

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW AND INTERIM FINANCIAL
INFORMATION FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED
JUNE 30, 2020**

INDEPENDENT AUDITOR’S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To The Shareholders and Board of Directors of
The Practical Solution Public Company Limited

I have reviewed the accompanying statement of financial position of The Practical Solution Public Company Limited as at June 30, 2020 and the related statement of comprehensive income for the three-month and six-month periods then ended, changes in shareholders’ equity and cash flows for the six-month period then ended and the condensed notes to the financial statement. Management is responsible for the preparation and presentation of this financial information in accordance with Thai Accounting Standards No. 34 “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

SCOPE OF REVIEW

I conducted my review in accordance with auditing standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

CONCLUSION

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standards No. 34 “Interim Financial Reporting”.

(Mr. Peradate Pongsathiansak)
Certified Public Accountant
Registration No. 4752

Dharmniti Auditing Company Limited
Bangkok, Thailand
August 13, 2020

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

		Baht	
		As at June	As at December
	Notes	30, 2020	31, 2019
ASSETS			
Current assets			
Cash and cash equivalents	6	55,488,862.95	197,575,211.34
Trade and other receivable	7	181,179,696.57	149,432,405.53
Current portion of finance lease			
receivables	8	15,228,315.04	9,579,165.92
Inventories	9	103,422,784.72	47,292,148.84
Other current assets		2,446,909.39	4,033,393.62
Total current assets		<u>357,766,568.67</u>	<u>407,912,325.25</u>
Non-current assets			
Restricted bank deposit	10	21,290,032.94	21,148,058.09
Finance lease receivables	8	48,302,482.82	25,052,927.81
Property, plant and equipment	11	141,132,725.08	145,126,213.80
Right-of-use assets	12	18,033,382.18	-
Intangible assets	13	260,615.26	283,326.75
Deferred tax assets	14	1,562,010.73	3,092,665.27
Other non-current assets		32,496,763.67	28,995,251.20
Total non-current assets		<u>263,078,012.68</u>	<u>223,698,442.92</u>
TOTAL ASSETS		<u><u>620,844,581.35</u></u>	<u><u>631,610,768.17</u></u>

Note to interim financial statements form an integral part of these statements.

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT JUNE 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY

	Notes	Baht	
		As at June 30, 2020	As at December 31, 2019
Current liabilities			
Trade and other payables	16	195,850,173.28	152,443,213.37
Current portion of long-term loan			
from financial institution	18	4,858,873.78	5,425,135.74
Current portion of liability under			
lease agreements	19	4,251,808.68	3,147,934.51
Income tax payable		1,286,788.79	374,688.27
Other current liabilities	17	3,203,865.43	4,098,766.08
Total current liabilities		<u>209,451,509.96</u>	<u>165,489,737.97</u>
Non-current liabilities			
Long-term loan from financial institution	18	-	26,102,945.19
Liability under lease agreements	19	6,855,509.46	4,698,649.32
Employee benefit obligations	20	19,352,054.55	18,330,893.03
Other non-current liabilities		34,819,541.63	37,151,535.49
Total non-current liabilities		<u>61,027,105.64</u>	<u>86,284,023.03</u>
TOTAL LIABILITIES		<u>270,478,615.60</u>	<u>251,773,761.00</u>

Note to interim financial statements form an integral part of these statements.

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT JUNE 30, 2020

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

	Notes	Baht	
		As at June 30, 2020	As at December 31, 2019
Shareholders' equity			
Share capital			
Authorised share capital			
280,000,000 ordinary shares of Baht 0.50 each		140,000,000.00	140,000,000.00
Issued and paid-up share capital			
280,000,000 ordinary shares of Baht 0.50 each		140,000,000.00	140,000,000.00
Premium on share capital		153,294,618.30	153,294,618.30
Surplus on share-based payment transactions		6,754,000.00	6,754,000.00
Retained earnings			
Appropriated			
Legal reserve		12,446,049.54	12,446,049.54
Unappropriated		37,871,297.91	67,342,339.33
TOTAL SHAREHOLDERS' EQUITY		350,365,965.75	379,837,007.17
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		620,844,581.35	631,610,768.17

Note to interim financial statements form an integral part of these statements.

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED JUNE 30, 2020

		Baht			
		For the three-month period		For the six-month period	
		ended June 30,		ended June 30,	
Notes	2020	2019	2020	2019	
Revenues					
	182,974,644.65	178,466,118.15	341,024,402.62	321,312,749.56	
Revenues from sales and services					
	806,949.43	767,089.28	1,387,049.43	1,002,068.58	
Interest income					
	568,304.11	445,494.54	634,427.28	452,494.54	
Other income					
Total revenues	184,349,898.19	179,678,701.97	343,045,879.33	322,767,312.68	
Expenses					
	126,527,090.98	125,640,696.12	236,171,406.22	222,744,888.30	
Cost of sales and services					
	10,108,665.54	11,801,919.36	17,466,497.84	21,585,220.46	
Selling expenses					
	28,156,767.67	25,356,764.43	54,743,697.46	49,654,618.31	
Administrative expenses					
Other expense	-	70,617.19	-	161,361.37	
Total expense	164,792,524.19	162,869,997.10	308,381,601.52	294,146,088.44	
Profit from operating activities	19,557,374.00	16,808,704.87	34,664,277.81	28,621,224.24	
Finance cost	194,481.63	115,682.43	719,343.66	591,788.93	
Profit before income tax expense	19,362,892.37	16,693,022.44	33,944,934.15	28,029,435.31	
Income tax expense	24 3,779,447.29	3,465,313.09	6,700,925.21	5,876,452.71	
Profit for the period	15,583,445.08	13,227,709.35	27,244,008.94	22,152,982.60	
Other comprehensive income	-	-	-	-	
Total comprehensive income for the period	15,583,445.08	13,227,709.35	27,244,008.94	22,152,982.60	
Earnings per share					
25	0.06	0.07	0.10	0.11	
Basic earnings per share					

Note to interim financial statements form an integral part of these statements.

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

		Baht					
		Share capital	Premium on	Surplus on	Retained earnings		Total
		Issued and	share capital	Share-based	Appropriated	Unappropriated	
		Paid-up		Payment	Legal reserve		
Notes				transactions			
Balance as at January 1, 2020		140,000,000.00	153,294,618.30	6,754,000.00	12,446,049.54	67,342,339.33	379,837,007.17
Adjustment							
Cumulative effects of changes in accounting policies							
due to the adoption of new financial reporting standards	4	-	-	-	-	(715,050.36)	(715,050.36)
Balance as at January 1, 2020 (Restated)		140,000,000.00	153,294,618.30	6,754,000.00	12,446,049.54	66,627,288.97	379,121,956.81
Dividend	21	-	-	-	-	(56,000,000.00)	(56,000,000.00)
Profit for the period		-	-	-	-	27,244,008.94	27,244,008.94
Balance as at June 30, 2020		<u>140,000,000.00</u>	<u>153,294,618.30</u>	<u>6,754,000.00</u>	<u>12,446,049.54</u>	<u>37,871,297.91</u>	<u>350,365,965.75</u>
Balance as at January 1, 2019		100,000,000.00	-	6,754,000.00	10,000,000.00	67,795,624.51	184,549,624.51
Dividend	21	-	-	-	-	(45,000,000.00)	(45,000,000.00)
Profit for the period		-	-	-	-	22,152,982.60	22,152,982.60
Balance as at June 30, 2019		<u>100,000,000.00</u>	<u>-</u>	<u>6,754,000.00</u>	<u>10,000,000.00</u>	<u>44,948,607.11</u>	<u>161,702,607.11</u>

Notes to interim financial statements form an integral part of these statements.

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	Baht	
	2020	2019
<u>CASH FLOWS FROM OPERATING ACTIVITIES :</u>		
Profit for the period	27,244,008.94	22,152,982.60
Reconciliations of profit for the period to net cash provided by (used in) operating activities		
Depreciation	4,799,322.24	2,453,412.62
Amortization of intangible assets	22,711.49	24,581.33
Allowance for doubtful debt	1,198,681.18	-
Provision of allowance for decline in value of inventories (reversal)	(28,896.00)	(177,134.00)
(Gain) loss on disposal of building improvement and equipment	(401,455.25)	-
Employee benefits expenses	1,222,661.52	4,282,128.06
Interest income	(1,387,049.43)	(1,002,068.58)
Finance costs	719,343.66	591,788.93
Income tax expense	6,700,925.21	5,876,452.71
Profit from operating before changes in operating assets and liabilities	40,090,253.56	34,202,143.67
(Increase) decrease in operating assets		
Trade and other accounts receivable	(33,615,403.10)	35,526,566.28
Finance lease receivables	(29,166,224.26)	(19,369,035.33)
Unbilled receivable	-	12,741,000.00
Inventories	(56,101,739.88)	(33,205,550.28)
Other current assets	1,586,484.23	(152,963.37)
Other non-current assets	(3,458,374.41)	(752,303.75)

Note to interim financial statements form an integral part of these statements.

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONT.)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

	Baht	
	2020	2019
Increase (decrease) in operating liabilities		
Trade and other payables	43,406,959.91	52,732,816.44
Other current liabilities	(894,900.65)	(4,415,082.86)
Employee benefits obligations	(201,500.00)	(315,200.00)
Other non-current liabilities	(2,331,993.86)	8,396,375.01
Cash generated (paid) from operating	(40,686,438.46)	85,388,765.81
Interest received	1,387,049.43	1,002,068.58
Income tax paid	(4,079,407.56)	(7,969,805.94)
Net cash provided by (used in) operating activities	(43,378,796.59)	78,421,028.45
<u>CASH FLOWS FROM INVESTING ACTIVITIES :</u>		
(Increase) decrease in restricted bank deposit	(141,974.85)	(139,856.23)
Cash payments to acquire property, plant and equipment	(13,112,459.62)	(19,238,050.12)
Cash received from sale of equipment	409,883.17	-
Net cash provided by (used in) investing activities	(12,844,551.30)	(19,377,906.35)
<u>CASH FLOWS FROM FINANCING ACTIVITIES :</u>		
Cash payment from long-term loan from financial institution	(26,704,257.90)	-
Cash payments for liabilities under lease agreements	(2,474,449.69)	(2,156,426.95)
Dividend paid	(56,000,000.00)	(20,000,000.00)
Interest paid	(684,292.91)	(591,788.93)
Net cash provided by (used in) financing activities	(85,863,000.50)	(22,748,215.88)
Increase (decrease) in cash and cash equivalent, net	(142,086,348.39)	36,294,906.22
Cash and cash equivalent, at beginning of period	197,575,211.34	10,166,009.85
Cash and cash equivalent, at end of period	55,488,862.95	46,460,916.07
Supplement disclosure for cash flows information :		
Purchase of asset under financial lease agreements	5,735,184.00	3,821,250.00
Dividend payable	-	25,000,000.00

Note to interim financial statements form an integral part of these statements.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS

JUNE 30, 2020

1. GENERAL INFORMATION

(a) Legal status and address

The Company was registered to be a limited Company on May 20, 2004. According to the Meeting of Shareholders No. 1/2019 held on June 28, 2019, the shareholders approved to registered the Company’s status to change into public company limited. The Company had registered to the public company limited with Department of Business Development on July 9, 2019 and registered with the Market for Alternative Investment (mai) on November 15, 2019.

The registered address of the Company, 99 Cement Thai Alley, Lat Yao, Chatuchak, Bangkok, Thailand.

(b) Nature of the Company’s business

The main business of the Company is engaged in the distribution and installation of computer network systems, fully integrated of communication system, wireless communication system, network security system, data centre solution and management system and network system management including to provide maintenance services related to such systems.

2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis for The Preparation of Interim Financial Statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 “ Interim Financial Reporting” , and the requirements of the Securities and Exchange Commission (SEC). The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and situations and not intended to re-emphasis on the information previously reported. The interim financial statements should therefore, be read in conjunction with the financial statements for the year ended December 31, 2019.

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

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the financial statements in Thai language version.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

2.2 Financial reporting standards that became effective in the current period

During the period, the Company have adopted the revised and new financial reporting standards, interpretations and the accounting guidance, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five accounting standards and interpretations, as follows:

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

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

TFRS 16 Leases

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

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

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

The Company have adopted TFRSs related to financial instruments and TFRS 16 the first-time in its financial statements by applying modified retrospective approach of adoption of which the cumulative effect as an adjustment to the retained earnings as at January 1, 2020 and the comparative information was not restated. The cumulative effect of the change is described in Note 4 to the interim financial statements.

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

The Federation of Accounting Professions announced Accounting Treatment Guidance on “Temporary relief measures on accounting alternatives in response to the impact of the COVID-19 situation”. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company has elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where use a simplified approach to determine expected credit losses.
- Not to include information relating to the COVID-19 situation that may affect financial forecasts. In the future, used in conjunction with relevant fair value measurement techniques TFRS 13, Fair Value.
- Not to account for any reduction in lease payments by lessors (if any) as a lease modification, with the lease liabilities that come due in each period reduced in proportion to the reduction and depreciation of right-of-use assets and interest on lease liabilities recognized in each period reversed in proportion to the reduction, with any differences then recognized in profit or loss.
- Not to include information relating to the uncertain COVID-19 situation, which may affect the estimation of future taxable profits. Into data to estimate the adequacy of future taxable profits in order to take advantage of deferred tax assets.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company prepared the interim financial statements with the same accounting policies used in The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended December 31, 2019 except the changes in accounting policies as follows.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

3.1 Financial assets and financial liabilities

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 impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets

Financial assets that are debt instruments are measured at fair value through profit or loss, fair value through other comprehensive income, or amortized cost. Classification is driven by the Company business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets that are equity instruments are measured at fair value through profit or loss or through other comprehensive income.

Financial liabilities are classified and measured at amortized cost.

Derivatives are classified and measured at fair value through profit or loss.

(2) Impairment of financial assets

The Company recognized an allowance for expected credit losses on its financial assets measured at amortized cost, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in expected credit losses in stages, with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage. An exception from this approach is that for trade receivables that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit losses.

4. CUMULATIVE EFFECTS OF CHANGES IN ACCOUNTING POLICIES DUE TO THE ADOPTION OF NEW FINANCIAL REPORTING STANDARDS

As described in Note 2.2 to the interim financial statements, during the current period, the Company have impacts from adoption of TFRSs related to financial instruments and TFRS 16. The cumulative effect of the changes in accounting policies are recognized as an adjustment to retained earnings as at January 1, 2020 and the comparative information was not restated.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

The changes in accounting policies due to the adoption of above financial reporting standards, are summarized below.

	Baht			As at January 1, 2020
	As at December 31, 2019	The impacts of TFRSs related to financial instruments	The impacts of TFRS 16	
Statement of financial position				
Current assets				
Trade and other receivables	149,432,405.53	(676,681.00)	-	148,755,724.53
Finance lease receivables	34,632,093.73	(217,131.95)	-	34,414,961.78
Property, plant and equipment	145,126,213.80	-	(12,295,168.25)	132,831,045.55
Right-of-use assets	-	-	12,295,168.25	12,295,168.25
Deferred tax assets	3,092,665.27	178,762.59	-	3,271,427.86
Equity				
Unappropriated retained earnings	67,342,339.33	(715,050.36)	-	66,627,288.97

4.1 Financial instruments

The total impact on the retained earnings as at January 1, 2020 is as follows:

	Baht
Unappropriated retained earnings as at December 31, 2019	67,342,339.33
Debt instruments - Fair value through profit or loss	(715,050.36)
Adjustment to unappropriated retained earnings from adoption of TFRS 9 on January 1, 2020	<u>66,627,288.97</u>

Classification and measurement

On January 1, 2020 (the date of initial application), the Company management has assessed which business models applied to the financial assets and liabilities held by the Company and has classified the financial assets and liabilities as below. The Company and has classified the financial assets and liabilities at amortized cost.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

Impairment of financial assets

Trade receivables and Finance lease receivables

The loss allowance for trade receivables as at December 31, 2019 is reconciled to the opening loss allowance for trade receivables as at January 1, 2020 as follow:

	<u>Baht</u>
<u>Loss allowance for trade receivables and Finance lease receivables</u>	
As at December 31, 2019	-
Amounts restated through opening unappropriated retained earnings	<u>893,812.95</u>
Opening loss allowance as at January 1, 2020	<u><u>893,812.95</u></u>

5. RELATED PARTIES TRANSACTION

The Company has certain transaction with its related parties, such transactions comply with commercial terms and based on the agreed upon between the Company and related parties as an ordinary course of business.

The nature of relationship with related parties can be summarized as follows:

<u>Name of related parties</u>	<u>Nature of relationship</u>
<u>Related persons</u>	
Director and key management personnel	Persons having authority and responsibility of management

Pricing policy for transaction with related parties as follows:

<u>Type of business</u>	<u>Pricing policy</u>
Sale of assets	Market price less discount
Management benefit expenses	As approved by the director and shareholder

As at June 30, 2020 and December 31, 2019, the Company has no balance with the related parties.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

Revenue and expense transactions with related parties for the three-month and six - month periods ended June 30, 2020 and 2019 were as follows:

	Baht			
	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2020	2019	2020	2019
Management benefit expenses				
Short-term employee benefits	8,058,498.91	7,297,181.00	15,703,956.58	13,368,146.10
Post-term employee benefits	312,413.25	300,919.50	624,826.50	601,839.00
	<u>8,370,912.16</u>	<u>7,598,100.50</u>	<u>16,328,783.08</u>	<u>13,969,985.10</u>

MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefits paid to the Company’s management and directors such as salaries, related benefit and directors’ remuneration, including the benefit paid by other means. The Company’s management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the managing director level.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Baht	
	As at June 30, 2020	As at December 31, 2019
Cash on hand	60,000.00	40,000.00
Cash at banks - current accounts	19,162,661.19	159,051,651.62
Cash at banks - savings accounts	36,265,060.73	38,482,421.65
Cash at banks - fixed deposits	1,141.03	1,138.07
Total	<u>55,488,862.95</u>	<u>197,575,211.34</u>

As at June, 2020 and December 31, 2019, savings accounts earned interest at the rate of 0.50% per annum and 0.50% per annum, respectively.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of:

	Baht	
	As at June 30, 2020	As at December 31, 2019
Trade accounts receivable	113,934,634.81	64,126,626.75
Accrued income - sale of goods and services	33,117,486.24	53,219,026.32
	147,052,121.05	117,345,653.07
<u>Less</u> Allowance for doubtful debt	(1,824,974.00)	-
Total	145,227,147.05	117,345,653.07
Other receivable	35,952,549.52	32,086,752.46
Total	181,179,696.57	149,432,405.53

Trade accounts receivable and accrued income - sale of goods and services classified by age of account:

	Baht	
	As at June 30, 2020	As at December 31, 2019
Not due	123,201,357.87	90,355,836.58
Over 1 days to 90 days	13,529,934.45	25,426,578.48
Over 91 days to 180 days	7,939,552.91	1,002,149.16
Over 181 days to 360 days	2,381,275.82	561,088.85
Over 361 days	-	-
Total	147,052,121.05	117,345,653.07

Other receivables consisted of:

	Baht	
	As at June 30, 2020	As at December 31, 2019
Prepaid expenses	32,117,395.50	25,509,151.24
Others	3,835,154.02	6,577,601.22
Total	35,952,549.52	32,086,752.46

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

8. FINANCE LEASE RECEIVABLES

Finance lease receivables consisted of:

	Baht	
	As at June 30, 2020	As at December 31, 2019
Finance lease receivables	70,251,006.72	38,211,607.24
<u>Less</u> Deferred interest	(6,452,688.73)	(3,579,513.51)
Net	63,798,317.99	34,632,093.73
<u>Less</u> Current Portion	(15,228,315.04)	(9,579,165.92)
Finance lease receivables - net	48,570,002.95	25,052,927.81
<u>Less</u> Allowance for doubtful debt	(267,520.13)	-
Net	<u>48,302,482.82</u>	<u>25,052,927.81</u>

The minimum lease payments and present value of minimum lease payments which receivable will be paid under the financial lease agreements as at June 30, 2020 and December 31, 2019, were as follows:

	Baht			
	As at June 30, 2020		As at December 31, 2019	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Collection period				
Within 1 year	18,019,087.93	15,228,315.04	11,180,387.71	9,579,165.92
Over 1 year but less than 5 years	52,231,918.79	48,570,002.95	27,031,219.53	25,052,927.81
	70,251,006.72	63,798,317.99	38,211,607.24	34,632,093.73
<u>Less</u> Deferred interest	(6,452,688.73)	-	(3,579,513.51)	-
	<u>63,798,317.99</u>	<u>63,798,317.99</u>	<u>34,632,093.73</u>	<u>34,632,093.73</u>

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

9. INVENTORIES

Inventories consisted of :-

	Baht	
	As at June 30, 2020	As at December 31, 2019
Work in process	77,233,907.53	39,232,080.37
Material for project work	26,195,287.95	8,095,375.23
Total	103,429,195.48	47,327,455.60
<u>Less</u> allowance for decline in value of inventories	(6,410.76)	(35,306.76)
Net	<u>103,422,784.72</u>	<u>47,292,148.84</u>

	Baht			
	For the three-month period ended		For the six-month period ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Decline in value of inventory recognized as				
cost of goods sold for the period	-	-	-	177,134.00
Reversal of decline in value of inventory				
for the period	28,896.00	-	28,896.00	-

10. RESTRICTED BANK DEPOSIT

As at June 30, 2020 and December 31, 2019, the Company had fixed deposit, 6 and 12 months in the amount of Baht 21.29 million and Baht 21.15 million, respectively which used for pledge letter of guarantee from a local bank (see note 15).

“UNAUDITED”

“REVIEWED”

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

11. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the six-month period ended June 30, 2020 are summarized as follows:

	<u>Baht</u>
At cost	
Balance as at December 31, 2019	169,407,952.43
Transfer to right-of-use assets	<u>(16,003,299.06)</u>
Balance as at January 1, 2020	153,404,653.37
Acquisitions during the period	11,761,643.62
Disposals and write-off during the period	<u>(1,898,847.29)</u>
Balance as at June 30, 2020	<u>163,267,449.70</u>
Accumulated depreciation	
Balance as at December 31, 2019	24,281,738.63
Transfer to right-of-use assets	<u>(3,708,130.81)</u>
Balance as at January 1, 2020	20,573,607.82
Depreciation for the period	3,451,536.17
Accumulated depreciation on disposals and write-off	<u>(1,890,419.37)</u>
Balance as at June 30, 2020	<u>22,134,724.62</u>
Net book value	
Balance as at December 31, 2019	<u>145,126,213.80</u>
Balance as at June 30, 2020	<u>141,132,725.08</u>

	<u>Baht</u>			
	<u>For the three-month period ended</u>		<u>For the six-month period ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Depreciation for the period	<u>1,792,944.84</u>	<u>1,319,938.92</u>	<u>3,451,536.17</u>	<u>2,453,412.62</u>

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

As at June 30, 2020 and December 31, 2019, equipment which was fully depreciated but is still in use had its gross carrying amount before depreciation in the amount of Baht 14.28 million and Baht 10.36 million, respectively.

As at June 30, 2020 and December 31, 2019, the land was mortgaged as collateral for credit facilities from bank (Note 15).

12. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets account during the six-month period ended June 30, 2020 are summarized below.

	Baht
Net book value as at January 1, 2020	-
Adjustments of right-of-use assets due to TFRS16 adoption	12,295,168.25
Increase during period	7,086,000.00
Depreciation for the period	(1,347,786.07)
Net book value as at June 30, 2020	<u>18,033,382.18</u>

13. INTANGIBLE ASSETS

Movements of intangible assets for the six-month period ended June 30, 2020 are summarized as follows:

	Baht
At cost	
Balance as at December 31, 2019	563,200.00
Acquisitions during the period	-
Disposals and write-off during the period	-
Balance as at June 30, 2020	<u>563,200.00</u>
Accumulated amortization	
Balance as at December 31, 2019	279,873.25
Amortization for the period	22,711.49
Accumulated amortization on disposals and write-off	-
Balance as at June 30, 2020	<u>302,584.74</u>
Net book value	
Balance as at December 31, 2019	<u>283,326.75</u>
Balance as at June 30, 2020	<u>260,615.26</u>

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

	Baht			
	For the three-month period ended		For the six-month period ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Amortization for the period	11,056.75	12,358.56	22,711.49	24,581.33

14. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and liabilities for the six-month period ended June 30, 2020 were summarized as follows:

	Baht					
	Balance as at Dec. 31, 2019	The impacts of adoption of TFRS 9	Balance as at Jan. 1, 2020	Income (expenses) during the period In profit or loss In other comprehensive income		Balance as at June. 30, 2020
Deferred tax assets :						
Finance lease receivables	-	178,762.59	178,762.59	239,736.24	-	418,498.83
Allowance for declining in value of inventories	7,061.35	-	7,061.35	(5,779.20)	-	1,282.15
Liability under finance lease agreement	153,205.48	-	153,205.48	(19,835.62)	-	133,369.86
Employees benefit obligations	3,666,178.61	-	3,666,178.61	204,232.30	-	3,870,410.91
Total	3,826,445.44	178,762.59	4,005,208.03	418,353.72	-	4,423,561.75
Deferred tax liabilities						
Receivable under finance lease agreement	(733,780.17)	-	(733,780.17)	(2,127,770.85)	-	(2,861,551.02)
Total	(733,780.17)	-	(733,780.17)	(2,127,770.85)	-	(2,861,551.02)
Deferred tax assets (liabilities), net	3,092,665.27	178,762.59	3,271,427.86	(1,709,417.13)	-	1,562,010.73

15. CREDIT FACILITIES FROM FINANCIAL INSTITUTIONS

As at June 30, 2020 and December 31, 2019, the Company had credit facilities with 2 local commercial banks under the total credit facilities of Baht 361 million and Baht 361 million, respectively, as follows:

Types of credit limit	Interest rate (% per annum)	Million Baht	
		As at June 30, 2020	As at December 31, 2019
(1) Bank overdrafts	MOR	11	11
(2) Short-term loans	MLR - 1.50	65	65
(3) Letter of guarantee	1.25 - 1.50	230	230
(4) Long-term loan	MLR - 1.75	55	55
Total		361	361

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

16. TRADE AND OTHER PAYABLES

Trade and other payables consisted of:

	Baht	
	As at June 30, 2020	As at December 31, 2019
Trade accounts payable	127,836,106.86	112,765,095.59
Accrued expenses	26,197,459.44	19,119,873.00
Deferred revenue	41,816,606.98	20,558,244.78
Total	<u>195,850,173.28</u>	<u>152,443,213.37</u>

17. OTHER CURRENT LIABILITIES

Other current liabilities consisted of:

	Baht	
	As at June 30, 2020	As at December 31, 2019
Withholding taxes payable	1,173,223.15	3,848,960.08
Accounts payable - Revenue Department	1,867,751.28	-
Others	162,891.00	249,806.00
Total	<u>3,203,865.43</u>	<u>4,098,766.08</u>

18. LONG-TERM LOAN FROM FINANCIAL INSTITUTION

Movements of long-term loan from financial institution for the six-month period ended June 30, 2020 were as follows :

	Baht
Balance as at January 1, 2019	31,900,000.00
<u>Add</u> additional loan during the period	-
<u>Less</u> repayments during the period	(27,000,000.00)
Balance as at March 31, 2020	4,900,000.00
<u>Less</u> Deferred financial cost	(41,126.22)
	4,858,873.78
<u>Less</u> Current portion	(4,858,873.78)
Net	<u>-</u>

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

On November 23, 2018, the Company entered into a long-term loan agreement with a local commercial bank at the total amount of Baht 55 million for investment in a new office building. The loan bears interest at the rate of MLR - 1.75% per annum and has to installments of principal repayment excluding interest in monthly installments of Baht 920,000 per installment total 60 installments by the first installment in July 2020. The loan is secured by land and buildings of the Company (Note 11) and there is no conditions regarding maintaining financial ratio from the bank.

19. LIABILITY UNDER LEASE AGREEMENTS

Liability under lease agreements had due repayment as follows:

	Baht					
	As at June 30, 2020			As at December 31, 2019		
	Principal	Deferred interest	Net	Principal	Deferred interest	Net
Within 1 year	4,251,808.68	357,031.28	4,608,839.96	3,147,934.51	256,331.45	3,404,265.96
Over 1 - 5 years	6,855,509.46	341,029.56	7,196,539.02	4,698,649.32	235,333.64	4,933,982.96
Total	11,107,318.14	698,060.84	11,805,378.98	7,846,583.83	491,665.09	8,338,248.92

As at June 30, 2020, the Company had vehicles and equipment long-term lease agreements in the form of hire lease with 4 local leasing companies, with 18 contracts. The total amounts of the contacts value are of Baht 20,266,684.44 Installments period are 48 - 60 months and the total repayments are of Baht 448,502.00 per month.

20. EMPLOYEE BENEFIT OBLIGATIONS

As at June 30, 2020 and December 31, 2019, the Company has defined benefit obligations as follows:

The statement of financial position

	Baht	
	As at June 30, 2020	As at December 31, 2019
Employee benefit obligations at beginning of the period	18,330,893.03	10,916,987.03
Actuarial loss on defined employee benefit plan		
- In profit or loss	-	-
- In other comprehensive income	-	2,410,283.00
Past service costs and interest		
- Change a considered a post employment plan amendment	-	3,245,433.00
Current service cost and interest cost during the period	1,222,661.52	2,073,390.00
Benefit paid by the plan during the plan	(201,500.00)	(315,200.00)
Employee benefit obligations at ending of the period	19,352,054.55	18,330,893.03

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

Expenses which are recognized in the statement of comprehensive income

	Baht			
	For the three-month period ended		For the six-month period ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Past service costs and interest	-	3,245,433.00	-	3,245,433.00
Current service cost				
Cost of sales	259,690.75	250,122.50	519,381.50	423,794.00
Selling expenses	41,806.25	39,007.75	83,612.50	67,520.50
Administrative expense	288,580.25	335,567.07	619,667.52	545,380.56
	<u>590,077.25</u>	<u>3,870,130.32</u>	<u>1,222,661.52</u>	<u>4,282,128.06</u>

21. APPROPRIATION OF RETAINED EARNINGS

According to the Board of Directors’ Meeting No. 2/2020 held on April 17, 2020, the Board approved to pay interim dividend from the operating results for the year ended December 31, 2019 to the shareholders of 280,000,000 shares at Baht 0.20 per share in the amount of Baht 56 million. The dividend was paid on May 15, 2020.

According to the 2019 Annual General Meeting of Shareholders on April 9, 2019, the shareholders approved the payment of dividends from the operating results for the year ended December 31, 2018 to the shareholders of 1,000,000 shares at Baht 20 per share in the amount of Baht 20 million. The Company paid the dividend on April 25, 2019.

According to the Board of Directors’ Meeting No. 3/2019 held on June 13, 2019, the Board approved to pay interim dividend from the operating results for the year ended December 31, 2018 to the shareholders of 1,000,000 shares at Baht 25 per share in the amount of Baht 25 million. The dividend was paid on July 5, 2019.

22. CAPITAL MANAGEMENT

The primary objective of capital management of the Company is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at June 30, 2020 and December 31, 2019, the Company's debt-to-equity ratio 0.77 : 1 and 0.66 : 1, respectively.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

23. OPERATING SEGMENT

The Company operates its main business in reportable operating segments according to the type of products and services provided with the main geographical area in Thailand as follows:

Type of operating segments	Type of products and services of segment
- Sales including installment segment (main segment)	Computer network systems, fully integrated of communication system, wireless communication system, network security system, data centre solution and management system and network system management including to provide maintenance services related to such systems
- Other segments	System development installation including related services and other services

The operating segment’s performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company assesses the performance of the operating segment by using the operating profit or loss as the basis consistent with that used to assess operating profit or loss in the financial statements.

Details of financial information classified by operating segments for the three-month and six-month periods ended June 30, 2020 and 2019 were as follows:

	Million Baht							
	For the three-month period ended June 30,							
	Sales including instalment		Maintenance services		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from sales and services	138.14	138.31	41.58	38.74	3.25	1.42	182.97	178.47
Cost of sales and services	(99.46)	(101.55)	(24.93)	(23.31)	(2.14)	(0.78)	(126.53)	(125.64)
Gross profit	<u>38.68</u>	<u>36.76</u>	<u>16.65</u>	<u>15.43</u>	<u>1.11</u>	<u>0.64</u>	<u>56.44</u>	<u>52.83</u>
Interest income							0.81	0.77
Other income							0.57	0.44
Selling expense							(10.11)	(11.80)
Administration expense							(28.15)	(25.36)
Other expense							-	(0.07)
Finance cost							(0.20)	(0.11)
Income tax expense							(3.78)	(3.47)
Profit for the period							<u>15.58</u>	<u>13.23</u>

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

	Million Baht							
	For the six-month period ended June 30,							
	Sales including instalment		Maintenance services		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Revenues from sales and services	248.58	237.84	83.90	80.35	8.54	3.12	341.02	321.31
Cost of sales and services	(182.47)	(172.46)	(48.00)	(48.88)	(5.70)	(1.40)	(236.17)	(222.74)
Gross profit	66.11	65.38	35.90	31.47	2.84	1.72	104.85	98.57
Interest income							1.39	1.00
Other income							0.63	0.45
Selling expense							(17.47)	(21.59)
Administration expense							(54.74)	(49.65)
Other expense							-	(0.16)
Finance cost							(0.72)	(0.59)
Income tax expense							(6.70)	(5.88)
Profit for the period							27.24	22.15

Geographic information

The Company operates its business in Thailand only. As a result, all of revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

24. INCOME TAX EXPENSE (TAX INCOME)

24.1 Major components of income tax expense (tax income) for the three-month and six-month periods ended June 30, 2020 and 2019 consist of :-

	Baht			
	For the three-month period ended		For the six-month period ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Income tax expense (income) shown in for profit or loss:				
Current income tax expense:				
Income tax expense for the year	2,909,879.66	2,867,072.55	4,991,508.08	5,433,007.00
Deferred tax expense (income):				
Change in temporary differences relating to the original recognition and reversal	869,567.63	598,240.54	1,709,417.13	443,445.71
Total	3,779,447.29	3,465,313.09	6,700,925.21	5,876,452.71

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
JUNE 30, 2020

24.2 A numerical reconciliation between income tax expense and the product of accounting profit and the applicable tax rate for the three-month and six-month periods ended June 30, 2020 and 2019 were summarized as follows:

	Baht			
	For the three-month period ended		For the six-month period ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Accounting profit for the period	19,362,892.37	16,693,022.44	33,944,934.15	28,029,435.31
The applicable tax rate (%)	20.00	20.00	20.00	20.00
Tax expense at the applicable tax rate	3,872,578.47	3,338,604.49	6,788,986.83	5,605,887.06
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses that are forbidden expenses in determining taxable profit	(31,903.03)	166,413.87	49,304.50	362,826.37
Tax effect of for tax deductible	(61,228.15)	(39,705.27)	(137,366.12)	(92,260.72)
Total reconciliation items	(93,131.18)	126,708.60	(88,061.62)	270,565.65
Total income tax expense	3,779,447.29	3,465,313.09	6,700,925.21	5,876,452.71

24.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the three-month and six-month periods ended June 30, 2020 and 2019 were summarized as follows:

	For the three-month period ended June 30,				For the six-month period ended June 30,			
	2020		2019		2020		2019	
	Tax amount	Tax rate	Tax amount	Tax rate	Tax amount	Tax rate	Tax amount	Tax rate
	(Baht)	(%)	(Baht)	(%)	(Baht)	(%)	(Baht)	(%)
Accounting profit before tax expense for the period	19,362,892.37		16,693,022.44		33,944,934.15		28,029,435.31	
Income tax expense at the applicable tax rate	3,872,578.47	20.00	3,338,604.49	20.00	6,788,986.83	20.00	5,605,887.06	20.00
Reconciliation items	(93,131.18)	0.48	126,708.60	0.76	(88,061.62)	(0.26)	270,565.65	0.97
Tax expense (income) at the average effective tax rate	3,779,447.29	20.48	3,465,313.09	20.76	6,700,925.21	19.74	5,876,452.71	20.97

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

25. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares outstanding during the period.

	For the three-month period ended		For the six-month period ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Profit (loss) for the year (Baht)	15,583,445.08	13,227,709.35	27,244,008.94	22,152,982.60
Weighted average number of ordinary shares (Share)	280,000,000	200,000,000	280,000,000	200,000,000
Basic earnings per share (Baht/share)	0.06	0.07	0.10	0.11

On July 9, 2019, the Company has registered to change the par value of the Company’s ordinary shares from Baht 100.00 each to Baht 0.50 each. As a result, the registered share capital is Baht 100 million, comprising 200 million ordinary shares with a par value of Baht 0.50 each and registered to increase the registered share capital amounting to Baht 40 million by issuance of 80 million ordinary shares with a par value of Baht 0.50 each. As a result, the registered share capital is Baht 140 million.

26. FINANCIAL INSTRUMENTS

26.1 Risk management

The Company manages their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and does not hold or issue derivative financial instruments for speculative or trading purposes.

26.2 Credit risk

The Company is exposed to credit risk primarily relating to trade accounts receivable. The management of the Company manages this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

26.3 Interest rate risk

The Company is exposed to interest rate risk relates primarily to its cash at financial institutions, finance lease receivables, restricted bank deposits, long-term loan from financial institution and liabilities under finance lease agreements. However, most of the Company’s financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not provided significant effect to their operations and cash flows, therefore; no financial derivative was adopted to manage such risks.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

As at June 30, 2020 and December 31, 2019, significant financial assets and liabilities classified by type of interest rates are summarized as follow:

	Baht				
	As at June 30, 2020				
	Fixed Interest	Floating interest	No interest	Total	Interest rate
<u>Assets</u>					
Cash and cash equivalents	1,141.03	36,325,060.73	19,162,661.19	55,488,862.95	0.50
Trade and other accounts receivable	-	-	181,447,216.42	181,447,216.42	-
Finance lease receivables	63,530,798.00	-	-	63,530,798.00	3.53 - 9.00
Restricted bank deposits	21,290,032.94	-	-	21,290,032.94	0.80 - 1.25
<u>Liabilities</u>					
Trade and other account payable	-	-	195,850,173.28	195,850,173.28	-
Long-term loan from financial institution	4,858,873.78	-	-	4,858,873.78	MLR - 1.75
Liabilities under finance lease agreements	11,107,318.14	-	-	11,107,318.14	2.54 - 5.33
	Baht				
	AS at December 31, 2019				
	Fixed Interest	Floating interest	No interest	Total	Interest rate (% per annum)
<u>Assets</u>					
Cash and cash equivalents	1,138.07	38,482,421.65	159,091,651.62	197,575,211.34	0.50
Trade and other accounts receivable	-	-	149,432,405.53	149,432,405.53	-
Finance lease receivables	34,632,093.73	-	-	34,632,093.73	3.53 - 9.00
Restricted bank deposits	21,148,058.09	-	-	21,148,058.09	0.80 - 1.25
<u>Liabilities</u>					
Trade and other account payable	-	-	152,443,213.37	152,443,213.37	-
Long-term loan from financial institution	31,528,080.93	-	-	31,528,080.93	MLR-1.75
Liabilities under finance lease agreements	7,846,583.83	-	-	7,846,583.83	2.54 - 5.33

26.4 Foreign currency risk

The Company has foreign currency exchange rate risk because the Company has transaction of volume rebate on purchases of goods which were denominated in foreign currencies. However, the Company believe that the fluctuating exchange rate in the future will not significantly affect the operating performance and cash flows of the company. The Company did not use other derivative to hedge against such risk.

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NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

26.5 Liquidity risk

The Company manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company’s operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

26.6 Fair value of financial instruments

Since the majority of the Company’s financial instruments are short-term in nature of carrying interest at rates close to the market interest rates their fair value in not expected to be materially different from the amounts presented in the statement of financial position.

27. COMMITMENTS

As at June 30, 2020, the Company had purchase of goods commitments under the agreement in the amount of Baht 43.08 million. The Company has already paid the obligation for Baht 10.15 million. Therefore, the outstanding commitment is Baht 32.92 million.

28. CONTINGENT LIABILITIES

As at June 30, 2020 and December 31, 2019, the Company had contingent liabilities for the letter of guarantees issued by a local bank in the total amount of Baht 29.78 million and Baht 31.48 million, respectively. If the Company cannot comply with the buying/selling agreement, the bank will demand the Company to pay for the damage from the agreement default back to the bank.

29. EVENT AFTER THE REPORTING PERIOD

According to the Board of Directors’ Meeting No. 3/2020 dated May 11, 2020, it had a resolution to establish a joint venture company with a private company to join in bidding on large projects related to information technology systems with the registered capital of Baht 1,000,000. The Company had registered the establishment of the joint venture company on July 3, 2020. The Company had held its shareholding in such company at 50 percent.

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NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

JUNE 30, 2020

30. CORONAVIRUS DISEASE 2019 PANDEMIC

The Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. The situation affects the results of operations of the Company, recognition and measurement of assets and liabilities in the financial statements. Nevertheless, the management will continue to monitor the ongoing development and regularly assess the financial impact in respect of the valuation of assets, provisions and contingent liabilities.

31. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Board of Directors of the Company on August 13, 2020.