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platt nera

Platt Nera International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1949)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

HIGHLIGHTS

- Revenue of the Group for the year ended 31 December 2020 was approximately THB525.4 million, representing a decrease of approximately 2.4% as compared to the revenue of the Group of approximately THB538.1 million for the year ended 31 December 2019.
- Project delays caused largely by the COVID-19 pandemic and unexpected reduction in contract revenue and projects' costs led to gross loss of approximately THB84.8 million for the year ended 31 December 2020.
- Profit after tax of the Group for the year ended 31 December 2020 was approximately THB4.2 million whereas the Group recorded a loss after tax of approximately THB37.3 million for the year ended 31 December 2019. Excluding the one-off Listing expenses of approximately THB62.1 million for the year ended 31 December 2019, the Group would have recorded a profit after tax of approximately THB24.9 million for the year ended 31 December 2019, compared to the profit after tax of approximately THB4.2 million for the year ended 31 December 2020 (there were no Listing expenses for the year ended 31 December 2020).

The Board is pleased to announce the consolidated results of the Group for the year ended 31 December 2020 with comparative figures for the corresponding year in 2019.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**

Year ended 31 December 2020

	<i>Notes</i>	2020 <i>THB'000</i>	2019 <i>THB'000</i>
REVENUE	5	525,423	538,113
Cost of sales		<u>(610,237)</u>	<u>(384,597)</u>
Gross profit/(loss)		(84,814)	153,516
Other income and gain, net		338,460	3,097
Selling and distribution expenses		(10,040)	(10,694)
Administrative expenses		(81,861)	(63,949)
Impairment losses of financial assets and contract assets, net		(109,279)	(8,404)
Listing expenses		—	(62,139)
Other expenses		—	(21,308)
Finance costs		<u>(12,846)</u>	<u>(16,414)</u>
PROFIT/(LOSS) BEFORE TAX	6	39,620	(26,295)
Income tax	7	<u>(35,393)</u>	<u>(10,981)</u>
PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS		<u>4,227</u>	<u>(37,276)</u>
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Defined benefit plan:			
Actuarial gain		558	—
Income tax effect		<u>(112)</u>	—
		<u>446</u>	—
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX		<u>446</u>	—
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		<u>4,673</u>	<u>(37,276)</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted (<i>THB cents</i>)	9	<u>1.06</u>	<u>(10.76)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	<i>Notes</i>	2020 <i>THB'000</i>	2019 <i>THB'000</i>
NON-CURRENT ASSETS			
Leasehold improvements and equipment	<i>10</i>	1,141	2,204
Right-of-use assets	<i>11</i>	9,381	1,962
Rental receivable under a finance lease	<i>11</i>	122,125	—
Computer software		541	329
Trade receivables	<i>12</i>	600,660	—
Prepayments, other receivables and other assets	<i>13</i>	14,505	13,051
Pledged bank deposits		114,871	98,847
Deferred tax assets		—	7,168
Total non-current assets		863,224	123,561
CURRENT ASSETS			
Inventories		6,553	44,118
Contract assets		185,315	163,222
Rental receivable under a finance lease	<i>11</i>	35,715	—
Trade receivables	<i>12</i>	219,333	191,667
Prepayments, other receivables and other assets	<i>13</i>	163,353	207,543
Prepaid income tax		9,329	9,329
Cash and cash equivalents		186,167	266,900
Total current assets		805,765	882,779
CURRENT LIABILITIES			
Contract liabilities		2,887	2,596
Trade payables	<i>14</i>	225,420	310,938
Other payables and accruals		34,512	35,015
Income tax payable		17,835	2,470
Bank and other borrowings		178,403	81,605
Lease liabilities	<i>11</i>	3,858	1,905
Total current liabilities		462,915	434,529
NET CURRENT ASSETS		342,850	448,250
TOTAL ASSETS LESS CURRENT LIABILITIES		1,206,074	571,811

	<i>Notes</i>	2020 <i>THB'000</i>	2019 <i>THB'000</i>
NON-CURRENT LIABILITIES			
Trade payables	<i>14</i>	591,964	—
Bank and other borrowings		58,517	34,989
Lease liabilities	<i>11</i>	5,803	119
Defined benefit obligations		4,840	4,756
Preference shares of a subsidiary		37,740	37,740
Deferred tax liabilities		8,330	—
		<hr/>	<hr/>
Total non-current liabilities		707,194	77,604
		<hr/>	<hr/>
Net assets		498,880	494,207
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	<i>15</i>	15,977	15,977
Reserves		482,903	478,230
		<hr/>	<hr/>
Total equity		498,880	494,207
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THIS RESULTS ANNOUNCEMENT

1. CORPORATE AND GROUP INFORMATION

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

The Company is an investment holding company. During the year ended 31 December 2020, the Group was principally engaged in the provision of IT integrated solutions and IT support services, and sale of equipment.

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

2. BASIS OF PRESENTATION OF THIS RESULTS ANNOUNCEMENT

This announcement has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) which comprise all standards and interpretations approved by the International Accounting Standards Board. They have been prepared under the historical cost convention, except for defined benefit obligations which have been measured in accordance with the accounting policy for “Defined benefit plan” set out in the financial statements. These financial statements are presented in THB and all values are rounded to the nearest thousand (“THB’000”) except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2020. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company. The results of the subsidiaries acquired under the Reorganisation are consolidated from the earliest date presented or since the respective dates of incorporation of the relevant entities, where this is a shorter period, and continue to be consolidated until the date that such control ceases. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

Profit or loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it recognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or accumulated losses, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the *Conceptual Framework for Financial Reporting 2018* (the “**Conceptual Framework**”) and the following revised standards for the first time for the current year's financial statements.

Amendments to IFRS 3	<i>Definition of a Business</i>
Amendments to IFRS 9, IAS 39 and IFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendment to IFRS 16	<i>Covid-19-Related Rent Concessions</i> (early adopted)
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i>

The nature and the impact of the Conceptual Framework and the revised IFRSs are described below:

- (a) The Conceptual Framework sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.

- (b) Amendments to IFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The amendments did not have any impact on the financial position and performance of the Group.
- (c) Amendments to IFRS 9, IAS 39 and IFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.
- (d) Amendment to IFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1 June 2020 with earlier application permitted and shall be applied retrospectively.
- (e) Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

4. SEGMENT INFORMATION

Operating segment information

No operating segment information is presented as the Group's revenue and reported results during each of the year ended 31 December 2020 and 2019, and the Group's total assets as at the end of the reporting period were derived from or attributable to one single operating segment, i.e., provision of IT integrated solutions and IT support services, and sale of equipment.

Geographical information

The Group's revenue during each of the year ended 31 December 2020 and 2019 were all derived from external customers based in Thailand, and the Group's non-current non-financial assets as at the end of each of the reporting period were all located in Thailand

Information about major customers

The revenue generated from sales to customers which individually contributed 10% or more of the Group's total revenue during the year ended 31 December 2020 and 2019 is set out below:

	2020 <i>THB'000</i>	2019 <i>THB'000</i>
Customer A	182,097	290,175
Customer B	179,113	192,478
Customer C	157,768	N/A*

* Less than 10% of the Group's total revenue.

5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

	2020 <i>THB'000</i>	2019 <i>THB'000</i>
By type of goods or services:		
IT integrated solutions	184,121	260,987
IT support services	183,946	277,126
Sales of equipment [#]	157,356	—
Total revenue from contracts with customers	525,423	538,113
By timing of revenue recognition:		
Transferred at a point in time	159,625	3,419
Transferred over time	365,798	534,694
Total revenue from contracts with customers	525,423	538,113

[#] The amount disclosed above includes a sale of equipment to a customer, which was accounted for on a net basis, i.e., total contract revenue net of related cost of sales. The present value of contract sum to the customer under this transaction amounted to THB748,908,000.

6. PROFIT/(LOSS) BEFORE TAX

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

	2020 <i>THB'000</i>	2019 <i>THB'000</i>
Cost of inventories sold	191,762	60,758
Cost of services rendered	418,475	323,839
Depreciation of leasehold improvements and equipment	1,511	2,352
Depreciation of right-of-use assets	4,086	4,200
Amortisation of computer software*	97	103
Lease payments not included in the measurement of lease liabilities	394	560
Auditor's remuneration	2,080	2,750
Employee benefit expense (including directors' remuneration):		
Salaries, allowances and benefits in kind	47,368	45,055
Defined contribution schemes contributions	1,224	1,218
Net benefit expenses of a defined benefit plan	642	1,676
	<u>49,234</u>	<u>47,949</u>
Less: Amount included in cost of services rendered	(8,650)	(10,675)
	<u>40,584</u>	<u>37,274</u>
Write-off of items of leasehold improvements and equipment*	—	5
Impairment losses of financial assets and contract assets, net:		
Contract assets and trade receivables	89,153	8,404
Loans receivable	20,126	—
	<u>109,279</u>	<u>8,404</u>
Foreign exchange differences, net	<u>(5,974)</u>	<u>11,308**</u>

* These items are included in "Administrative expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

** This item is included in "Other expenses, net" on the face of the consolidated statement of profit or loss and other comprehensive income.

7. INCOME TAX

An analysis of the Group's income tax charged in profit or loss during the year is as follows:

	2020 <i>THB'000</i>	2019 <i>THB'000</i>
Current:		
Charge for the year	20,007	—
Deferred tax	15,386	10,981
	<u>35,393</u>	<u>10,981</u>
Total tax charge for the year	<u>35,393</u>	<u>10,981</u>

8. DIVIDEND

The Board does not declare the payment of a dividend in respect of the year ended 31 December 2020 (2019: Nil).

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

In respect of the year ended 31 December 2020, the calculation of the basic earnings per share amount is based on the profit for the year attributable to shareholders of the Company of THB4,227,000, and the weighted average number of 400,000,000 ordinary shares in issue during the year.

In respect of the year ended 31 December 2019, the calculation of the basic loss per share amount is based on the loss for the year attributable to shareholders of the Company of THB37,276,000, and the weighted average number of ordinary shares of 346,301,370 in issue during that year as if the changes in issued number of ordinary shares of the Company in respect of capitalisation issue on 16 July 2019 had been completed on 1 January 2019.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2020 and 2019 in respect of a dilution as the Group had no potentially dilutive ordinary shares of the Company in issue during each of these years.

10. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

During the year ended 31 December 2020, the Group acquired leasehold improvements and equipment with a total cost of THB448,000 (2019: THB531,000).

11. LEASES

Group as a lessor

The rental receivable under a finance lease as at 31 December 2020 related to a finance lease arrangement of passbook machines provided by the Group to a lessee for a lease term of 5 years, and bears interest at the rate of 1.85%. During the year, interest income of THB484,000 was recognised in profit or loss in respect of the rental receivable under a finance lease.

At 31 December 2020, the undiscounted lease payments receivable in future periods are as follows:

	Minimum lease payments		Present value of minimum lease payments	
	2020 <i>THB'000</i>	2019 <i>THB'000</i>	2020 <i>THB'000</i>	2019 <i>THB'000</i>
Within one year	38,293	—	35,715	—
After one year but within two years	33,038	—	31,031	—
After two years but within three years	33,038	—	31,613	—
After three years but within four years	33,038	—	32,206	—
After four years but within five years	27,508	—	27,275	—
Total minimum finance lease receivables	164,915	—	157,840	—
Less: Unearned finance income	(7,075)	—		
Total net rental receivable under a finance lease	157,840	—		
Portion classified as current assets	(35,715)	—		
Non-current portion	122,125	—		

Group as a lessee

The Group has lease arrangements as a lessee for certain office premises and office equipment used in its operations. The leases for office premises and office equipment generally have lease terms between 2 to 3 years.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Office premises <i>THB'000</i>	Office equipment <i>THB'000</i>	Total <i>THB'000</i>
At 1 January 2019	5,774	268	6,042
Addition	—	120	120
Depreciation provided during the year	(4,076)	(124)	(4,200)
At 31 December 2019 and 1 January 2020	1,698	264	1,962
Addition	11,505	—	11,505
Depreciation provided during the year	(3,935)	(151)	(4,086)
At 31 December 2020	9,268	113	9,381

(b) Lease liabilities

The carrying amount of the Group's lease liabilities and the movements during the year are as follows:

	2020 <i>THB'000</i>	2019 <i>THB'000</i>
At 1 January	2,024	6,042
New leases	11,505	120
Accretion of interest recognised during the year	445	274
Payments	<u>(4,313)</u>	<u>(4,412)</u>
At 31 December	9,661	2,024
Portion classified as current liabilities	<u>(3,858)</u>	<u>(1,905)</u>
Non-current portion	<u><u>5,803</u></u>	<u><u>119</u></u>

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2020 <i>THB'000</i>	2019 <i>THB'000</i>
Interest on lease liabilities	445	274
Depreciation of right-of-use assets	4,086	4,200
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in administrative expenses)	300	335
Expense relating to leases of low-value assets (included in administrative expenses)	<u>94</u>	<u>225</u>
Total amount recognised in profit or loss	<u><u>4,925</u></u>	<u><u>5,034</u></u>

12. TRADE RECEIVABLES

	2020 <i>THB'000</i>	2019 <i>THB'000</i>
Trade receivables	824,334	191,667
Impairment	<u>(4,341)</u>	<u>—</u>
Portion classified as current assets	<u><u>819,993</u></u>	<u><u>191,667</u></u>
Non-current portion	<u><u>(219,333)</u></u>	<u><u>(191,667)</u></u>
	<u><u>600,660</u></u>	<u><u>—</u></u>

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

	2020 <i>THB'000</i>	2019 <i>THB'000</i>
Billed:		
Within 1 month	63,063	189,357
1 to 3 months	6,725	2,310
	<hr/>	<hr/>
	69,788	191,667
Unbilled	750,205	—
	<hr/>	<hr/>
Total trade receivables	819,993	191,667
	<hr/> <hr/>	<hr/> <hr/>

Other than those mentioned above, none of the above balances is either past due or impaired.

13. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2020 <i>THB'000</i>	2019 <i>THB'000</i>
Contract costs	132,844	157,291
Prepayments	10,959	26,822
Interest receivables	1,809	575
Deposits and other receivables	8,472	20,126
Loans receivable	23,001	11,785
Value added tax receivable	20,152	1,610
Others	747	2,385
	<hr/>	<hr/>
	197,984	220,594
Impairment	(20,126)	—
	<hr/>	<hr/>
	177,858	220,594
Portion classified as current assets	(163,353)	(207,543)
	<hr/>	<hr/>
Non-current portion	14,505	13,051
	<hr/> <hr/>	<hr/> <hr/>

14. TRADE PAYABLES

Trade payables of the Group are unsecured, interest-free, and are normally settled on 30 to 60 days terms, except that the Group is required to pay interest at 2% per month for an overdue trade payable balance.

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

	2020 <i>THB'000</i>	2019 <i>THB'000</i>
Within 1 month	28,318	56,096
1 to 2 months	20,083	71,883
2 to 3 months	5,988	9,017
Over 3 months	17,198	18,991
	<u>71,587</u>	<u>155,987</u>
Unbilled	745,797	154,951
	<u>817,384</u>	<u>310,938</u>
Portion classified as current liabilities	(225,420)	(310,938)
	<u>591,964</u>	<u>—</u>
Non-current portion	<u>591,964</u>	<u>—</u>

15. SHARE CAPITAL

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Authorised:		
10,000,000,000 ordinary shares of HK\$0.01 each	<u>100,000</u>	<u>100,000</u>

	2020		2019	
	<i>HK\$'000</i>	<i>THB'000</i>	<i>HK\$'000</i>	<i>THB'000</i>
Issued and fully paid:				
400,000,000 ordinary shares of HK\$0.01 each	<u>4,000</u>	<u>15,977</u>	<u>4,000</u>	<u>15,977</u>

There were no movement in issued share capital of the Company during the year end 31 December 2020.

16. CONTINGENT LIABILITIES

Bank guarantees

As at 31 December 2020, there were outstanding bank guarantees of approximately THB202.7 million (31 December 2019: approximately THB496.0 million) issued by banks on behalf of the Group in respect of certain performance obligation as required in the normal course of business of the Group.

17. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified and re-presented to conform to the current year's presentation.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

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

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY

The Group provides IT solutions to Thai financial institutions, government departments and agencies predominantly in administrative, telecommunications and utilities sectors. Since our establishment in 2004, we have secured a number of sizable projects including the BAAC ATM Project in 2006, tsunami detection system in 2010 and satellite system project in 2014. Our top customer is BAAC wherein we provided ATM IT solutions that allowed BAAC to set up and thereafter operate its ATM network to serve their unique rural customer base. In 2020, we expanded our customer reach into the rural areas of Thailand by taking on the Customer F ATM Project and Customer F Passbook Project.

BUSINESS REVIEW

The financial year ended 31 December 2020 was a tumultuous one marked by the COVID-19 pandemic that hit Thailand's economy badly and caused it to report the worst showing since the 1997 Asian financial crisis. To compound matters for the Group, Thailand was hit by political unrest and the Thai government also saw various changes to its economics team. All these developments had a direct negative impact on the Group, causing project delays and requiring deft adaptations to continue serving its clients under the ever-changing and tenuous COVID-19 environment.

Yet, amidst the tough external environment, the Group's core management remained committed and determined to serve its customers well. This enabled the Group to successfully complete its projects scheduled in 2020, such as the PEA's unmanned projects for Central and South regions and PEA's Smart Street Light, and even commence on new projects such as Customer F ATM Project and Customer F Passbook Project. While the Group's profitability was negatively affected, the Group believes that it has won the long-term trust of its key customers and retain the core competencies for continued growth and profitability into the future.

BUSINESS OUTLOOK

According to data from the Office of the National Economic and Social Development Council, Thailand's economy contracted in 2020 at its fastest pace in more than two decades, reflecting a lack of tourists and exports due to the COVID-19 pandemic. Real gross domestic product shrank 6.1% in 2020 compared with the previous year. In March 2021, the Centre for Covid-19 Situation Administration (CCSA) stated that the emergency decree will be extended from 1 April 2021 to 31 May 2021.

Thailand kicked off its vaccination program in late February 2021, utilizing a mix of Sinovac Biotech and AstraZeneca vaccines. It is hoped that this vaccination exercise, together with efforts to produce local vaccines and issue vaccine passports, will help Thailand to reopen its borders and revitalize its battered economy.

On other hand, political demonstrations against the Thai government have continued into 2021 and may impact the country's efforts to rein in the COVID-19 pandemic.

Against this mixed backdrop, the Directors are sanguine about prospects of the Thai economy and the Group's business and projects in 2021. The Directors will continue to assess the changing impact of the COVID-19 outbreak and Thailand's political situation on the operation and financial performance of the Group, and closely monitor the related risks exposures of the Group.

Having said the above, with its core management team intact and committed, the Group remains confident of its long-term prospects, as it continues to work to secure new projects and will make the relevant announcements as appropriate.

FINANCIAL REVIEW

Revenue

For the financial year ended 31 December 2020 ("FY2020"), the Group's total revenue decreased by around 2.4%, or THB12.7 million from approximately THB538.1 million in the financial year ended 31 December 2019 ("FY2019") to approximately THB525.4 million in FY2020. The decrease was mainly due to the drop in IT integrated solutions and services for BAAC of approximately THB108.1 million, Smart Street Light and unmanned projects for Central and South regions, both with PEA, of approximately THB13.4 million. The

decline for BAAC was mainly attributed to the delay in Phase 3 project and the lower usage of ATMs in 2020 linked to the effects of the COVID-19 pandemic. Meanwhile, Customer F Passbook Project recorded revenue of approximately THB157.8 million in FY2020.

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

For FY2020, the Group suffered a gross loss of approximately THB84.8 million or (16.1%) of revenue. This gross loss was mainly derived from the BAAC ATM Project due to (a) one-time capacity upgrade charges of approximately THB64 million incurred to handle the surge in volume in customer usage when the Thai government launched a cash payout scheme around May 2020 to help the Thai people tide over the COVID-19 pandemic, and (b) unexpected cost of approximately THB57 million required for servicing the UPS power supply for ATM machines and ATM switching. The recording of the above mentioned charges is consistent with prior accounting treatments of similar charges.

Other income and gain, net

Our Group's recorded other income during FY2020 of approximately THB338.5 million, mainly driven by the net compensation of THB323.6 million received from CAT Telecom Public Company Limited, after winning the litigation case involving FTTx equipment ("FTTx Case"). More details of this FTTx Case can be found on pages 170 to 171 of the Prospectus. The remaining other income of approximately THB14.9 million mainly comprised interest income and foreign exchange gains.

Selling and distribution expenses

Our selling and distribution expenses for FY2020 was approximately THB10.0 million, mainly comprising salaries of our sales division, and advertising and marketing expenses. These expenses were relatively unchanged between FY2020 and FY2019.

Administrative expenses

Administrative expenses for FY2020 increased approximately by 28.0% or THB17.9 million from approximately THB63.9 million recorded in FY2019 to approximately THB81.9 million in 2020. The increase arose mainly from market analysis expenses as the Group explores new business opportunities.

Impairment losses of financial assets and contract assets, net

Our Group recorded an estimated loss on impairment of contract assets and trade receivables of approximately THB89.2 million for FY2020, the bulk of which relates to an ongoing negotiation with BAAC over annual fees received from end customers by BAAC under BAAC ATM Project, and assessed after taking into account legal advice and the Group's past experiences. Impairment of loans receivable of approximately THB20.1 million was made after considering, *inter alia*, the COVID-19 pandemic had crippled the third-party borrower's business plan, and assessed based on Fitch default ratings.

Finance costs

Our Group's finance costs during FY2020 included interest on bank and other borrowings and decreased by 21.7% or approximately THB3.6 million from approximately THB16.4 million in FY2019 to approximately THB12.8 million in FY2020 due to repayment of borrowing from Listing proceeds.

Net profit/(loss)

As a result of the above factors, the Group's have a net profit of approximately THB4.2 million, compared to a loss of approximately THB37.3 million in FY2019. Excluding the one-off Listing expenses of THB62.1 million in FY2019, we would have recorded a net profit of approximately THB24.9 million in FY2019, compared to the net profit of approximately THB4.2 million in FY2020 (there were no Listing expenses in FY2020). The decline in operational performance in FY2020 was mainly driven by the weaker contributions from BAAC as explained under "Revenue" and "Gross (loss)/profit and gross (loss)/profit margin" sections above.

FINANCIAL POSITION

Net Current Assets

The Group recorded net current assets of approximately THB342.9 million as at 31 December 2020 (31 December 2019: approximately THB448.3 million). The decline in net current asset position was largely due to the significant and non-recurring improvement in cash position in FY2019 as a result of the Listing.

Current Assets

The Group's current assets declined from approximately THB882.8 million as at 31 December 2019 to approximately THB805.8 million as at 31 December 2020, driven mainly by the decline in cash and cash equivalents by approximately THB80.7 million from approximately THB266.9 million as at 31 December 2019 (due mainly to the Listing) to approximately THB186.2 million as at 31 December 2020. Increase in rental receivable under a finance lease, contract assets and trade receivables were offset by decreases in prepayments, deposits and other assets. The rental receivable under a finance lease of approximately THB35.7 million as at 31 December 2020 (31 December 2019: Nil) related mainly to the Customer F Passbook Project which commenced only in FY2020, while a trade receivable balance of approximately THB149.5 million, related to the Customer F ATM Project which only commenced in FY2020 and reside in the trade receivable balance of approximately THB219.3 million.

Current Liabilities

The Group had current liabilities of approximately THB462.9 million as at 31 December 2020 (31 December 2019: approximately THB434.5 million). The increase in current liabilities was mainly attributed to the increase in bank and other borrowings to approximately THB178.4 million as at 31 December 2020 linked to the commencement of new projects in FY2020 from approximately THB81.6 million as at 31 December 2019, which were offset by the decline in trade payables from approximately THB310.9 million as at 31 December 2019 to approximately THB225.4 million as at 31 December 2020. The trade payable balance in at 31 December 2020 included an approximately THB148.1 million balance arising from Customer F ATM Project.

Non-Current Assets

The Group recorded non-current assets of approximately THB863.2 million as at 31 December 2020 (31 December 2019: approximately THB123.6 million). The significant increase in non-current assets was largely due to non-current trade receivable of approximately THB600.7 million arising from Customer F ATM Project, as well as non-current rental receivable under a finance lease of approximately THB122.1 million as at 31 December 2020 (31 December 2019: Nil) arising from Customer F Passbook Project. Both Customer F ATM Project and Customer F Passbook Project only commenced in FY2020.

Non-Current Liabilities

The Group's non-current liabilities increased significantly to approximately THB707.2 million as at 31 December 2020 (31 December 2019: approximately THB77.6 million), mainly due to non-current trade payable of approximately THB592.0 million which mainly related to Customers F ATM Project that only commenced in FY2020.

Financial Resources

As at 31 December 2020, the gearing ratio of the Group was approximately 47.5% (31 December 2019: 23.5%), which represent the interest-bearing debt divided by total equity and multiplied by 100%. The Group's operations were mainly financed by internal resources from Listing proceeds and project loan facilities from financial institutions.

Shareholders' Equity

Owing to the net profits in FY2020, the Group's equity attributable to the Shareholders increased marginally from approximately THB494.2 million as at 31 December 2019 to approximately THB498.9 million as at 31 December 2020.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have other material investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2020.

CONTINGENT LIABILITY

As at 31 December 2020, there were outstanding bank guarantees of THB202.7 million (31 December 2019: THB496.0 million) issued by banks on behalf of the Group in respect of certain performance obligation as required in the normal course of business of the Group.

PLEDGE OF ASSETS

As at 31 December 2020, approximately THB114.9 million of bank deposits of the Group was pledged to banks for letters of guarantee, bank loans and bank overdrafts.

EMPLOYEE INFORMATION

As at 31 December 2020, the Group had 58 employees (2019: 57 employees). The Group's labor costs (including salaries, bonuses, social security and provident fund) were approximately THB43.8 million, equivalent to 8.4% of the Group's revenue for the FY2020.

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

SIGNIFICANT INVESTMENTS HELD

The Group did not have any significant investments held as at 31 December 2020.

FOREIGN EXCHANGE EXPOSURE

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

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

DIVIDEND

The Board does not recommend to declare a dividend in respect of FY2020 (FY2019: Nil).

USE OF NET PROCEEDS FROM THE LISTING

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

As of 31 December 2020, all the proceeds from the Listing have been fully utilized in line with planned usage as mentioned in the Prospectus as set out in the table below.

USE OF PROCEEDS FROM LISTING

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

EVENTS AFTER THE REPORTING PERIOD

The Board is not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2020 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the FY2020, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

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

The Board is of the view that the Company has complied with all applicable code provisions of the Corporate Governance Code during the year ended 31 December 2020, except for a deviation from the code provision A.2.1 of the Corporate Governance Code, that the roles of the chairman and chief executive officer should be separated and should not be

performed by the same individual. Mr. Prapan Asvaplungprohm (“**Mr. Asvaplungprohm**”), the chairman and the chief executive officer of the Company, responsible for strategic development and business operations.

Taking into account the continuation of the implementation of our business plans, the Directors (including the independent non-executive Directors) are of the view that Mr. Asvaplungprohm is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Company and the Shareholders as a whole. Further, the Group has put in place an appropriate check-and-balance mechanism through the Board and the independent non-executive Directors.

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

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Securities Dealing Code (the “**Securities Dealing Code**”) on terms no less exacting than the Model Code.

Specific enquiry has been made of all the Directors and they have confirmed that they have complied with the required standard set out in the Model Code and the Securities Dealing Code throughout the year ended 31 December 2020.

COMPETING INTERESTS

As at 31 December 2020, none of the Directors or the controlling shareholders (as defined under the Listing Rules) of the Company and their respective associates (as defined in the Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

AUDIT COMMITTEE REVIEW

The Company has established the Audit Committee which is accountable to the Board and the primary duties of which include the review and supervision of the Group’s financial reporting process and internal control measures. For the FY2020, the Audit Committee comprised three independent non-executive Directors, namely, Mr. Tong Yee Ming, Mr. Cheung Pan and Mr. Julapong Vorasontharosoth. Mr. Tong Yee Ming serves as the chairman of the Audit Committee, who has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the consolidated financial statements of the Group for the

FY2020. The Audit Committee considered that the consolidated financial information of the Group for the FY2020 are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been made.

SCOPE OF WORK OF THE COMPANY'S AUDITOR IN RESPECT OF THE PRELIMINARY RESULTS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2020 as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on the preliminary announcement.

ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The forthcoming annual general meeting of the Company ("AGM") will be held on Friday, 28 May 2021. A notice convening the AGM is expected to be published and dispatched to the Shareholders in due course in accordance with the requirements of the Listing Rules.

For determining the qualification as members of the Company to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 25 May 2021 to Friday, 28 May 2021, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, non-registered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Monday, 24 May 2021.

PUBLICATION OF 2020 ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.plattnera.com. The 2020 Annual Report containing all applicable information required by the Listing Rules will be despatched to the Shareholders and published on the above websites in due course.

DEFINITIONS

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

“Audit Committee”	the audit committee of the Board
“BAAC”	Bank for Agriculture and Agricultural Co-operatives, a government-owned bank established in 1966 and focuses on providing banking services to farmers in the rural area in Thailand
“BAAC ATM Project”	includes (i) the projects which our Group, together with the ATM Terminal Provider up until June 2020, cooperates with BAAC since 2006 to set up and operate its ATM network, and was extended in 2019 to cover the period up to June 2027; and (ii) a project entered into with BAAC in 2014
“BAAC ATM Terminal Provider”	the consortium partner, a private company set up with limited liability in Thailand in 1989 and is an independent third party of our Group. It is an established IT solutions provider that was invited by our Group to participate in the ATM Project to focus on the frontend system aspect of the ATM Project. It is a leading IT and digital solutions provider in Thailand which offers modern digital solutions and enterprise business solutions and IT infrastructure solutions
“Board”	the board of Directors
“Company”	Platt Nera International Limited, an exempted company incorporated in the Cayman Islands with limited liability on 23 November 2018
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“COVID-19”	Coronavirus Disease 2019
“Customer F”	a government-owned bank that provides various banking products and services in Thailand
“Customer F ATM Project”	the setup of and provision of related operations, support and maintenance services for 2,900 ATM machines for Customer F for 5 years between 2020 and 2025

“Customer F Passbook Project”	the setup of and provision of related operations, support and maintenance services for 790 Passbook machines for Customer F for 5 years between 2020 and 2025
“Director(s)”	the director(s) of our Company
“Group”, “our Group”, “we”, “us” or “our”	our Company together with our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IAH”	Info Asset Holding (Thailand) Co., Limited (formerly known as Intel Asset Holding Co., Limited), a company incorporated with limited liability on 6 September 2018 under the laws of Thailand, a subsidiary of our Company
“IAH Preference Share(s)”	the preference share(s) of nominal value of THB100 each in the share capital of IAH
“Listing”	the listing of the Shares on the Main Board on 16 July 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Main Board”	the Main Board of the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“PEA”	Provincial Electricity Authority, a state-owned enterprise in Thailand responsible for providing provincial electricity supply
“Prospectus”	the prospectus dated 28 June 2019 issued by the Company in relation to the Share Offer
“Reorganisation”	the restructuring of the Group in preparation for the Listing, details of which are set out in the Prospectus

“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of our Company
“Share Offer”	the public offer and the placing in connection with the Listing
“Shareholder(s)”	holder(s) of Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Thailand” or “Thai”	the Kingdom of Thailand
“THB”	Thai Baht or Baht, the lawful currency of Thailand
“%”	per cent.

Certain amounts and percentage figures have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

On behalf of the Board
Platt Nera International Limited
Prapan Asvaplungprohm
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 30 March 2021

As at the date of this announcement, the Board comprises Mr. Prapan Asvaplungprohm and Mr. Wison Archadechopon as executive Directors, and Mr. Tong Yee Ming, Mr. Cheung Pan and Mr. Julapong Vorasontharosoth as independent non-executive Directors.