

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

**INDEPENDENT AUDITOR'S REPORT ON REVIEW AND INTERIM FINANCIAL
INFORMATION FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021**

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 consolidated statement of financial position of The Practical Solution Public Company Limited, and its subsidiaries (the Group) as at March 31, 2021 and the related consolidated statement of comprehensive income, consolidated statement of changes in shareholders’ equity and consolidated cash flows for the three-month period then ended, and the condensed notes to financial statements, and the statement of financial position of The Practical Solution Public Company Limited (the Company) as at March 31, 2021 and the related statement of comprehensive income, statement of changes in shareholders’ equity and cash flows for the three-month period then ended and the condensed notes to financial statements. Management is responsible for the preparation and presentation of this interim 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 stantially 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
May 13, 2021

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

		<u>ASSETS</u>				
		Baht				
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
		<u>As at March</u>	<u>As at December</u>	<u>As at March</u>	<u>As at December</u>	
Notes		<u>31, 2021</u>	<u>31, 2020</u>	<u>31, 2021</u>	<u>31, 2020</u>	
Current assets						
	Cash and cash equivalents	6	140,234,465.03	122,151,669.84	134,965,639.49	116,188,969.41
	Trade and other receivable	7	143,495,924.83	160,608,537.96	141,270,924.83	160,608,537.96
Current portion of finance lease						
	receivables	8	18,940,670.23	18,420,275.03	18,940,670.23	18,420,275.03
	Inventories	9	34,900,639.12	45,366,717.05	34,900,639.12	45,366,717.05
	Other current assets		4,067,160.84	1,866,107.85	3,396,899.12	1,866,107.85
	Total current assets		<u>341,638,860.05</u>	<u>348,413,307.73</u>	<u>333,474,772.79</u>	<u>342,450,607.30</u>
Non-current assets						
	Restricted bank deposit	10	21,376,756.48	21,376,756.48	21,376,756.48	21,376,756.48
	Investments in subsidiaries	11	-	-	3,299,800.00	3,299,800.00
	Finance lease receivables	8	40,496,201.32	46,215,454.07	40,496,201.32	46,215,454.07
	Property, plant and equipment	12	146,450,434.99	146,232,204.74	146,426,244.63	146,232,204.74
	Right-of-use assets	13	20,395,276.28	16,842,323.05	20,395,276.28	16,842,323.05
	Intangible assets	14	227,293.59	238,258.82	227,293.59	238,258.82
	Deferred tax assets	15	1,824,168.09	1,487,440.85	1,824,168.09	1,487,440.85
	Other non-current assets		34,773,239.65	34,817,994.71	34,535,789.80	34,817,994.71
	Total non-current assets		<u>265,543,370.40</u>	<u>267,210,432.72</u>	<u>268,581,530.19</u>	<u>270,510,232.72</u>
	TOTAL ASSETS		<u>607,182,230.45</u>	<u>615,623,740.45</u>	<u>602,056,302.98</u>	<u>612,960,840.02</u>

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

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT MARCH 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht				
		Consolidated financial statements		Separate financial statements		
		As at March	As at December	As at March	As at December	
Notes		31, 2021	31, 2020	31, 2021	31, 2020	
Current liabilities						
	Trade and other payables	17	137,967,858.89	148,857,839.96	135,350,762.74	148,857,839.96
Current portion of liability under						
	lease agreements	19	3,993,182.99	3,640,118.43	3,993,182.99	3,640,118.43
	Income tax payable		4,019,145.84	4,019,145.84	4,019,145.84	4,019,145.84
	Other current liabilities	18	2,420,800.96	7,966,884.40	2,246,906.79	7,911,434.40
	Total current liabilities		148,400,988.68	164,483,988.63	145,609,998.36	164,428,538.63
Non-current liabilities						
	Liability under lease agreements	19	7,686,746.39	5,879,160.47	7,686,746.39	5,879,160.47
	Employee benefit obligations	20	21,040,899.45	20,532,209.03	21,040,899.45	20,532,209.03
	Other non-current liabilities		47,142,156.14	45,033,252.04	47,142,156.14	45,033,252.04
	Total non-current liabilities		75,869,801.98	71,444,621.54	75,869,801.98	71,444,621.54
	TOTAL LIABILITIES		224,270,790.66	235,928,610.17	221,479,800.34	235,873,160.17

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

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT MARCH 31, 2021

LIABILITIES AND SHAREHOLDERS' EQUITY (CONT.)

		Baht			
		Consolidated financial statements		Separate financial statements	
		As at March	As at December	As at March	As at December
Notes		31, 2021	31, 2020	31, 2021	31, 2020
	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	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	140,000,000.00	140,000,000.00
	Premium on share capital	153,294,618.30	153,294,618.30	153,294,618.30	153,294,618.30
	Surplus on share-based payment transactions	6,754,000.00	6,754,000.00	6,754,000.00	6,754,000.00
	Retained earnings				
	21				
	Appropriated				
	Legal reserve	14,000,000.00	14,000,000.00	14,000,000.00	14,000,000.00
	Unappropriated	66,338,696.83	62,990,782.46	66,527,884.34	63,039,061.55
	Total attributable to company's shareholders	380,387,315.13	377,039,400.76	380,576,502.64	377,087,679.85
	Non-controlling interests	2,524,124.66	2,655,729.52	-	-
	TOTAL SHAREHOLDERS' EQUITY	382,911,439.79	379,695,130.28	380,576,502.64	377,087,679.85
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	607,182,230.45	615,623,740.45	602,056,302.98	612,960,840.02

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

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

		Baht			
		Consolidated financial statements		Separate financial statements	
Notes	2021	2020	2021	2020	
Revenues					
	Revenues from sales and services	126,124,257.78	158,049,757.97	122,841,578.65	158,049,757.97
	Interest income	824,578.46	580,100.00	824,578.46	580,100.00
	Other income	1,291,549.16	66,123.17	1,454,453.83	66,123.17
	Total revenues	<u>128,240,385.40</u>	<u>158,695,981.14</u>	<u>125,120,610.94</u>	<u>158,695,981.14</u>
Expenses					
	Cost of sales and services	89,739,916.09	109,644,315.24	87,372,484.09	109,644,315.24
	Selling expenses	6,101,008.81	7,357,832.30	6,101,008.81	7,357,832.30
	Administrative expenses	5 28,795,246.52	26,586,929.79	27,770,390.78	26,586,929.79
	Total expense	<u>124,636,171.42</u>	<u>143,589,077.33</u>	<u>121,243,883.68</u>	<u>143,589,077.33</u>
	Profit from operating activities	3,604,213.98	15,106,903.81	3,876,727.26	15,106,903.81
	Finance cost	113,870.53	524,862.03	113,870.53	524,862.03
	Profit before income tax expense	3,490,343.45	14,582,041.78	3,762,856.73	14,582,041.78
	Income tax expense	24 817,439.26	2,921,477.92	817,439.26	2,921,477.92
	Profit for the period	<u>2,672,904.19</u>	<u>11,660,563.86</u>	<u>2,945,417.47</u>	<u>11,660,563.86</u>
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
	Gains on re-measurements of defined benefit plans	20 543,405.32	-	543,405.32	-
	Other comprehensive income (expense) for the period, net of tax	<u>543,405.32</u>	<u>-</u>	<u>543,405.32</u>	<u>-</u>
	Total comprehensive income for the period	<u>3,216,309.51</u>	<u>11,660,563.86</u>	<u>3,488,822.79</u>	<u>11,660,563.86</u>
Profit (loss) attributable to:					
	Shareholders of the parent company	2,804,509.05	11,660,563.86	2,945,417.47	11,660,563.86
	Non-controlling interests	(131,604.86)	-	-	-
		<u>2,672,904.19</u>	<u>11,660,563.86</u>	<u>2,945,417.47</u>	<u>11,660,563.86</u>
Total other comprehensive income (loss) attributable to:					
	Shareholders of the parent company	3,347,914.37	11,660,563.86	3,488,822.79	11,660,563.86
	Non-controlling interests	(131,604.86)	-	-	-
		<u>3,216,309.51</u>	<u>11,660,563.86</u>	<u>3,488,822.79</u>	<u>11,660,563.86</u>
Earnings per share for profit attributable					
	Basic earnings per share	25 0.01	0.04	0.01	0.04

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

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

		Baht							
		Consolidated financial statements							
		Attributable to owners of the parent company							
		Share capital	Premium on	Surplus on	Retained earnings		Total	Non-	Total
		Issued and	share capital	Share-based	Appropriated	Unappropriated		controlling	
		Paid-up		Payment	Legal reserve			interests	
Notes				transactions					
	Balance as at January 1, 2021	140,000,000.00	153,294,618.30	6,754,000.00	14,000,000.00	62,990,782.46	377,039,400.76	2,655,729.52	379,695,130.28
	Profit for the period	-	-	-	-	2,804,509.05	2,804,509.05	(131,604.86)	2,672,904.19
	Comprehensive profit for the period								
	Gains on re-measurements of defined benefit plans	-	-	-	-	543,405.32	543,405.32	-	543,405.32
20	Balance as at March 31, 2021	<u>140,000,000.00</u>	<u>153,294,618.30</u>	<u>6,754,000.00</u>	<u>14,000,000.00</u>	<u>66,338,696.83</u>	<u>380,387,315.13</u>	<u>2,524,124.66</u>	<u>382,911,439.79</u>
	Balance as at January 1, 2020	140,000,000.00	153,294,618.30	6,754,000.00	12,446,049.54	66,627,288.97	379,121,956.81	-	379,121,956.81
	Comprehensive profit for the period	-	-	-	-	11,660,563.86	11,660,563.86	-	11,660,563.86
	Balance as at March 31, 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>78,287,852.83</u>	<u>390,782,520.67</u>	<u>-</u>	<u>390,782,520.67</u>

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

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

	Baht					
	Separate financial statements					
	Share capital	Premium on	Surplus on	Retained earnings		Total
	Issued and	share capital	Share-based	Appropriated	Unappropriated	
	Paid-up		Payment	Legal reserve		
			transactions			
Balance as at January 1, 2021	140,000,000.00	153,294,618.30	6,754,000.00	14,000,000.00	63,039,061.55	377,087,679.85
Profit for the period	-	-	-	-	2,945,417.47	2,945,417.47
Comprehensive profit for the period						
Gains on re-measurements of defined benefit plans	20	-	-	-	543,405.32	543,405.32
Balance as at March 31, 2021	<u>140,000,000.00</u>	<u>153,294,618.30</u>	<u>6,754,000.00</u>	<u>14,000,000.00</u>	<u>66,527,884.34</u>	<u>380,576,502.64</u>
Balance as at January 1, 2020	140,000,000.00	153,294,618.30	6,754,000.00	12,446,049.54	66,627,288.97	379,121,956.81
Comprehensive profit for the period	-	-	-	-	11,660,563.86	11,660,563.86
Balance as at March 31, 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>78,287,852.83</u>	<u>390,782,520.67</u>

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

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES :				
Profit for the period	2,672,904.19	11,660,563.86	2,945,417.47	11,660,563.86
Reconciliations of profit for the period to net cash provided by (used in) operating activities				
Depreciation	2,801,233.34	2,284,724.24	2,800,060.15	2,284,724.24
Amortization of intangible assets	10,965.23	11,654.74	10,965.23	11,654.74
Allowance for doubtful debt	1,081,124.72	514,487.00	1,081,124.72	514,487.00
Provision of allowance for decline in value of inventories (reversal)	(2,420.56)	-	(2,420.56)	-
(Gain) loss on disposal of building improvement and equipment	(806,727.27)	8,420.92	(806,727.27)	8,420.92
Employee benefits expenses	1,374,097.07	632,584.26	1,374,097.07	632,584.26
Interest income	(824,578.46)	(580,100.00)	(824,578.46)	(580,100.00)
Finance costs	113,870.53	524,862.03	113,870.53	524,862.03
Income tax expense	817,439.26	2,921,477.92	817,439.26	2,921,477.92
Profit from operating before changes in operating assets and liabilities	7,237,908.05	17,978,674.97	7,509,248.14	17,978,674.97
(Increase) decrease in operating assets				
Trade and other accounts receivable	14,065,520.91	(22,024,916.94)	16,977,251.16	(22,024,916.94)
Finance lease receivables	4,952,950.69	(10,364,899.17)	4,952,950.69	(10,364,899.17)
Inventories	10,468,498.49	(36,874,781.85)	10,468,498.49	(36,874,781.85)
Other current assets	(2,880,869.81)	1,081,767.35	(2,668,886.81)	1,081,767.35
Other non-current assets	1,569,899.17	(2,697,905.96)	1,679,233.91	(2,697,905.96)
Increase (decrease) in operating liabilities				
Trade and other payables	(11,008,946.18)	31,769,363.91	(13,507,077.22)	31,769,363.91
Other current liabilities	(5,427,118.33)	(2,022,954.95)	(5,664,527.61)	(2,022,954.95)
Other non-current liabilities	2,108,904.10	(683,686.93)	2,108,904.10	(683,686.93)
Cash generated (paid) from operating	21,086,747.09	(23,839,339.57)	21,855,594.85	(23,839,339.57)
Interest received	824,578.46	580,100.00	824,578.46	580,100.00
Income tax paid	76,529.24	(1,889,993.57)	(23,807.18)	(1,889,993.57)
Employee benefits paid	(186,150.00)	(201,500.00)	(186,150.00)	(201,500.00)
Net cash provided by (used in) operating activities	21,801,704.79	(25,350,733.14)	22,470,216.13	(25,350,733.14)

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

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONT.)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021

	Baht			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES :				
Cash payments to acquire property, plant and equipment	(2,636,625.19)	(11,507,831.86)	(2,611,261.64)	(11,507,831.86)
Cash received from sale of equipment	806,811.28	-	806,811.28	-
Net cash provided by (used in) investing activities	(1,829,813.91)	(11,507,831.86)	(1,804,450.36)	(11,507,831.86)
CASH FLOWS FROM FINANCING ACTIVITIES :				
Cash payment from long-term loan from financial institution	-	(26,704,257.90)	-	(26,704,257.90)
Cash payments for liabilities under lease agreements	(1,775,225.16)	(1,329,775.46)	(1,775,225.16)	(1,329,775.46)
Interest paid	(113,870.53)	(524,862.03)	(113,870.53)	(524,862.03)
Net cash provided by (used in) financing activities	(1,889,095.69)	(28,558,895.39)	(1,889,095.69)	(28,558,895.39)
Increase (decrease) in cash and cash equivalent, net	18,082,795.19	(65,417,460.39)	18,776,670.08	(65,417,460.39)
Cash and cash equivalent, at beginning of period	122,151,669.84	197,575,211.34	116,188,969.41	197,575,211.34
Cash and cash equivalent, at end of period	140,234,465.03	132,157,750.95	134,965,639.49	132,157,750.95
Supplement disclosure for cash flows information :				
Purchase of asset under financial lease agreements	3,935,875.64	5,001,984.00	3,935,875.64	5,001,984.00

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

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS

MARCH 31, 2021

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.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

(b) Nature of the Company’s business

The main business of the Group 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 OF CONSOLIDATION

These consolidated interim financial statements are prepared on the same basis as that applied for the preparation of the consolidated financial statements for the year ended December 31, 2020.

3. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

3.1 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, 2020.

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 AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
MARCH 31, 2021

3.2 Financial reporting standards that became effective in the current period

During the period, the Group have adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current period.

3.3 Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has revised TFRS 16 leases and published in the Government Gazette on January 27, 2021. There is added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted.

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

4. SIGNIFICANT ACCOUNTING POLICIES

The Group 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, 2020.

5. RELATED PARTIES TRANSACTION

The Group 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.

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
MARCH 31, 2021

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
<u>Related entities</u>	
The Practical Superb Solution Co., Ltd.	Subsidiary
The Win Telecom Co., Ltd.	Subsidiary

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 30 percent
Management benefit expenses	As approved by the director and shareholder

As at March 31, 2021 and December 31, 2020, the Group has balance with the related parties were consisted of:

	Baht			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at March</u>	<u>As at December</u>	<u>As at March</u>	<u>As at December</u>
	<u>31, 2021</u>	<u>31, 2020</u>	<u>31, 2021</u>	<u>31, 2020</u>
Other receivable				
Subsidiaries	-	-	128,115.11	-

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
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Revenue and expense transactions with related parties for the three-month periods ended March 31, 2021 and 2020 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the three-month period ended		For the three-month period ended	
	March 31,		March 31,	
	2021	2020	2021	2020
Management benefit expenses				
Short-term employee benefits	8,894,912.14	7,645,457.67	8,350,412.14	7,645,457.67
Post-term employee benefits	306,115.07	312,413.25	306,115.07	312,413.25
	<u>9,201,027.21</u>	<u>7,957,870.92</u>	<u>8,656,527.21</u>	<u>7,957,870.92</u>

MANAGEMENT BENEFIT EXPENSES

Management benefit expenses represents the benefits paid to the Group’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			
	Consolidated financial statements		Separate financial statements	
	As at March	As at December	As at March	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Cash on hand	75,000.00	60,000.00	60,000.00	60,000.00
Cash at banks - current accounts	7,958,027.63	16,250,299.40	6,017,867.51	16,227,051.00
Cash at banks - savings accounts	132,200,295.09	105,840,228.55	128,886,629.67	99,900,776.52
Cash at banks - fixed deposits	1,142.31	1,141.89	1,142.31	1,141.89
Total	<u>140,234,465.03</u>	<u>122,151,669.84</u>	<u>134,965,639.49</u>	<u>116,188,969.41</u>

As at March 31, 2021 and December 31, 2020, savings accounts earned interest at the rate of 0.25% per annum and 0.25% per annum, respectively.

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MARCH 31, 2021

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2021	As at December 31, 2020	As at March 31, 2021	As at December 31, 2020
Trade accounts receivable	69,500,606.60	116,610,695.86	67,275,606.60	116,610,695.86
Accrued income	29,977,518.39	15,375,586.53	29,977,518.39	15,375,586.53
	99,478,124.99	131,986,282.39	97,253,124.99	131,986,282.39
<u>Less</u> Allowance for the expected loss	(1,880,059.00)	(1,044,841.14)	(1,880,059.00)	(1,044,841.14)
Total	97,598,065.99	130,941,441.25	95,373,065.99	130,941,441.25
Other receivable	45,897,858.84	29,667,096.71	45,897,858.84	29,667,096.71
Total	<u>143,495,924.83</u>	<u>160,608,537.96</u>	<u>141,270,924.83</u>	<u>160,608,537.96</u>

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

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2021	As at December 31, 2020	As at March 31, 2021	As at December 31, 2020
Not due	60,593,471.77	109,233,203.79	60,593,471.77	109,233,203.79
Over 1 days to 90 days	35,312,886.22	17,339,542.00	33,087,886.22	17,339,542.00
Over 91 days to 180 days	926,727.00	2,321,044.00	926,727.00	2,321,044.00
Over 181 days to 360 days	1,840,400.00	2,690,172.60	1,840,400.00	2,690,172.60
Over 361 days	804,640.00	402,320.00	804,640.00	402,320.00
Total	<u>99,478,124.99</u>	<u>131,986,282.39</u>	<u>97,253,124.99</u>	<u>131,986,282.39</u>

Trade accounts receivables over 90 days are the government agencies receivables that are in the process of disbursement according of the budget considered to have normal payment periods of such agencies.

Other receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at March 31, 2021	As at December 31, 2020	As at March 31, 2021	As at December 31, 2020
Prepaid expenses	39,113,572.97	24,079,422.14	39,113,572.97	24,079,422.14
Others	6,784,285.87	5,587,674.57	6,784,285.87	5,587,674.57
Total	<u>45,897,858.84</u>	<u>29,667,096.71</u>	<u>45,897,858.84</u>	<u>29,667,096.71</u>

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

8. FINANCE LEASE RECEIVABLES

Finance lease receivables consisted of:

	Baht	
	Consolidated financial statements/ Separate financial statements	
	As at March 31, 2021	As at December 31, 2020
Finance lease receivables	72,602,372.36	78,141,874.87
<u>Less</u> Deferred interest	<u>(6,004,133.84)</u>	<u>(6,590,685.66)</u>
Net	66,598,238.52	71,551,189.21
<u>Less</u> Current Portion	<u>(18,940,670.23)</u>	<u>(18,420,275.03)</u>
Finance lease receivables - net	47,657,568.29	53,130,914.18
<u>Less</u> Allowance for the expected loss	<u>(7,161,366.97)</u>	<u>(6,915,460.11)</u>
Net	<u>40,496,201.32</u>	<u>46,215,454.07</u>

The minimum lease payments and present value of minimum lease payments which receivable will be paid under the financial lease agreements as at March 31, 2021 and December 31, 2020, were as follows:

	Baht			
	Consolidated financial statements/Separate financial statements			
	As at March 31, 2021		As at December 31, 2020	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Collection period				
Within 1 year	21,705,887.93	18,940,670.23	21,337,087.93	18,420,275.03
Over 1 year but less than 5 years	50,896,484.43	47,657,568.29	56,804,786.94	53,130,914.18
Total	72,602,372.36	66,598,238.52	78,141,874.87	71,551,189.21
<u>Less</u> Deferred interest	<u>(6,004,133.84)</u>	-	<u>(6,590,685.66)</u>	-
Net	<u>66,598,238.52</u>	<u>66,598,238.52</u>	<u>71,551,189.21</u>	<u>71,551,189.21</u>

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

9. INVENTORIES

Inventories consisted of :-

	Baht	
	Consolidated financial statements/ Separate financial statements	
	As at March 31, 2021	As at December 31, 2020
Work in process	31,910,692.69	39,132,317.84
Material for project work	3,008,541.63	6,255,414.97
Total	34,919,234.32	45,387,732.81
<u>Less</u> allowance for decline in value of inventories	(18,595.20)	(21,015.76)
Net	<u>34,900,639.12</u>	<u>45,366,717.05</u>

	Baht	
	Consolidated financial statements/ Separate financial statements	
	2021	2020
Decline in value of inventory recognized as cost of goods sold for the period	-	-
Reversal of decline in value of inventory for the period	2,420.56	-

10. RESTRICTED BANK DEPOSIT

As at March 31, 2021 and December 31, 2020, the Company had fixed deposit, 6 and 12 months in the amount of Baht 21.38 million and Baht 21.38 million, respectively which used for pledge letter of guarantee from a local bank (Note 16).

11. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries consisted of Company's ordinary shares as follows:

Name	Nature of business	Paid-up share capital (Baht)		Investment ratio (%)		Separate financial statements Cost method (Baht)	
		As at March 31, 2021	As at December 31, 2020	As at March 31, 2021	As at December 31, 2020	As at March 31, 2021	As at December 31, 2020
		The Practical Superb Solution Co., Ltd.	Distribution and installation of computer network systems	1,000,000	1,000,000	49.98	49.98
The Win Telecom Co., Ltd.	Survey and installation of telecommunication lines	5,000,000	5,000,000	56.00	56.00	2,800,000	2,800,000
						<u>3,299,800</u>	<u>3,299,800</u>

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

The Practical Superb Solution Co., Ltd.

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 49.98 percent.

According to the agreement in the joint venture agreement, the Board of Directors of The Practical Superb Solution Co.,Ltd. consists of 3 directors, 2 directors from The Practical Solution (Public) Co.,Ltd. and 1 director from Superb Comp Co.,Ltd. The meeting resolution on various matters has to receive majority votes of all directors. This means The Practical Solution (Public) Co., Ltd. will have control over the operation of The Practical Superb Solution Co.,Ltd. Therefore, the Company considered the investments in The Practical Superb Solution Co.,Ltd. as a subsidiary.

12. PROPERTY, PLANT AND EQUIPMENT

Movements of the property, plant and equipment for the three-month period ended March 31, 2021 are summarized as follows:

	Baht	
	Consolidated financial statements	Separate financial statements
At cost		
Balance as at December 31, 2020	170,808,422.31	170,808,422.31
Acquisitions during the period	763,500.83	738,137.28
Transfer from right-of-use assets	2,704,140.18	2,704,140.18
Disposals and write-off during the period	(3,064,096.26)	(3,064,096.26)
Balance as at March 31, 2021	<u>171,211,967.06</u>	<u>171,186,603.51</u>
Accumulated depreciation		
Balance as at December 31, 2020	24,576,217.57	24,576,217.57
Depreciation for the period	2,070,852.68	2,069,679.49
Transfer from right-of-use assets	1,178,474.07	1,178,474.07
Accumulated depreciation on disposals and write-off	(3,064,012.25)	(3,064,012.25)
Balance as at March 31, 2021	<u>24,761,532.07</u>	<u>24,760,358.88</u>
Net book value		
Balance as at December 31, 2020	<u>146,232,204.74</u>	<u>146,232,204.74</u>
Balance as at March 31, 2021	<u>146,450,434.99</u>	<u>146,426,244.63</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the three-month period ended		For the three-month period ended	
	March 31,		March 31,	
	2021	2020	2021	2020
Depreciation for the period	<u>2,070,852.68</u>	<u>2,284,724.24</u>	<u>2,069,679.49</u>	<u>2,284,724.24</u>
Gain (loss) on sales and write-off equipment for the period	<u>806,727.27</u>	<u>-</u>	<u>806,727.27</u>	<u>-</u>

As at March 31, 2021 and December 31, 2020, equipment which was fully depreciated but is still in use had its gross carrying amount before depreciation in the amount of Baht 12.14 million and Baht 13.80 million, respectively.

As at March 31, 2021 and December 31, 2020, the land was mortgaged as collateral for credit facilities from bank (Note 16).

13. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets account during the three-month period ended March 31, 2021 are summarized below.

	Baht
	Consolidated financial statements/ Separate financial statements
Cost	
As at December 31, 2020	22,710,214.95
Addition	5,809,000.00
Transfer to property, plant and equipment	(2,704,140.18)
Written-off	-
As at March 31, 2021	<u>25,815,074.77</u>
Accumulated depreciation	
As at December 31, 2020	5,867,891.90
Depreciation for the period	730,380.66
Transfer to property, plant and equipment	(1,178,474.07)
Depreciation - written-off	-
As at March 31, 2021	<u>5,419,798.49</u>
Net book value	
As at December 31, 2020	<u>16,842,323.05</u>
As at March 31, 2021	<u>20,395,276.28</u>

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NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

14. INTANGIBLE ASSETS

Movements of intangible assets for the three-month period ended March 31, 2021 are summarized as follows:

	Baht	
	Consolidated financial statements/ Separate financial statements	
At cost		
Balance as at December 31, 2020		563,200.00
Acquisitions during the period		-
Disposals and write-off during the period		-
Balance as at March 31, 2021		563,200.00
Accumulated amortization		
Balance as at December 31, 2020		324,941.18
Amortization for the period		-
Accumulated amortization on disposals and write-off		10,965.23
Balance as at March 31, 2021		335,906.41
Net book value		
Balance as at December 31, 2020		238,258.82
Balance as at March 31, 2021		227,293.59
	Baht	
	Consolidated financial statements/ Separate financial statements	
	For the three-month period ended March 31,	
	2021	2020
Amortisation for the period	10,965.23	11,654.74

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

15. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Changes in deferred tax assets and liabilities for the three-month period ended March 31, 2021 were summarized as follows:

	Baht			
	Consolidated financial statements/Separate financial statements			
	Balance as at Dec. 31, 2020	Income (expenses) during the period	Balance as at Mar. 31, 2021	
	In profit or loss	In other comprehensive income		
Deferred tax assets :				
Allowance for the expected loss	241,452.75	216,224.94	-	457,677.69
Allowance for declining in value of inventories	4,203.15	(484.11)	-	3,719.04
Liability under lease agreement	113,205.48	(113,205.48)	-	-
Employees benefit obligations	4,106,441.81	237,589.41	(135,851.33)	4,208,179.89
Total	<u>4,465,303.19</u>	<u>340,124.76</u>	<u>(135,851.33)</u>	<u>4,669,576.62</u>
Deferred tax liabilities :				
Receivable under lease agreement	(2,977,862.34)	132,453.81	-	(2,845,408.53)
Total	<u>(2,977,862.34)</u>	<u>132,453.81</u>	<u>-</u>	<u>(2,845,408.53)</u>
Deferred tax assets (liabilities), net	<u>1,487,440.85</u>	<u>472,578.57</u>	<u>(135,851.33)</u>	<u>1,824,168.09</u>

16. CREDIT FACILITIES FROM FINANCIAL INSTITUTIONS

As at March 31, 2021 and December 31, 2020, the Company had credit facilities with 2 local commercial banks under the total credit facilities of Baht 306 million and Baht 306 million, respectively, as follows:

Types of credit limit	Interest rate (% per annum)	Million Baht	
		As at March 31, 2021	As at December 31, 2020
(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
Total		<u>306</u>	<u>306</u>

As at March 31, 2021 and December 31, 2020, the credit facilities was secured by the mortgage of the Company's land and construction thereon (Note 12), fixed deposits (Note 10) and some directors of the Company.

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17. TRADE AND OTHER PAYABLES

Trade and other payables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at March	As at December	As at March	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Trade accounts payable	71,870,621.94	103,402,130.68	71,827,928.94	103,402,130.68
Accrued expenses	28,190,224.68	21,406,025.37	27,757,128.78	21,406,025.37
Deferred revenue	37,907,012.27	24,049,683.91	35,765,705.02	24,049,683.91
Total	137,967,858.89	148,857,839.96	135,350,762.74	148,857,839.96

18. OTHER CURRENT LIABILITIES

Other current liabilities consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at March	As at December	As at March	As at December
	31, 2021	31, 2020	31, 2021	31, 2020
Withholding taxes payable	1,202,269.56	3,966,355.14	1,202,269.56	3,966,355.14
Accounts payable -				
Revenue Department	1,094,016.40	3,772,261.26	986,372.23	3,772,261.26
Others	124,515.00	228,268.00	58,265.00	172,818.00
Total	2,420,800.96	7,966,884.40	2,246,906.79	7,911,434.40

19. LIABILITY UNDER LEASE AGREEMENTS

The carrying amounts of lease liabilities and the movement for the three-month period ended March 31, 2021 are presented below:

	Baht
	Consolidated financial statements/ Separate financial statements
As at December 31, 2020	9,519,278.90
Addition	3,935,875.64
Accretion of interest	113,870.53
Payments	(1,889,095.69)
As at March 31, 2021	11,679,929.38
Less: current portion	(3,993,182.99)
Lease liabilities - net of current portion	7,686,746.39

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MARCH 31, 2021

The following are the amounts recognised in profit or loss:

	Baht
	Consolidated financial statements/ Separate financial statements
	For the three-month period ended March 31,
Depreciation of right-of-use assets	730,380.66
Interest expense on lease liabilities	113,870.53
Total	<u>844,251.19</u>

Liability under lease agreements had due repayment as follows:

	Baht					
	Consolidated financial statements/Separate financial statements					
	As at March 31, 2021			As at December 31, 2020		
	Principal	Deferred interest	Net	Principal	Deferred interest	Net
Within 1 year	3,993,182.99	391,146.88	4,384,329.87	3,640,118.43	299,584.47	3,939,702.90
Over 1 - 5 years	7,686,746.39	351,798.50	8,038,544.89	5,879,160.47	246,408.22	6,125,568.69
Total	<u>11,679,929.38</u>	<u>742,945.38</u>	<u>12,422,874.76</u>	<u>9,519,278.90</u>	<u>545,992.69</u>	<u>10,065,271.59</u>

As at March 31, 2021, the Company had vehicles and equipment long-term lease agreements in the form of hire lease with 4 local leasing companies, with 17 contracts. The total amounts of the contacts value are of Baht 21,663,495.38 Installments period are 48 - 60 months and the total repayments are of Baht 431,550.36 per month.

20. EMPLOYEE BENEFIT OBLIGATIONS

As at March 31, 2021 and December 31, 2020, the Company has defined benefit obligations as follows:

The statement of financial position

	Baht	
	Consolidated financial statements/ Separate financial statements	
	As at March 31, 2021	As at December 31, 2020
Employee benefit obligations at beginning of the period	20,532,209.03	18,330,893.03
Actuarial loss on defined employee benefit plan		
- In profit or loss	708,257.30	-
- In other comprehensive income	(679,256.65)	-
Current service cost and interest cost during the period	665,839.77	2,402,816.00
Benefit paid by the plan during the plan	(186,150.00)	(201,500.00)
Employee benefit obligations at ending of the period	<u>21,040,899.45</u>	<u>20,532,209.03</u>

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

Expenses which are recognized in the statement of comprehensive income

	Baht	
	Consolidated financial statements/ Separate financial statements	
	For the three - month period ended March 31,	
	2021	2020
Current service cost		
Cost of sales	322,974.38	259,690.75
Selling expenses	73,858.42	41,806.25
Administrative expense	269,006.97	331,087.26
	<u>665,839.77</u>	<u>632,584.26</u>

21. APPROPRIATION OF RETAINED EARNINGS

Year 2021

According to the minutes of the Board of Directors’ Meeting held on March 30, 2021, it had the resolution to pay the dividend from the retained earnings as of December 31, 2020 to the shareholders at Baht 0.14 per share totaling Baht 39.20 million by the dividend payment in cash at Baht 0.04 per share, totaled Baht 11.20 million and the dividend payment with ordinary shares of the Company at 5 original shares per 1 dividend share, totaled Baht 28 million and to appropriate the net profit for the year ended December 31, 2020 as legal reserve totaling Baht 1.55 million. The Company sets the name list of shareholders who are entitled to receive the dividend as appeared on the shareholders’ registration book as at April 7, 2021 and is scheduled to pay the dividend in April 26, 2021.

Year 2020

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.

For the year ended December 31, 2020, the Company appropriated the legal reserve at the rate 5% of net profit for the year 2020 amounted to Baht 1.55 million.

22. CAPITAL MANAGEMENT

The primary objective of capital management of the Group 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 March 31, 2021 and December 31, 2020, the consolidated financial statements debt-to-equity ratio 0.59 : 1 and 0.62 : 1, respectively. (Separate financial statements 0.58 : 1 and 0.63 : 1, respectively)

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

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23. OPERATING SEGMENT

The Group 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 Group 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 periods ended March 31, 2021 and 2020 were as follows:

	Million Baht							
	Consolidated statement of comprehensive income (partial) For the three-month period ended March 31,							
	Sales including instalment		Maintenance services		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from sales and services	77.99	110.44	39.97	42.32	8.16	5.29	126.12	158.05
Cost of sales and services	(62.07)	(83.01)	(23.16)	(23.07)	(4.51)	(3.56)	(89.74)	(109.64)
Gross profit	<u>15.92</u>	<u>27.43</u>	<u>16.81</u>	<u>19.25</u>	<u>3.65</u>	<u>1.73</u>	<u>36.38</u>	<u>48.41</u>
Interest income							0.83	0.58
Other income							1.29	0.06
Selling expense							(6.10)	(7.36)
Administration expense							(28.80)	(26.59)
Finance cost							(0.11)	(0.52)
Income tax expense							(0.82)	(2.92)
Profit for the period							<u>2.67</u>	<u>11.66</u>

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

Million Baht								
Separate comprehensive income statement (partial) For the three-month period ended March 31,								
	Sales including instalment		Maintenance services		Others		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenues from sales and services	77.99	110.44	39.97	42.32	4.88	5.29	122.84	158.05
Cost of sales and services	(62.07)	(83.01)	(23.16)	(23.07)	(2.14)	(3.56)	(87.37)	(109.64)
Gross profit	15.92	27.43	16.81	19.25	2.74	1.73	35.47	48.41
Interest income							0.83	0.58
Other income							1.45	0.06
Selling expense							(6.10)	(7.36)
Administration expense							(27.77)	(26.59)
Finance cost							(0.11)	(0.52)
Income tax expense							(0.82)	(2.92)
Profit for the period							2.95	11.66

Geographic information

The Group 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 periods ended March 31, 2021 and 2020 consist of :-

	Baht	
	Consolidated financial statements/ Separate financial statements	
For the three-month period ended March 31,		
	2021	2020
Income tax expense (income) shown in for profit or loss:		
Current income tax expense:		
Income tax expense for the period	1,290,017.83	2,081,628.42
Deferred tax expense (income):		
Change in temporary differences relating to the original recognition and reversal	(472,578.57)	839,849.50
Total	817,439.26	2,921,477.92
Income tax relating to components of other comprehensive income:		
Deferred tax relation to:		
Gains on re-measurements of defined benefit plans	135,851.33	-
Total	135,851.33	-

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)
MARCH 31, 2021

24.2 A numerical reconciliation between income tax expense and the product of accounting profit and the applicable tax rate for the three-month periods ended March 31, 2021 and 2020 were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	For the three-month period ended		For the three-month period ended	
	March 31,		March 31,	
	2021	2020	2021	2020
Accounting profit for the period	3,490,343.45	14,582,041.78	3,762,856.73	14,582,041.78
The applicable tax rate (%)	20.00	20.00	20.00	20.00
Tax expense at the applicable tax rate	698,068.69	2,916,408.36	752,571.35	2,916,408.36
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses that are forbidden expenses in determining taxable profit	147,389.94	81,207.53	147,389.94	81,207.53
Tax effect of for tax deductible expenses in tax	(82,522.03)	(76,137.97)	(82,522.03)	(76,137.97)
Unrecognized tax losses as deferred tax	54,502.66	-	-	-
Total reconciliation items	119,370.57	5,069.56	64,867.91	5,069.56
Total income tax expense	817,439.26	2,921,477.92	817,439.26	2,921,477.92

24.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the three-month periods ended March 31, 2021 and 2020 were summarized as follows:

	Consolidated financial statements				Separate financial statements			
	For the three-month period ended March 31,				For the three-month period ended March 31,			
	2021		2020		2021		2020	
	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	3,490,343.45		14,582,041.78		3,762,856.73		14,582,041.78	
Income tax expense at the applicable tax rate	698,068.69	20.00	2,916,408.36	20.00	752,571.35	20.00	2,916,408.36	20.00
Reconciliation items	119,370.57	3.71	5,069.56	0.03	64,867.91	1.72	5,069.56	0.03
Tax expense (income) at the average effective tax rate	817,439.26	23.71	2,921,477.92	20.03	817,439.26	21.72	2,921,477.92	20.03

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

25. BASIC 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.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended</u>		<u>For the three-month period ended</u>	
	<u>March 31,</u>		<u>March 31,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Profit (loss) for shareholders of the parent company (Baht)	2,804,509.05	11,660,563.86	2,945,417.47	11,660,563.86
Weighted average number of ordinary shares (Share)	280,000,000	280,000,000	280,000,000	280,000,000
Basic earnings per share (Baht/share)	0.01	0.04	0.01	0.04

26. FINANCIAL INSTRUMENTS

26.1 Risk management

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

26.2 Credit risk

The Group is exposed to credit risk primarily relating to trade accounts receivable. The management of the Group 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 Group is exposed to interest rate risk relates primarily to its cash at financial institutions, finance lease receivables, restricted bank deposits and liabilities under 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 of the Group, therefore; no financial derivative was adopted to manage such risks.

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

As at March 31, 2021 and December 31, 2020, significant financial assets and liabilities classified by type of interest rates are summarized as follow:

	Baht				
	Consolidated financial statements				
	As at March 31, 2021				
	Fixed Interest	Floating interest	No interest	Total	Interest rate
<u>Assets</u>					
Cash and cash equivalents	1,142.31	132,200,295.09	8,033,027.63	140,234,465.03	0.25
Trade and other accounts receivable	-	-	143,495,924.83	143,495,924.83	-
Finance lease receivables	59,436,871.55	-	-	59,436,871.55	3.53-9.00
Restricted bank deposits	21,376,756.48	-	-	21,376,756.48	0.15-0.50
<u>Liabilities</u>					
Trade and other account payable	-	-	137,967,858.89	137,967,858.89	-
Liabilities under lease agreements	11,679,929.38	-	-	11,679,929.38	2.54-5.33
	Baht				
	Separate financial statements				
	As at March 31, 2021				
	Fixed Interest	Floating interest	No interest	Total	Interest rate
<u>Assets</u>					
Cash and cash equivalents	1,142.31	128,886,629.67	6,077,867.51	134,965,639.49	0.25
Trade and other accounts receivable	-	-	141,270,924.83	141,270,924.83	-
Finance lease receivables	59,436,871.55	-	-	59,436,871.55	3.53-9.00
Restricted bank deposits	21,376,756.48	-	-	21,376,756.48	0.15-0.50
<u>Liabilities</u>					
Trade and other account payable	-	-	135,350,762.74	135,350,762.74	-
Liabilities under lease agreements	11,679,929.38	-	-	11,679,929.38	2.54-5.33

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THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

	Baht				
	Consolidated financial statements				
	As at December 31, 2020				
	Fixed Interest	Floating interest	No interest	Total	Interest rate (% per annum)
<u>Financial Assets</u>					
Cash and cash equivalents	1,141.89	105,840,228.55	16,310,299.40	122,151,669.84	0.25
Trade and other accounts receivable	-	-	160,608,537.96	160,608,537.96	-
Finance lease receivables	64,635,729.10	-	-	64,635,729.10	3.53 - 9.00
Restricted bank deposits	21,376,756.48	-	-	21,376,756.48	0.15 - 0.50
<u>Financial Liabilities</u>					
Trade and other accounts payable	-	-	148,857,839.96	148,857,839.96	-
Liability under lease agreements	9,519,278.90	-	-	9,519,278.90	2.54 - 5.33

	Baht				
	Separate financial statements				
	As at December 31, 2020				
	Fixed Interest	Floating interest	No interest	Total	Interest rate (% per annum)
<u>Financial Assets</u>					
Cash and cash equivalents	1,141.89	99,900,776.52	16,287,051.00	116,188,969.41	0.25
Trade and other accounts receivable	-	-	160,608,537.96	160,608,537.96	-
Finance lease receivables	64,635,729.10	-	-	64,635,729.10	3.53 - 9.00
Restricted bank deposits	21,376,756.48	-	-	21,376,756.48	0.15 - 0.50
<u>Financial Liabilities</u>					
Trade and other accounts payable	-	-	148,857,839.96	148,857,839.96	-
Liability under lease agreements	9,519,278.90	-	-	9,519,278.90	2.54 - 5.33

26.4 Foreign currency risk

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

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

26.5 Liquidity risk

The Group manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Group’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 Group’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 March 31, 2021 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 11.66 million. Therefore, the outstanding commitment is Baht 31.42 million.

28. CONTINGENT LIABILITIES

As at March 31, 2021 and December 31, 2020, the Group had contingent liabilities for the letter of guarantees issued by a local bank in the total amount of Baht 63.01 million and Baht 30.79 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. (Separate financial statements Baht 32.76 million and Baht 30.79 million, respectively).

29. EVENT AFTER THE REPORTING PERIOD

According to the Annual General Shareholders’ Meeting for the year 2021 dated March 30, 2021, it had a resolution to approve the registered capital increase of the Company from Baht 140 million to Baht 168 million, the additional capital amounted Baht 28 million divided into 56,000,000 ordinary shares at Baht 0.50 per share. From the allocation of the capital increase shares to the shareholders according to the original proportion, the Company had paid in the full amount and had registered the capital increase with the Ministry of Commerce on April 8, 2021.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO INTERIM FINANCIAL STATEMENTS (CONT.)

MARCH 31, 2021

According to the Board of Directors’ Meeting No. 3/2021 dated May 13, 2021, it had a resolution to establish the joint venture to operate its business of to provide consulting design, service, procurement, installation, and resource sourcing service. For cyber information security about data security and computer network with the registered capital of Baht 3 million The Company will operate the establishment register of joint venture within 60 days from the meeting date of approval by the Board of Directors. The Company holds the shares at 60 percent in such company.

30. CORONAVIRUS DISEASE 2019 PANDEMIC

Since 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 Group, 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 INTERIM FINANCIAL STATEMENTS

These interim consolidated and separate financial statements were authorized for issue by the Board of Directors of the Company on May 13, 2021.