	5,194	7,470	2,064	4,181
Provident fund	4,568	4,125	1,289	1,164
Others	14,285	13,169	2,982	3,348
Total	240,171	234,690	73,811	71,012

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 5% of their basic salaries and by the Group at rates ranging from 3% to 15% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed Fund Managers.

23 Expenses by nature

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Changes in inventories of finished goods	9	15,788	12,306	16,967	(2,134)
Purchase of goods	9	1,495,222	972,484	896,689	599,395
Changes in prepaid service cost		(21,399)	(43,972)	(6,621)	(50,639)
Purchase of services		321,134	390,459	212,629	254,149
Employee benefit expenses	22	240,171	234,690	73,811	71,012
Depreciation and amortisation	13, 14, 16	21,348	15,896	4,508	4,930
Impairment loss		11,002	29	4,144	-
Professional and consulting fees		9,537	9,275	6,989	4,382
Sale promotion expenses		6,562	9,230	4,884	6,887
Office and equipment rental and service		4,568	14,517	3,093	3,207
Utilities expense		3,593	4,170	235	248
Training and seminar expenses		2,679	8,080	2,466	6,579
Adjustment of business acquisition payable		21,053	23,715	21,053	23,715
Others		32,175	31,327	12,913	6,766
Total cost of sale of goods and rendering of services, distribution costs and administrative expenses		2,163,433	1,682,206	1,253,760	928,497



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

24 Income tax

<i>Income tax recognised in profit or loss</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Current tax expense				
Current year	8,115	8,112	15,968	9,563
Deferred tax expense				
Movements in temporary differences	10,746	5,545	(10,112)	(4,689)
Total income tax expense	18,861	13,657	5,856	4,874

<i>Reconciliation of effective tax rate</i>	Consolidated financial statements			
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		124,907		95,167
Income tax using the Thai corporation tax rate	20	24,980	20	19,032
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net and others		(6,119)		(5,375)
Total	15	18,861	14	13,657

<i>Reconciliation of effective tax rate</i>	Separate financial statements			
	2020		2019	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		95,578		71,653
Income tax using the Thai corporation tax rate	20	19,116	20	14,331
Tax effect of income and expenses that are not taxable income or not deductible in determining taxable profit, net and others		(13,260)		(9,457)
Total	6	5,856	7	4,874

<i>Deferred tax as at 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	21,880	11,259	(460)	(585)
Set off of tax	(460)	(585)	460	585
Net deferred tax assets	21,420	10,674	-	-

<i>Deferred tax as at 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	20,179	10,067	-	-
Set off of tax	-	-	-	-
Net deferred tax assets	20,179	10,067	-	-



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Consolidated financial statements (Charged) / Credited to			At 31 December
	At 1 January	Profit or loss	Other comprehensive income	
<i>Deferred tax</i>				
2020				
Deferred tax assets				
Trade accounts receivable	52	851	-	903
Inventories	277	22	-	299
Provisions	3,481	2,823	-	6,304
Unearned income	2,033	523	-	2,556
Deferred interest expenses	673	413	-	1,086
Fair value adjustment of contingent consideration	4,743	4,211	-	8,954
Others	-	1,778	-	1,778
Total	11,259	10,621	-	21,880
Deferred tax liability				
Intangible assets	(585)	125	-	(460)
Total	(585)	125	-	(460)
Net	10,674	10,746	-	21,420
2019				
Deferred tax assets				
Trade accounts receivable	46	6	-	52
Inventories	250	27	-	277
Provisions	2,312	1,169	-	3,481
Unearned income	3,691	(1,658)	-	2,033
Deferred interest expenses	-	673	-	673
Fair value adjustment of contingent consideration	-	4,743	-	4,743
Total	6,299	4,960	-	11,259
Deferred tax liabilities				
Intangible assets	(1,077)	492	-	(585)
Deferred interest expenses	(93)	93	-	-
Total	(1,170)	585	-	(585)
Net	5,129	5,545	-	10,674



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

<i>Deferred tax</i>	At 1 January	Separate financial statements (Charged) / Credited to		At 31 December
		Profit or loss (in thousand Baht)	Other comprehensive income	
2020				
<i>Deferred tax assets</i>				
Trade accounts receivable	46	829	-	875
Inventories	277	22	-	299
Provisions	2,400	2,312	-	4,712
Unearned income	1,928	629	-	2,557
Deferred interest expenses	673	413	-	1,086
Fair value adjustment of contingent consideration	4,743	4,211	-	8,954
Others	-	1,696	-	1,696
Total	10,067	10,112	-	20,179
2019				
<i>Deferred tax assets</i>				
Trade accounts receivable	46	-	-	46
Inventories	250	27	-	277
Provisions	1,564	836	-	2,400
Unearned income	3,518	(1,590)	-	1,928
Deferred interest expenses	-	673	-	673
Fair value adjustment of contingent consideration	-	4,743	-	4,743
Total	5,378	4,689	-	10,067

25 Basic earnings per share

The calculations of basic earnings per share for the years ended 31 December 2020 and 2019 were based on the profit for the years attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the years as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	89,722	66,778	89,722	66,778
Weighted average number of ordinary shares outstanding (basic) at 31 December	300,000	300,000	300,000	300,000
Basic earnings per share (in Baht)	0.30	0.22	0.30	0.22



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

26 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2020				
Interim dividend	13 August 2020	May 2020	0.10	30.00
Interim dividend	31 March 2020	April 2020	0.16	48.00
			0.26	78.00
2019				
Annual dividend	26 April 2019	May 2019	0.12	36.00

27 Financial instruments

(a) Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Consolidated/ Separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 December 2019					
<i>Financial liabilities measured at fair value</i>					
Foreign currency forward contracts (United States Dollars)	9	-	9	-	9

Measurement of fair values

Valuation technique

The following table show the valuation technique used in measuring level 2

Type	Valuation technique
Foreign currency forward contracts	<i>Market comparison technique:</i> The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(b) Financial risk management policies

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group's, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group's. The Group's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities.

(b.1.1) Trade accounts receivables and contract assets

The Group exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Detail of concentration of revenue are included in note 21.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables and contract assets.

	Consolidated financial statements				
	Trade accounts receivable	Finance lease receivables	Unbilled trade accounts receivable (in thousand Baht)	Total carrying amounts	Allowance for impairment losses
At 31 December 2020					
Within credit terms	346,424	46,232	33,456	426,112	6,542
Overdue:					
1 - 90 days	75,097	-	-	75,097	-
More than 90 days	114,424	-	-	114,424	5,304
Total	535,945	46,232	33,456	615,633	11,846
Less allowance for impairment	(6,760)	(1,282)	(3,804)	(11,846)	
Net	529,185	44,950	29,652	603,787	

	Separate financial statements			
	Trade accounts receivable	Unbilled trade accounts receivable (in thousand Baht)	Total carrying amounts	Allowance for impairment losses
At 31 December 2020				
Within credit terms	236,596	7,725	244,321	1,507
Overdue:				
1 - 90 days	42,697	-	42,697	-
More than 90 days	109,879	-	109,879	2,865
Total	389,172	7,725	396,897	4,372
Less allowance for impairment	(2,865)	(1,507)	(4,372)	
Net	386,307	6,218	392,525	

Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

	Consolidated financial statements (in thousand Baht)	Separate financial statements
Trade accounts receivable		
At 31 December 2019		
Within credit terms	276,337	179,089
Overdue:		
Less than 3 months	67,567	26,765
3 - 6 months	93	37
6 - 12 months	-	-
Over 12 months	706	228
	344,703	206,119
Less allowance for doubtful accounts	(706)	(228)
Net	343,997	205,891

The normal credit term granted by the Group ranges from 30 days to 90 days.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

<i>Movement of allowance for expected credit loss of trade accounts receivables and contract assets</i>	Consolidated financial statements (in thousand Baht)	Separate financial statements
At 1 January 2020	706	228
Addition	11,368	4,372
Reversal	(228)	(228)
At 31 December 2020	11,846	4,372

(b.1.2) Cash and cash equivalent and derivatives

The Group's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions, for which the Group considers to have low credit risk.

(b.1.3) Guarantees

The Group's policy is to provide financial guarantees only for subsidiaries' liabilities. (see note 5).

(b.2) Liquidity risk

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.

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

	Consolidated financial statements			
	Contractual cash flows			
<i>At 31 December 2020</i>	Carrying amount	1 year or less	More than 1 year but less than 5 years	Total
		(in thousand Baht)		
Non-derivative financial liabilities				
Trade payables	167,915	167,915	-	167,915
Business acquisition payable	101,050	101,570	-	101,570
Loans from financial institutions	220,620	220,620	-	220,620
Lease liabilities	40,995	15,360	28,862	44,222
	530,580	505,465	28,862	534,327



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

	Separate financial statements			
	Contractual cash flows			
	Carrying amount	1 year or less	More than 1 year but less than 5 years	Total
At 31 December 2020				
		<i>(in thousand Baht)</i>		
Non-derivative financial liabilities				
Trade payables	122,826	122,826	-	122,826
Business acquisition payable	101,050	101,570	-	101,570
Loans from financial institutions	220,000	220,000	-	220,000
Lease liabilities	9,099	2,982	6,827	9,809
	452,975	447,378	6,827	454,205

	Consolidated financial statements			
	Maturity period			
	Effective interest rate	Within 1 year	After 1 year but within 5 years	Total
At 31 December 2019				
	<i>(% per annum)</i>	<i>(in thousand Baht)</i>		
Financial Liabilities				
Loans from financial institutions	MLR - 0.25	3,141	-	3,141
Lease liabilities	4.90 - 13.54	582	2,972	3,554
Total		3,723	2,972	6,695

	Separate financial statements			
	Maturity period			
	Effective interest rate	Within 1 year	After 1 year but within 5 years	Total
At 31 December 2019				
	<i>(% per annum)</i>	<i>(in thousand Baht)</i>		
Financial Assets				
Short-term loans to related party	2.15 - 2.35	35,972	-	35,972
Financial Liabilities				
Lease liabilities	4.90 - 13.54	582	2,972	3,554

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

(b.3) Market risk

The Group is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group does not hold or issue derivatives for speculative or trading purposes.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

(b.3.1) Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

Consolidated financial statements				
2020				
Exposure to foreign currency at 31 December	United States Dollars	Singapore Dollars	Burmese Kyat (in thousand Baht)	Total
Cash and cash equivalents	129,554	19,799	13	149,366
Trade and other receivables	66,053	13,416	-	79,469
Trade and other payables	(47,206)	-	-	(47,206)
Net statement of financial position exposure	148,401	33,215	13	181,629
Currency forwards purchase (sell) - net	-	-	-	-
Net exposure	148,401	33,215	13	181,262

Consolidated financial statements				
2019				
Exposure to foreign currency at 31 December	United States Dollars	Singapore Dollars	Burmese Kyat (in thousand Baht)	Total
Cash and cash equivalents	30,714	2,296	14	33,024
Trade and other receivables	78,221	368	-	78,589
Trade and other payables	(65,867)	-	-	(65,867)
Net statement of financial position exposure	43,068	2,664	14	45,746
Currency forwards purchase (sell) - net	(9)	-	-	(9)
Net exposure	43,059	2,664	14	45,737

Separate financial statements		
2020		
2019		
Exposure to foreign currency at 31 December	United States Dollars	Singapore Dollars
	(in thousand Baht)	
Cash and cash equivalents	3,108	9,939
Trade and other receivables	11,263	16,820
Short-term loans to related party	149,337	35,972
Trade and other payables	(18,421)	(39,751)
Net statement of financial position exposure	145,287	22,980
Currency forwards purchase (sell) - net	-	(9)
Net exposure	145,287	22,971



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US dollar, SG dollar or Burmese kyat against all other currencies at 31 December 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

<i>At 31 December 2020</i>	Movement (%)	Consolidated financial statements Profit or loss		Separate financial statements Profit or loss	
		Strengthening	Weakening	Strengthening	Weakening
			<i>(in thousand Baht)</i>		
US dollar	10	14,840	(14,840)	14,529	(14,529)
SG dollar	10	3,321	(3,321)	-	-
Burmese Kyat	10	1	(1)	-	-

(b.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (see note 17). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

<i>Exposure to interest rate risk at 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
<i>Financial instruments with fixed interest rates</i>				
Financial assets	-	-	149,337	35,972
Financial liabilities	(110,000)	-	(110,000)	-
	<u>(110,000)</u>	<u>-</u>	<u>39,337</u>	<u>35,972</u>
<i>Financial instruments with variable interest rates</i>				
Financial liabilities	<u>(110,620)</u>	<u>(3,141)</u>	<u>(110,000)</u>	<u>-</u>



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

Cash flow sensitivity analysis for variable-rate instruments

A reasonable possible change of 1 % in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Consolidated financial statements		Separate financial statements	
	Profit or loss		Profit or loss	
	1% increase in interest rate	1% decrease in interest rate	1% increase in interest rate	1% decrease in interest rate
At 31 December 2020				
	<i>(in thousand Baht)</i>			
Financial instruments with variable interest rate	1,106	(1,106)	1,100	(1,100)
Cash flow sensitivity (net)	1,106	(1,106)	1,100	(1,100)

28 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Other commitments				
Short-term lease commitments	405	-	-	-
Purchase orders for goods and services	87,635	182,225	16,585	116,158
Bank guarantees	8,145	4,972	893	893
Total	96,185	187,197	17,478	117,051

Other service agreements

Service agreement from business acquisition

As vServePlus Co., Ltd. purchased IT service business from VST ECS (Thailand) Co., Ltd. On 23 August 2016 amount Baht 14.45 million (book value as at 30 September 2018) which will be paid in 2019. The Company acquired transferred employees, equipment and service agreement in accordance with the Business Transfer Agreement and Service Level Agreement. VST ECS (Thailand) Co., Ltd. granted permission to vServePlus Co., Ltd. to provide services to clients and agreed to share revenue of each agreement as agreed rate. The agreement's period is 1 September 2016 to 31 July 2023. vServePlus Co., Ltd. fully paid for business acquisition payable in 2019.

In August 2017, VST ECS (Thailand) Co., Ltd. entered into novation agreement to certain transfer right and obligations under Business Transfer Agreement date 23 August 2016 to VST ECS Services (Thailand) Co., Ltd. (its subsidiary).

Service Level Agreement

vServePlus Co., Ltd. entered into Service Level Agreement with VST ECS Services (Thailand) Co., Ltd. granting right to provide services to VST ECS Services (Thailand) Co., Ltd. and agreed to share revenue of each agreement as agreed rate. The agreement's period is 1 January 2020 to 31 December 2022.



Vintcom Technology Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2020

29 Business acquisition agreement

On 17 October 2018 the Group obtained control of I-Secure Co., Ltd., a managed security service provider (MSSP), security operation center (SOC) and security consultancy by acquiring 100% of the shares and voting interests in the company from non-related persons of the Company (the “sellers”).

The Company has agreed to pay the additional consideration to selling shareholders as stipulated in the agreement. The major factor is audited net profit after tax (NPAT) of I-Secure Co., Ltd. of the year 2019 and 2020 which have maturity date within year 2021.

The Group recorded the fair value adjustment of contingent consideration amount to Baht 24 million and Baht 21 million in consolidated statement of comprehensive income and separate statement of comprehensive income for the year ended 31 December 2019 and 2020, respectively.

In 2020, the Company paid for business acquisition payable amount to Baht 84 million.

At 31 December 2020 and 2019, the Group has fair value of contingent consideration as follows:

	Consolidated/ Separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Contingent consideration	101,529	158,548
Amortisation of deferred interest	521	3,668
At 31 December	101,050	162,216
Current	101,050	81,879
Non-current	-	80,337
Total	101,050	162,216

30 Contingent liabilities

In 2011, the Company was sued at the Civil Court by another company on tort claim requesting for damage recovery of Baht 120.12 million and in 2012, by the same company at the Criminal Court for a criminal action on the same ground.

In 2013, the Company against that company on offense of taking false information for criminal case and claimed of greater amount of damage recovery than the amount sued for by the company. The Criminal Court and Civil Court issued a temporary order to suspend the case awaiting result of the criminal case taken against the Company which is now pending at hearing process at the Criminal Court.

In 2016, the Criminal Court had order to dismiss the criminal case of which the Company was sued.

On 27 January 2017, the prosecutor had appealed, and the Company had cross-appealed on 16 May 2017. Currently, the case is at appeal court.

On 15 November 2018, the Court of Appeal dismissed the case and all of the 10 defendants were adjudged not guilty.

On 26 June 2019, such Criminal Case has rendered the final judgement by the Court of Appeal and the plaintiff has not been permitted to file to the Supreme Court. The Company has brought the result of this case to the Civil Court of Southern Bangkok of litigation proceeding civil case.



Vintcom Technology Public Company Limited and its Subsidiaries
Notes to the financial statements
For the year ended 31 December 2020

However, the Civil Court of Southern Bangkok has issued the notification dated on 7 October 2019, ordered the case to be await for the result of other cases with same cause of action from Central Administrative Court before the Civil Court of Southern Bangkok will make the further consideration.

As at 31 December 2020, civil case is in consideration of the Civil Court of Southern Bangkok.

31 Event after the reporting period

At the Board of Directors' meeting held on 21 February 2021, the Board of Directors' meeting approved on the followings:

- 1) Approved to submit for approval at the Annual General Meeting of the Shareholders, for the year 2020 dividend payment at the rate of Baht 0.10 per share, amounting to Baht 30.00 million. This dividend is subject to the approval of the Shareholders at the Annual General Meeting.
- 2) Approval was given to propose the shareholders' meeting of the Company to consider and approve the increase of the Company's registered capital in an amount of Baht 3,502,600 from the current registered capital of Baht 150,000,000 to be the new registered capital of Baht 153,502,600 by issuance of 7,005,200 new ordinary shares of the Company with a par value of Baht 0.50 per share for offering to specific investors through private placement. This constitutes the final installment of share payment according to the agreement on acquisition of shares in I-Secure Co., Ltd. as approved by the Company's Extraordinary General Meeting of Shareholders No. 1/2018.
- 3) Granted a corporate guarantee as security for utilization of credit facilities of Vintcom Technology (SG) Pte. Ltd. for a total amount of USD 3 million in favour of a financial institute in Singapore



VINTCOM TECHNOLOGY PUBLIC COMPANY LIMITED

159/21 Serm-Mit Tower, Unit 1401, 14th Floor, Sukhumvit 21 Road,
North-Klongtoey Sub-District, Wattana District Bangkok 10110 Thailand.

Tel : +662 661 7979 Fax : +662 661 7969