



platt nera

PLATT NERA INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

STOCK CODE : 1949



2020
INTERIM REPORT

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Corporate Information

Board of Directors

Executive Directors

Mr. Prapan Asvaplunghrohm
(Chairman and Chief Executive Officer)

Mr. Wison Archadechopon

Independent Non-executive Directors

Mr. Tong Yee Ming
Mr. Cheung Pan
Mr. Julapong Vorasontharosoth

Audit Committee

Mr. Tong Yee Ming *(Chairman)*
Mr. Cheung Pan
Mr. Julapong Vorasontharosoth

Remuneration Committee

Mr. Julapong Vorasontharosoth
(Chairman)
Mr. Prapan Asvaplunghrohm
Mr. Cheung Pan
Mr. Tong Yee Ming

Nomination Committee

Mr. Cheung Pan *(Chairman)*
Mr. Prapan Asvaplunghrohm
Mr. Tong Yee Ming
Mr. Julapong Vorasontharosoth

Company Secretary

Mr. Tse Kam Fai *FCS, FCS*

Registered Office in Cayman Islands

Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong

Rooms 911–912
Wing On Centre
111 Connaught Road Central
Hong Kong

Headquarters and Principal Place of Business in Thailand

170/9–10 Ocean Tower 1, 4th Floor
Soi Sukhumvit 16 (Sammit)
Ratchadapisek Road, Klongtoey
Bangkok 10110, Thailand
Tel: (66) 2661 9922
Website: <http://www.plattnera.com>

Auditors

Ernst & Young
Certified Public Accountants

Authorised Representatives

Mr. Prapan Asvaplungprohm
Mr. Tse Kam Fai

Legal Advisers

As to Hong Kong law:
Wong Heung Sum & Lawyers

As to Cayman Islands law:
Conyers Dill & Pearman

Principal Bankers

In Hong Kong:
Hang Seng Bank Limited

In Thailand:
Bangkok Bank Public Company
Limited

Government Savings Bank

Kasikorn Bank Public Company
Limited

Listing Information

Listed on The Stock Exchange of
Hong Kong Limited (Main Board)
Stock short name: Platt Nera
Stock code: 1949
Board lot: 2,000 shares
Listing date: 16 July 2019

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Principal Share Registrar and Transfer Office in Cayman Islands

Conyers Trust Company (Cayman)
Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Compliance Adviser

Altus Capital Limited
21 Wing Wo Street
Central
Hong Kong

Cautionary Statement Regarding Forward Looking Statements

This interim report (“**Interim Report**”) contains certain forward-looking statements with respect to the financial conditions, results of operations and business of Platt Nera International Limited. These forward-looking statements represent the Group’s expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Certain statements, that include wordings like “potential”, “estimated”, “expects”, “anticipates”, “objective”, “intends”, “plans”, “believes”, “estimates”, and similar expressions or variations on such expressions may be considered “forward-looking statements”. Forward-looking statements involve inherent risks and uncertainties. Readers should be cautioned that a number of factors could cause actual results to differ in some instances materially, from those anticipated or implied in any forward-looking statement. Forward-looking statements speak only at the date they are made, and it should not be assumed that they have been reviewed or updated in the light of new information or future events. Trends and factors that are expected to affect the Group’s results of operations are described in the section headed “Management Discussion and Analysis” below.

Management Discussion and Analysis

Summary

The Group provides IT solutions to Thai financial institutions, government departments and agencies predominantly in administrative, telecommunications and utilities sectors. Since our establishment in 2004, we have secured a number of sizable projects including the ATM Project in 2006, tsunami detection system in 2010 and satellite system project in 2014. Our top customer is BAAC, a government-owned bank established in 1966 that focuses on providing banking services in the rural area of Thailand, where we provided ATM IT solutions that allowed BAAC to set up and thereafter operate its ATM network to serve their unique rural customer base.

The Shares have been successfully listed on the Stock Exchange since 16 July 2019.

Business Outlook

The state of emergency in Thailand declared over the COVID-19 outbreak is expected to be extended to 30 September 2020, even as Thailand continues to register new cases, including imported cases. Thailand has reported that its economy contracted at a 12.2% annual rate in the April-June 2020 quarter, its sharpest downturn since the Asian financial crisis of the late 1990s.

Against this backdrop, the Group's projects are also adversely affected, but there are some bright spots amongst their progress. The Group's projects in Southern and Central Thailand with PEA, whilst earlier halted, was given the go-ahead to proceed in June 2020 and PEA also granted an extension to November 2020 to complete these projects. Through the Group's efforts, Customer F's ATM and Passbook projects are on schedule to commence implementation in the third quarter of 2020. However, owing to recent political changes in Thailand, including the change of the government's economics team, we foresee further delay in the third phase of BAAC project, as the government-owned bank may re-assess the scope and extent of the project in light of shifting economic challenges and priorities facing the Thai economy and government amidst the COVID-19 outbreak.

Given the ever changing COVID-19 outbreak situation, it is challenging to predict the financial impact of the COVID-19 outbreak on the financial performance of the Group and whether the Group will show a profit or loss for the year ending 31 December 2020. Notwithstanding the challenging operating conditions, the Directors will continue to assess the changing impact of the COVID-19 outbreak on the operation and financial performance of the Group, and closely monitor the risks exposed by the Group due to the COVID-19 outbreak.

Having said the above, the Group remains confident of its long-term prospects, as it continues to work to secure new projects.

Financial Review

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

For the six months ended 30 June 2020 ("**1H2020**"), the Group's total revenue increased by around 90.1%, or THB164.4 million from approximately THB182.4 million in the six months ended 30 June 2019 ("**1H2019**") to approximately THB347.1 million in 1H2020. The increase was mainly driven by an increase in IT integrated solutions and services for BAAC of approximately THB92.9 million, Smart Street Light and unmanned projects for Central and South regions of Thailand, both with PEA, of approximately THB114.1 million.

Gross (loss)/profit and gross (loss)/profit margin

For 1H2020, the Group suffered a gross loss of approximately THB23.5 million or (6.8%) of revenue. This gross loss was mainly derived from the BAAC project due to (a) one-time capacity upgrade charges of approximately THB64 million incurred to handle the surge in volume in customer usage when the Thai government launched a cash payout scheme around May 2020 to help the Thai people tide over the COVID-19 outbreak, and (b) unexpected cost of approximately THB57 million required for servicing the UPS power supply for ATM machines and ATM switching. The recording of the abovementioned charges in 1H2020 is consistent with prior accounting treatments of similar charges.

Other income and gains

Our Group's other income during 1H2020 primarily includes interest income from fixed deposits and miscellaneous income.

Selling and distribution expenses

Our selling and distribution expenses mainly consist of salaries of our sales division, and advertising and marketing expenses, and was relatively unchanged between 1H2020 and 1H2019.

Administrative expenses

Administrative expenses for the 1H2020 increased by 44.8% or THB9.0 million from approximately THB20.0 million recorded in 1H2019 to approximately THB29.0 million in 1H2020. The increase was largely due to the post-Listing expenses of approximately THB7.9 million that took place only after the Listing in July 2019.

Finance costs

Our Group's finance costs during 1H2020 included interest on bank and other borrowings and decreased by 42.9% or THB4.3 million from approximately THB10.0 million in 1H2019 to approximately THB5.7 million in 1H2020 due to repayment of borrowings from Listing proceeds.

(Loss)/Profit for 1H2020

As a result of the above factors, the Group's suffered a net loss of approximately THB54.7 million, from a profit of approximately THB3.7 million in 1H2019.

Condensed Consolidated Statement of Financial Position

Inventories

The increase in inventories from approximately THB201.4 million at 31 December 2019 to approximately THB279.9 million at 30 June 2020 was mainly due to cost of work in process for Customer F's Passbook project.

Prepayments, deposits and other receivables

The increase in prepayments, deposits and other receivables' balance from approximately THB63.3 million at 31 December 2019 to approximately THB69.0 million at 30 June 2020 was mainly due to increase of value-added-tax receivable and loan receivable by THB18.7 million and THB11.8 million, respectively, which was offset by the decline in the deposit and prepayment balances by approximately THB24.6 million over the same period.

Liquidity, Financial Resources and Capital Structure

As at 30 June 2020, the total interest-bearing bank borrowings of the Group repayable within one year were approximately THB140.6 million, an increase from approximately THB43.9 million as at 31 December 2019, due to the higher level of projects on hand in 1H2020 compared to 1H2019.

During the 1H2020, the Group maintained a healthy liquidity position, with working capital being financed by our operating cash flows, bank borrowings and the cash and cash equivalents held by the Group.

As at 30 June 2020, the Group held cash and cash equivalents of approximately THB29.2 million (31 December 2019: THB266.9 million). The Group did not hold any short term bank deposit as at 30 June 2020 (31 December 2019: THB115.0 million).

Accordingly, as at 30 June 2020, the gearing ratio of the Group was approximately 60% (31 December 2019: 32%), which represent the interest bearing debt divided by total equity and multiplied by 100.0%. The Group's operations were mainly financed by internal resources from Listing proceeds and project loan facilities from financial institutions.

The Group's equity attributable to the Shareholders decreased from approximately THB494.2 million as at 31 December 2019 to approximately THB439.5 million as at 30 June 2020.

Employee Information

As at 30 June 2020, the Group had 59 employees (30 June 2019: 51 employees). The Group's labor costs (including salaries, bonuses, social security and provident fund) were approximately THB23.2 million, equivalent to 6.7% of the Group's revenue in 1H2020.

The Group provides attractive salary packages, including competitive basic salary plus annual performance bonus, as well as arranging on-going training to employees to facilitate their promotion within the organisation and enhance their loyalty to the Company. The Group's employees are subject to regular work performance appraisal to evaluate their promotion prospects and salary. The latter is decided with reference to market practice and the performance, qualifications and experience of the individual employee as well as the results of the Group.

Material Acquisitions and Disposals

The Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures during the IH2020.

Significant Investments Held

The Group did not have any significant investments held as at 30 June 2020.

Future Plans for Material Investments or Capital Assets

The Group did not have other plans for material investments or capital assets as at 30 June 2020.

Foreign Exchange Exposure

The Group primarily operates in Thailand with its revenue mainly sourced in Thai Baht (“**THB**”) and pays its suppliers mainly in THB. It therefore has limited exposure to foreign currency risk arising from fluctuations in exchange rates between THB and other currencies in which it conducts its business.

The Group is subject to foreign currency risk attributable to its bank balances, trade and other receivables and payables as well as bank loans that are denominated in currencies other than THB. The Group will closely monitor the change in foreign exchange rates to manage currency risks and evaluate necessary actions as required.

Contingent Liability

As at 30 June 2020, there were outstanding bank guarantees of THB496.0 million (31 December 2019: THB496.0 million) issued by banks on behalf of the Group in respect of certain performance obligation as required in the normal course of business of the Group.

Pledge of Assets

As at 30 June 2020, approximately THB116.6 million of bank deposits of the Group was pledged to banks for letters of guarantee, bank loans and bank overdrafts.

Interim Dividend

The Board does not declare the payment of interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: nil).

Use of Net Proceeds From the Listing

The Shares were listed on the Stock Exchange on 16 July 2019 with net proceeds received by the Group from the Share Offer amounting to approximately HK\$87.6 million (after deducting the underwriting commission, fees and all related expenses).

As of 30 June 2020, all the proceeds from Listing have been fully utilised in line with planned usage as mentioned in the Prospectus as set out in the table below.

	Up to 31 December 2019			Unutilised net proceeds as at 31 December 2019		For the six months ended 30 June 2020	Up to 30 June 2020
	Planned usage	Percentage of total net proceeds	Actual usage	31 December 2019	Actual usage	Actual usage	
	HK\$' million	%	HK\$' million	HK\$' million	HK\$' million	HK\$' million	
1. Financing secured projects	72.0	82.2%	43.2	28.8	28.8	72.0	
a. PEA projects	53.7	61.3%	27.9	25.8	25.8	53.7	
b. Customer F projects	6.9	7.9%	4.0	2.9	2.9	6.9	
c. BAAC projects	11.4	13.0%	11.3	0.1	0.1	11.4	
2. Repayment of loans	11.8	13.5%	11.8	—	—	11.8	
3. Working Capital	3.8	4.3%	3.8	—	—	3.8	
Total	87.6	100.0%	58.8	28.8	28.8	87.6	

Purchase, Sale or Redemption of the Company's Listed Securities

During the IH2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Other Information

Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2020, to the best knowledge of the Directors and the senior management of the Company, the table below listed out the persons (other than the Directors or chief executives of the Company), who had interests in the Shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to provision of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("**SFO**"), or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of Part XV of the SFO:

Long Position:

Name of Shareholder	Nature of interest	Number of Shares held	Shareholding percentage (%)
Pynk Holding Limited ("Pynk")	Beneficial owner	300,000,000	75%
Ms. Aranya Talomsin ("Ms. Talomsin")	Interest held jointly with other persons; interest in a controlled corporation (<i>Note</i>)	300,000,000	75%

Note: Pynk is beneficially owned as to 96% by Mr. Prapan Asvaplunghroh, 2% by Mr. Wison Archadechopon and 2% by Ms. Talomsin. Mr. Prapan Asvaplunghroh, Mr. Wison Archadechopon and Ms. Talomsin together control all the shares held by Pynk.

Save as disclosed above, as at 30 June 2020, the Directors and the senior management of the Company are not aware of any other person who had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of Part XV of the SFO.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or its Associated Corporations

As at 30 June 2020, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position:

(A) Interests in the Shares, the Underlying Shares and Debentures of the Company

Name of Director	Nature of interest	Number of Shares held	Shareholding percentage (%)
Mr. Prapan Asvaplunghroh ("Mr. Asvaplunghroh")	Interest held jointly with other persons; interest in a controlled corporation (<i>Note</i>)	300,000,000	75%
Mr. Wison Archadechopon ("Mr. Archadechopon")	Interest held jointly with other persons; interest in a controlled corporation (<i>Note</i>)	300,000,000	75%

Note: Mr. Asvaplunghroh, Mr. Archadechopon and Ms. Talomsin own 96%, 2% and 2% equity interest of Pynk (being corporate Controlling Shareholder (has the meaning ascribed thereto in the Listing Rules)), respectively, and Mr. Asvaplunghroh, Mr. Archadechopon and Ms. Talomsin together control all the Shares held by Pynk.

(B) Interests in the Shares and Underlying Shares of Associated Corporation

Name of Director	Name of associated corporation	Nature of interest	Number and class of securities in the associated corporation	Percentage of interest in the associated corporation
Mr. Asvaplungprohm	Pynk	Beneficial owner	96 ordinary shares	96%
Mr. Archadechopon	Pynk	Beneficial owner	2 ordinary shares	2%
Mr. Asvaplungprohm	IAH	Beneficial owner	347,208 preference shares <i>(Note)</i>	92%
		Beneficiary of a trust (other than a discretionary interest)	15,096 preference shares <i>(Note)</i>	4%
Mr. Archadechopon	IAH	Beneficial owner	7,548 preference shares <i>(Note)</i>	2%

Note: The holders of IAH Preference Shares have one vote for every ten IAH Preference Shares held on any resolution of IAH.

Save as disclosed above, as at 30 June 2020, neither the Directors nor the chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

Corporate Governance

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of its shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability. The Company has adopted the principles and code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules as the basis of the Company's corporate governance practices.

The Board is of the view that the Company has complied with all applicable code provisions of the Corporate Governance Code during the 1H2020, except for a deviation from the code provision A.2.1 of the Corporate Governance Code, that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Asvaplunghroh, the chairman and the chief executive officer of the Company, responsible for strategic development and business operations. Taking into account the continuation of the implementation of our business plans, our Directors (including our independent non-executive Directors) are of the view that Mr. Asvaplunghroh is the best candidate for both positions and the present arrangements are beneficial and in the interests of our Company and our Shareholders as a whole. Further, the Group has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors.

The Company will continue to review regularly its corporate governance policies and compliance with the Corporate Governance Code to ensure operations are in line with the good corporate governance practices as set out in the Corporate Governance Code and aligned with the latest developments.

Model Code for Securities Transactions

The Company has adopted the Securities Dealing Code on terms no less exacting than the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the required standard set out in the Model Code throughout 1H2020.

Competing Interests

As at 30 June 2020, none of the Directors, substantial Shareholders and their respective associates (as defined in the Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Audit Committee Review

The Company has established the Audit Committee which is accountable to the Board and the primary duties of which include the review and supervision of the Group's financial reporting process and internal control measures. For 1H2020, the Audit Committee comprised three independent non-executive Directors, namely, Mr. Tong Yee Ming, Mr. Cheung Pan and Mr. Julapong Vorasontharosoht. Mr. Tong Yee Ming serves as the chairman of the Audit Committee, who has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited interim financial statements of the Group for 1H2020. The Audit Committee considered that the unaudited interim financial information of the Group for 1H2020 are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been made.

On behalf of the Board

Prapan Asvaplungprohm

Chairman

25 August 2020

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2020

	Notes	Six months ended 30 June	
		2020 (Unaudited) THB'000	2019 (Unaudited) THB'000
REVENUE	4	347,123	182,416
Cost of sales		(370,662)	(105,732)
Gross profit		(23,539)	76,684
Other income and gain, net		8,310	639
Selling and distribution expenses		(4,740)	(4,005)
Administrative expenses		(29,019)	(20,035)
Listing expenses		—	(30,606)
Finance costs		(5,753)	(10,074)
(LOSS)/PROFIT BEFORE TAX	5	(54,741)	12,603
Income tax		—	(8,888)
(LOSS)/PROFIT FOR THE PERIOD AND TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		(54,741)	3,715
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	7	(0.14)	0.01
Basic and diluted (THB)			

Condensed Consolidated Statement of Financial Position

As at 30 June 2020

		As at	
		30 June	31 December
		2020	2019
		(Unaudited)	(Audited)
<i>Notes</i>		THB'000	THB'000
NON-CURRENT ASSETS			
Leasehold improvements and equipment	8	1,305	2,204
Computer software		361	329
Right-of-use assets		11,373	1,962
Prepayments, deposits and other receivables	10	24,866	13,051
Pledged bank deposits	11	116,617	98,847
Deferred tax assets		7,168	7,168
		161,690	123,561
CURRENT ASSETS			
Inventories		279,942	201,409
Contract assets		368,597	163,222
Trade receivables	9	98,489	191,667
Prepayments, deposits and other receivables	10	44,163	50,252
Prepaid income tax		11,706	9,329
Cash and cash equivalents	11	29,245	266,900
		832,142	882,779
CURRENT LIABILITIES			
Contract liabilities		2,109	2,596
Trade payables	12	258,581	310,938
Other payables and accruals	13	21,115	35,015
Income tax payable		2,622	2,470
Bank and other borrowings	14	173,782	81,605
Lease liabilities		3,689	1,905
		461,898	434,529

Condensed Consolidated Statement of Financial Position (Continued)

As at 30 June 2020

		As at	
		30 June	31 December
		2020	2019
		(Unaudited)	(Audited)
	<i>Notes</i>	THB'000	THB'000
NET CURRENT ASSETS		370,244	448,250
TOTAL ASSETS LESS CURRENT LIABILITIES		531,934	571,811
NON-CURRENT LIABILITIES			
Bank and other borrowings	14	41,913	34,989
Lease liabilities		7,738	119
Defined benefit obligations		5,077	4,756
Preference shares of a subsidiary		37,740	37,740
Total non-current liabilities		92,468	77,604
Net assets		439,466	494,207
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	15	15,977	15,977
Reserves		423,489	478,230
Total equity		439,466	494,207

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2020

	Issued capital (Unaudited) THB'000	Share premium account (Unaudited) THB'000	Merger reserve (Unaudited) THB'000	Defined benefit plan reserve (Unaudited) THB'000	Accumulated losses (Unaudited) THB'000	Total equity (Unaudited) THB'000
At 1 January 2020	15,977	428,778	181,900	(598)	(131,850)	494,207
Loss for the period and total comprehensive income for the period	—	—	—	—	(54,741)	(54,741)
Increase in share capital of a subsidiary	—	—	—	—	—	—
Issued shares of the Company credited as fully paid	—	—	—	—	—	—
At 30 June 2020	15,977	428,778	181,900	(598)	(186,591)	439,466

For the six months ended 31 December 2019

	Issued capital (Unaudited) THB'000	Share premium account (Unaudited) THB'000	Merger reserve (Unaudited) THB'000	Defined benefit plan reserve (Unaudited) THB'000	Accumulated losses (Unaudited) THB'000	Total equity (Unaudited) THB'000
At 30 June 2019 and 1 July 2019	59	—	181,900	(598)	(90,859)	90,502
Loss for the period and total comprehensive income for the period	—	—	—	—	(40,991)	(40,991)
Issue of new shares pursuant to a capitalisation issue in connection with the Share Offer (note (a))	11,923	(11,923)	—	—	—	—
Issue of new share pursuant to the Share Offer (note (b))	3,995	495,330	—	—	—	499,325
Expenses incurred in connection with the Share Offer (note (b))	—	(54,629)	—	—	—	(54,629)
At 31 December 2019	15,997	428,778	181,900	(598)	(131,850)	494,207

Condensed Consolidated Statement of Changes in Equity (Continued)

For the six months ended 30 June 2020

Notes:

- (a) Pursuant to the written resolutions passed by the sole shareholder of the Company on 17 June 2019, the Directors were authorised to capitalise HK\$2,985,000 standing to the credit of the share premium of the Company by paying up in full at par 298,500,000 ordinary shares of HK\$0.01 each for allotment and issue to the shareholder whose names appear on the register of members of the Company at the close of business of the business day immediately preceding the Listing in proportion to their then existing shareholdings in the Company and so that the shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued shares (the “**Capitalisation Issue**”). The Capitalisation Issue had been completed on 16 July 2019.
- (b) On 16 July 2019, 100,000,000 ordinary shares of HK\$0.01 each were issued under the Share Offer in connection with the listing of the Shares on the Stock Exchange at a subscription price of HK\$1.25 per Share. The proceeds from the issue of new Shares, before issuance expenses of THB55,708,000 amounted to HK\$10,000,000, of which HK\$1,000,000 and HK\$124,000,000 were credited to issue share capital and share premium account of the Company, respectively.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

	Six months ended 30 June 2020 (Unaudited) THB'000	2019 (Unaudited) THB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash (used in)/generated from operations	(306,288)	59,276
Income tax paid	—	(6,292)
Net cash flows (used in)/generated from operating activities	(306,288)	52,984
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of leasehold improvements and equipment	(287)	(115)
Purchase of computer software	(73)	—
Cash lending to other party	(11,786)	—
Proceeds from the transfer of a distribution right and related equipment	—	57,309
Net cash flows (used in)/generated from investing activities	(12,146)	57,194
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of new shares by the Company	—	59
Proceeds from issue of new shares by a subsidiary	—	9,637
New bank and other borrowings	151,792	5,349
Repayment of bank and other borrowings	(52,692)	(110,159)
Gross decrease in pledged bank deposits	—	10,103
Gross increase in pledged bank deposits	(17,770)	(396)
Interest received	4,258	412
Interest paid	(4,810)	(48,823)
Net cash flows generated from/ (used in) financing activities	80,778	(133,818)

Condensed Consolidated Statement of Cash Flows (Continued)

For the six months ended 30 June 2020

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	THB'000	THB'000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(237,656)	(23,640)
Cash and cash equivalents at beginning of period	266,900	10,535
CASH AND CASH EQUIVALENTS AT END OF PERIOD	29,245	(13,105)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	162,744	54,047
Less: Pledged bank deposits	(116,617)	(52,142)
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	46,127	1,905
Less: Bank overdrafts	(16,882)	(15,010)
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	29,245	(13,105)

Notes to Condensed Consolidated Financial Information

1. Corporate and Group Information

Platt Nera International Limited is a limited liability company incorporated in the Cayman Islands on 23 November 2018. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company in Thailand is located at 170/9-10 Ocean Tower 1, 4th Floor, Soi Sukhumvit 16 (Sammit), Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand. The Shares were listed on the Main Board of the Stock Exchange on 16 July 2019.

The Company is an investment holding company. During the six months ended 30 June 2020, the Group was principally engaged in the provision of IT integrated solutions and IT support services.

In the opinion of the Directors, the immediate holding company and the ultimate holding company of the Company is Pynk Holding Limited, which is incorporated in the British Virgin Islands.

2. Basis of Presentation and Preparation

The unaudited condensed consolidated financial information of the Group for the six months ended 30 June 2020 set out in this Interim Report has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules.

The unaudited condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's financial statements for the year ended 31 December 2019, as included in the annual report for the year ended 31 December 2019 of the Company published on 7 April 2020 (the "**Annual Report**").

The accounting policies and basis of preparation adopted in the preparation of this condensed consolidated financial information are consistent with those adopted in the Group's financial statements for the year ended 31 December 2019 which have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**"), which comprise all standards and interpretations approved by the International Accounting Standards Board, except for the adoption of the new and revised IFRSs as disclosed in note 3 of the Group's financial statements for the year ended 31 December 2019.

2. Basis of Presentation and Preparation (Continued)

This condensed consolidated financial information is presented in THB and all values are rounded to the nearest thousand (THB'000) except when otherwise indicated.

This condensed consolidated financial information has not been audited, but has been reviewed by the Audit Committee.

3. Segment Information

Operating segment information

No operating segment information is presented as the Group's revenue and reported results during each of the six months ended 30 June 2020 and 2019, and the Group's total assets as at the end of the reporting period were derived from or attributable to one single operating segment, i.e. provision of IT integrated solutions and IT support services.

Geographical information

The Group's revenue during each of the six months ended 30 June 2020 and 2019 were all derived from external customers based in Thailand, and the Group's non-current assets, excluding financial assets, as at the end of each of the reporting period were all located in Thailand.

Information about major customers

The revenue generated from sales to customers which individually contributed more than 10% of the Group's total revenue during the six months ended 30 June 2020 and 2019 is set out below:

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	THB'000	THB'000
Customer I	212,559	123,547
Customer II	—	37,259
Customer III	120,953	—
	333,512	160,806

4. Revenue from Contracts with Customers

(a) Disaggregated revenue information

	Six months ended 30 June 2020 (Unaudited) THB'000	2019 (Unaudited) THB'000
By type of goods or services:		
IT integrated solutions	131,409	79,089
IT support services	215,714	103,327
Total revenue from contracts with customers	347,123	182,416
By timing of revenue recognition:		
Transferred at a point in time	—	11,683
Transferred over time	347,123	170,733
Total revenue from contracts with customers	347,123	182,416

(b) Contract balances

		As at 30 June 2020 (Unaudited) THB'000	31 December 2019 (Audited) THB'000
Notes			
Contract assets	(i)	368,597	163,222
Trade receivables	9	98,489	191,667
Contract liabilities	(ii)	2,109	2,596

4. Revenue from Contracts with Customers (Continued)

(b) Contract balances (Continued)

- (i) Contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer when that right is conditioned on something other than the passage of time. Contract assets are transferred to trade receivables when the rights to consideration become unconditional.

The expected timing of recovery or settlement of contract assets as at the end of the reporting period is as follows:

	As at	
	30 June	31 December
	2020	2019
	(Unaudited)	(Audited)
	THB'000	THB'000
Within one year	368,597	163,222
More than one year	—	—
	368,597	163,222

- (ii) Contract liabilities are the Group's obligations to transfer goods or services to customers for which the Group has received consideration from customers, including progress billings received from customers for services in progress and upfront deposits collected from customers prior to the commencement of the provision of services or delivery of products. Contract liabilities are recognised as revenue when the Group performs under the contract.

5. (Loss)/profit Before Tax

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2020	2019
	(Unaudited)	(Unaudited)
	THB'000	THB'000
Cost of inventories sold	52,814	14,900
Cost of services rendered	317,848	90,832
Depreciation of leasehold improvements and equipment	1,186	1,157
Depreciation of right-of-use assets	2,093	2,093
Amortisation of computer software*	42	51
Employee benefit expense (including Directors' remuneration):		
Salaries, allowances and benefits in kind	23,675	19,295
Defined contribution schemes contributions	731	638
Net benefit expenses of a defined benefit plan	321	518
Total employee benefit expense	24,727	20,451
Less: Amount included in cost of services rendered	(7,758)	(5,719)
	16,969	14,732

* The amortisation of computer software is included in "Administrative expenses" on the face of the condensed consolidated statement of profit or loss and other comprehensive income.

6. Interim Dividend

The Board does not declare the payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

7. (Loss)/earnings Per Share Attributable to Shareholders of the Company

The calculation of the basic (loss)/earnings per share of the Company amount for the period is based on the unaudited (loss)/profit for the period attributable to shareholders of the Company of THB(54,741,000) (six months ended 30 June 2019: THB3,715,000) and the weighted average number of ordinary shares of the Company in issue of 400,000,000 (six months ended 30 June 2019: 300,000,000).

No adjustment has been made to the basic (loss)/earnings per share amounts presented for each of the six months ended 30 June 2020 and 2019 in respect of a dilution as the Group had no potentially dilutive ordinary shares of the Company in issue during each of these periods.

8. Leasehold Improvements and Equipment

During the six months ended 30 June 2020, the Group acquired leasehold improvements and equipment with a total cost of THB286,647 (six months ended 30 June 2019: THB115,000).

9. Trade Receivables

	As at	
	30 June	31 December
	2020	2019
	(Unaudited)	(Audited)
	THB'000	THB'000
Trade receivables	98,489	191,667

Notes:

- (a) The Group's trading terms with its customers are mainly on credit. The credit period is generally 7 to 30 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to certain customers with good reputation, in the opinion of the directors of the Company, there is no significant credit risk. Trade receivables are non-interest-bearing.
- (b) An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

	As at	
	30 June	31 December
	2020	2019
	(Unaudited)	(Audited)
	THB'000	THB'000
Within 1 month	94,468	189,357
1 to 3 months	4,021	2,310
Over 3 months	—	—
	98,489	191,667

10. Prepayments, Deposits and Other Receivables

	As at	
	30 June	31 December
	2020	2019
	(Unaudited)	(Audited)
	THB'000	THB'000
Prepayments	18,516	26,822
Interest receivables	842	575
Deposits and other receivables	5,434	21,736
Loan receivable	23,570	11,785
Value Added Tax receivable	20,265	1,610
Others	401	776
	69,029	63,303
Portion classified as current assets	(44,163)	(50,252)
Non-current portion	24,866	13,051

11. Pledged Bank Deposits and Cash and Cash Equivalents

		As at	
		30 June	31 December
		2020	2019
		(Unaudited)	(Audited)
	<i>Notes</i>	THB'000	THB'000
Cash and bank balances other than time deposits		29,245	266,900
Time deposits		116,617	98,847
Total cash and bank balances	<i>(a)</i>	145,862	365,747
Less: Pledged bank deposits	<i>(b)</i>	(116,617)	(98,847)
Cash and cash equivalents		29,245	266,900

11. Pledged Bank Deposits and Cash and Cash Equivalents (Continued)

Notes:

- (a) Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for one year as the security for letters of guarantee issued by banks in favour of the Group and the Group bank borrowings and overdrafts. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.
- (b) At the end of the reporting period, certain bank deposits of the Group were pledged to banks for letters of guarantee, bank loans and bank overdrafts. The pledged deposits bore interest rates ranging from 0.65% to 1.00% per annum as at 30 June 2020 (31 December 2019: 0.85% to 1.25%).

12. Trade Payables

Trade payables of the Group are unsecured, interest-free, and are normally settled on 30 to 120 days terms, except that the Group is required to pay interest at 2% per month for an overdue trade payable balance.

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	As at	
	30 June 2020 (Unaudited) THB'000	31 December 2019 (Audited) THB'000
Within 1 month	93,537	56,096
1 to 2 months	27,300	71,883
2 to 3 months	9,026	9,017
Over 3 months	40,923	18,991
	170,786	155,987
Unbilled	87,795	154,951
	258,581	310,938

13. Other Payables and Accruals

	As at	
	30 June	31 December
	2020	2019
	(Unaudited)	(Audited)
	THB'000	THB'000
Accruals	11,489	8,481
Other payable	3,360	6,466
Due to the ultimate holding company	—	11,485
Interest payable on IAH Preference Shares*	2,843	1,900
Consideration payable for the purchase of shares of Info Asset Holding Limited from the then shareholders	363	363
Others tax payables	3,060	6,320
	21,115	35,015

* The balance represented the dividend payable to the holders of IAH Preference Shares who have the right to receive fixed cumulative dividend declared by IAH at the rate of 5.0% per annum.

14. Bank and Other Borrowings

		As at	
		30 June	31 December
		2020	2019
		(Unaudited)	(Audited)
<i>Notes</i>		THB'000	THB'000
Bank overdrafts:			
Secured	<i>(a)</i>	16,883	18,420
Bank loans:			
Secured	<i>(b)</i>	187,758	60,429
Other loans:			
Secured	<i>(c)</i>	11,054	37,745
		<hr/> 215,695	<hr/> 116,594
Total bank and other borrowings			
Analysed into:			
Bank loans and overdrafts repayable:			
Within one year or on demand		140,591	43,860
In the second year		37,391	13,164
In the third to fifth years, inclusive		26,659	21,825
		<hr/> 204,641	<hr/> 78,849
Other loans repayable			
Within one year or on demand		11,054	37,745
In the second year		—	—
		<hr/> 11,054	<hr/> 37,745
Total bank and other borrowings		<hr/> 215,695	<hr/> 116,594
Portion classified as current liabilities		(173,782)	(81,605)
Non-current portion		<hr/> 41,913	<hr/> 34,989

14. Bank and Other Borrowings (Continued)

Notes:

- (a) The secured bank overdrafts of the Group as at 30 June 2020 and 31 December 2019 bore annual interest rate at the minimum overdraft rate ("**MOR**") promulgated by the banks and are repayable on demand.
- (b) A secured bank loan of the Group amounted to THB18,240,000 (31 December 2019: THB14,277,000) as at 30 June 2020, bore a fixed interest rate at 2% to 4% per annum.

Other secured bank loans of the Group with an aggregate amount of THB34,870,000 (31 December 2019: THB38,152,000) as at 30 June 2020, bore interest at rates ranging from the minimum lending rate ("**MLR**") promulgated by the banks to MLR plus 1% per annum. In addition, the Group has a promissory note and trust receipt of THB134,640,000 (31 December 2019: THB8,000,000) as at 30 June 2020, which bore annual interest rate at MOR per annum and is repayable within one year.

As at 30 June 2020 and 31 December 2019, the Group's secured bank overdrafts and loans were guaranteed by a third party credit guarantee corporation and two directors of the Company and a director of a subsidiary, and secured by:

- (i) certain bank deposits of the Company; and
 - (ii) right of receiving payment from projects.
- (c) The Group's secured other loan as at 30 June 2020 represented loan from a third party company bore interest at 6.5% per annum and is repayable within 2 months. The loan was secured by right of receiving payment from a project which had a remaining balance of THB11,053,550.

15. Share Capital

	As at	
	30 June	31 December
	2020	2019
	(Unaudited)	(Audited)
Authorised:		
10,000,000,000 (31 December 2019: 10,000,000,000) ordinary shares of HK\$0.01 each	HK\$100,000,000	HK\$100,000,000
	As at	
	30 June	31 December
	2020	2019
	(Unaudited)	(Audited)
	THB'000	THB'000
Issued:		
400,000,000 (31 December 2019: 400,000,000) ordinary shares of HK\$0.01 each	15,977	15,977

There were no movement in issued share capital of the Company during the six months ended 30 June 2020.

16. Related Party Disclosures

- (a) The Group entered into the following material transactions with related parties during the period:

		Six months ended 30 June	
		2020	2019
		(Unaudited)	(Unaudited)
<i>Notes</i>		THB'000	THB'000
Transaction with a related company controlled by a director of the Company			
Transfer of a distribution right and related equipment	<i>(i)</i>	—	57,309
Purchase of equipment	<i>(ii)</i>	4,655	—

Notes:

- (i) The transaction was conducted based on terms and conditions set out in the novation agreement dated 15 October 2018 and the memorandum of agreement dated 28 December 2018 mutually agreed between the parties.
- (ii) The transactions were conducted based on terms and conditions mutually agreed between the parties.
- (b) Details of the guarantees given by the Directors in respect of the Group's bank loans are set out in note 14 to the condensed consolidated financial information.

16. Related Party Disclosures (Continued)

- (c) The compensation of the key management personnel of the Group is summarised as follows:

	Six months ended 30 June 2020 (Unaudited) THB'000	2019 (Unaudited) THB'000
Short term employee benefits	9,990	7,587
Post-employee benefits	476	727
Total compensation paid and payable to key management personnel	<u>10,466</u>	<u>8,314</u>

17. Contingent Liabilities

Bank guarantees

As at 30 June 2020, there were outstanding bank guarantees of THB496,000,000 (31 December 2019: THB496,000,000) issued by banks on behalf of the Group in respect of certain performance obligation as required in the normal course of business of the Group.

18. Approval of the Condensed Consolidated Financial Information

The condensed consolidated financial information was approved and authorised for issue by the Board on 25 August 2020.

Definitions

Unless the content otherwise requires, the following expressions shall have the following meanings in this Interim Report.

“ATM Project”	includes (i) the projects which our Group, together with the ATM Terminal Provider up until June 2020, cooperates with BAAC since 2006 to set up and operate its ATM network, and was extended in 2019 to cover the period up to June 2027; and (ii) a project entered into with BAAC in 2014
“ATM Terminal Provider”	the consortium partner, a private company set up with limited liability in Thailand in 1989 and is an independent third party of our Group. It is an established IT solutions provider that was invited by our Group to participate in the ATM Project to focus on the frontend system aspect of the ATM Project. It is a leading IT and digital solutions provider in Thailand which offers modern digital solutions and enterprise business solutions and IT infrastructure solutions
“Audit Committee”	the audit committee of the Board
“BAAC”	Bank for Agriculture and Agricultural Co-operatives, a government-owned bank established in 1966 and focuses on providing banking services to farmers in the rural area in Thailand
“Board”	the board of Directors
“Company”	Platt Nera International Limited, an exempted company incorporated in the Cayman Islands with limited liability on 23 November 2018

“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“COVID-19”	Coronavirus Disease 2019
“Customer F”	a government-owned bank that provides various banking products and services in Thailand
“Director(s)”	the director(s) of our Company
“Group”, “our Group”, “we”, “us” or “our”	our Company together with our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK\$”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAH”	Info Asset Holding (Thailand) Co., Limited (formerly known as Intel Asset Holding Co., Limited), a company incorporated with limited liability on 6 September 2018 under the laws of Thailand, a subsidiary of our Company
“IAH Preference Share(s)”	the preference share(s) of nominal value of THB100 each in the share capital of IAH
“Listing”	the listing of our Shares on the Main Board on 16 July 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“Main Board”	the Main Board of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“PEA”	Provincial Electricity Authority, a state-owned enterprise in Thailand responsible for providing provincial electricity supply
“Prospectus”	the prospectus dated 28 June 2019 issued by the Company in relation to the Share Offer
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of our Company
“Share Offer”	the public offer and the placing in connection with the Listing
“Shareholder(s)”	holder(s) of Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Thailand” or “Thai”	the Kingdom of Thailand
“THB”	Thai Baht or Baht, the lawful currency of Thailand
“%”	per cent.



PLATT NERA INTERNATIONAL LIMITED