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platt nera

Platt Nera International Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1949)

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

HIGHLIGHTS

- Revenue of the Group for the six months ended 30 June 2022 was approximately THB167.7 million, representing an increase of approximately 15.5% as compared to the revenue of the Group of approximately THB145.3 million for the six months ended 30 June 2021 due mainly from revenues of new projects but offset by the completion of several key projects in 2021.
- Loss after tax of the Group for the six ended 30 June 2022 was approximately THB16.4 million compared to a loss after tax of approximately THB18.3 million for the six months ended 30 June 2021.

The Board wishes to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2022, together with comparative figures for the corresponding period as follows:

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

For the six months ended 30 June 2022

		Six months ended 30 June	
		2022	2021
		(Unaudited)	(Unaudited)
	<i>Notes</i>	THB'000	THB'000
REVENUE	4	167,744	145,294
Cost of sales		<u>(146,004)</u>	<u>(130,225)</u>
Gross profit		21,740	15,069
Other income and gain, net		22,538	29,507
Selling and distribution expenses		(8,450)	(6,064)
Administrative expenses		(24,398)	(26,820)
Share of the associates' loss		(862)	–
Finance costs		<u>(26,985)</u>	<u>(30,017)</u>
LOSS BEFORE TAX	5	(16,417)	(18,325)
Income tax	6	<u>–</u>	<u>–</u>
LOSS FOR THE PERIOD ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY		<u>(16,417)</u>	<u>(18,325)</u>
LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
Basic and diluted (THB Cents)	8	<u>(4.10)</u>	<u>(4.58)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

		As at 30 June 2022 (Unaudited) <i>THB'000</i>	31 December 2021 (Audited) <i>THB'000</i>
	<i>Notes</i>		
NON-CURRENT ASSETS			
Investment in an associate	<i>13</i>	15,691	16,553
Leasehold improvements and equipment	<i>9</i>	712	833
Right-of-use assets	<i>10</i>	3,639	5,459
Computer software		209	416
Rental receivable under a finance lease	<i>10</i>	79,513	95,887
Trade receivables	<i>11</i>	519,115	616,730
Prepayments, other receivables and other assets	<i>12</i>	1,338	1,288
Pledged bank deposits	<i>14</i>	103,542	126,372
Deferred tax assets		4,932	4,932
Total non-current assets		728,691	868,470
CURRENT ASSETS			
Inventories		5,072	5,072
Contract assets		239,795	195,550
Rental receivable under a finance lease	<i>10</i>	47,679	55,204
Trade receivables	<i>11</i>	412,546	474,609
Prepayments, other receivables and other assets	<i>12</i>	284,821	257,534
Prepaid income tax		17,559	12,286
Cash and cash equivalents	<i>14</i>	52,635	62,140
Total current assets		1,060,107	1,062,395
CURRENT LIABILITIES			
Contract liabilities		19,644	8,481
Trade payables	<i>15</i>	346,293	484,256
Other payables and accruals		44,092	52,417
Income tax payable		3,077	3,077
Bank and other borrowings	<i>16</i>	258,670	130,439
Lease liabilities	<i>10</i>	3,836	4,049
Total current liabilities		675,612	682,719
NET CURRENT ASSETS		384,495	379,676
TOTAL ASSETS LESS CURRENT LIABILITIES		1,113,186	1,248,146

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(CONTINUED)**

As at 30 June 2022

		As at	
		30 June 2022	31 December 2021
	<i>Notes</i>	(Unaudited) THB'000	(Audited) THB'000
NON-CURRENT LIABILITIES			
Trade payables	<i>15</i>	510,793	607,177
Bank and other borrowings	<i>16</i>	105,240	126,213
Lease liabilities	<i>10</i>	84	1,754
Defined benefit obligations		5,546	5,062
Preference shares of a subsidiary		37,740	37,740
		<hr/>	<hr/>
Total non-current liabilities		659,403	777,946
		<hr/>	<hr/>
Net assets		453,783	470,200
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	<i>17</i>	15,977	15,977
Reserves		437,806	454,223
		<hr/>	<hr/>
Total equity		453,783	470,200
		<hr/> <hr/>	<hr/> <hr/>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Issued Capital <i>THB'000</i>	Share premium account <i>THB'000</i>	Merger reserve <i>THB'000</i>	Defined benefit plan reserve <i>THB'000</i>	Accumulated losses <i>THB'000</i>	Total equity <i>THB'000</i>
At 1 January 2022	15,977	428,778	181,900	510	(156,965)	470,200
Loss for the period	-	-	-	-	(16,417)	(16,417)
	<u>15,977</u>	<u>428,778</u>	<u>181,900</u>	<u>510</u>	<u>(173,382)</u>	<u>453,783</u>
At 30 June 2022	<u>15,977</u>	<u>428,778</u>	<u>181,900</u>	<u>510</u>	<u>(173,382)</u>	<u>453,783</u>

For the six months ended 30 June 2021

	Issued Capital <i>THB'000</i>	Share premium account <i>THB'000</i>	Merger reserve <i>THB'000</i>	Defined benefit plan reserve <i>THB'000</i>	Accumulated losses <i>THB'000</i>	Total equity <i>THB'000</i>
At 1 January 2021	15,977	428,778	181,900	(152)	(127,623)	498,880
Loss for the period	-	-	-	-	(18,325)	(18,325)
	<u>15,977</u>	<u>428,778</u>	<u>181,900</u>	<u>(152)</u>	<u>(145,948)</u>	<u>480,555</u>
At 30 June 2021	<u>15,977</u>	<u>428,778</u>	<u>181,900</u>	<u>(152)</u>	<u>(145,948)</u>	<u>480,555</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	THB'000	THB'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash used in operations	(133,312)	(137,432)
Income tax paid	—	—
	<u> </u>	<u> </u>
Net cash flows used in operating activities	<u>(133,312)</u>	<u>(137,432)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of leasehold improvements and equipment	(194)	(16)
Purchase of computer software	—	—
Investment in associate	—	(22,000)
	<u> </u>	<u> </u>
Net cash flows used in investing activities	<u>(194)</u>	<u>(22,016)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank and other borrowings	165,492	119,610
Repayment of bank and other borrowings	(60,322)	(115,277)
Gross decrease in pledged bank deposits	42,567	3,615
Gross increase in pledged bank deposits	(19,738)	(1,947)
Interest received	165	694
Interest paid	(6,251)	(5,498)
	<u> </u>	<u> </u>
Net cash flows from financing activities	<u>121,913</u>	<u>1,196</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,593)	(158,252)
Cash and cash equivalents at beginning of period	<u>62,140</u>	<u>186,164</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>50,547</u></u>	<u><u>27,912</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(CONTINUED)**

For the six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	THB'000	THB'000
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	156,177	146,530
Less: Pledged bank deposits	(103,542)	(113,203)
	<u> </u>	<u> </u>
Cash and cash equivalents as stated in the condensed consolidated statement of financial position	52,635	33,327
Less: Bank overdrafts	(2,088)	(5,415)
	<u> </u>	<u> </u>
Cash and cash equivalents as stated in the condensed consolidated statement of cash flows	50,547	27,912
	<u> </u>	<u> </u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. CORPORATE AND GROUP INFORMATION

Platt Nera International Limited (the “Company”) 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 of Hong Kong Limited (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.

During the six months ended 30 June 2022, the Group was principally engaged in the provision of IT integrated solutions and IT support services, and the sale of equipment in Thailand.

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 (“BVI”).

2. BASIS OF PRESENTATION AND PREPARATION

The unaudited interim condensed consolidated financial information of the Group for the six months ended 30 June 2022 has been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Listing Rules. The unaudited interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s financial statements for the year ended 31 December 2021, as included in the annual report for the year ended 31 December 2021 of the Company. The accounting policies and basis of preparation adopted in the preparation of this interim condensed consolidated financial information are consistent with those adopted in the Group’s financial statements for the year ended 31 December 2021 which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board (“IASB”). 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.

3. SEGMENT INFORMATION

Operating segment information

No operating segment information is presented as the Group’s revenue, reported results and total assets were derived from one single operating segment, i.e., provision of IT integrated solutions, IT support services and sale of equipment.

Geographical information

The Group's revenue during each of the six months ended 30 June 2022 and 2021 were all derived from external customers based in Thailand and the Group's non-current assets 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 six months ended 30 June 2022 and 2021 is set out below:

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	THB'000	THB'000
Customer A	68,927	76,203
Customer B	64,718	N/A*
Customer C	26,829	41,955

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

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregated revenue information for revenue from contracts with customers

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	THB'000	THB'000
By type of goods or services:		
IT integrated solutions	135,928	89,659
IT support services	31,816	48,294
Sales of equipment	–	7,341
Total revenue from contracts with customers	167,744	145,294
By timing of revenue recognition:		
Transferred at a point in time	27,300	97,000
Transferred over time	140,444	48,294
Total revenue from contracts with customers	167,744	145,294

(b) Contract balances

		As at	
		30 June 2022 (Unaudited) THB'000	31 December 2021 (Audited) THB'000
	Notes		
Contract assets	(i)	<u>239,795</u>	<u>195,550</u>
Trade receivables	11	<u>931,661</u>	<u>1,091,339</u>
Contract liabilities	(ii)	<u>19,644</u>	<u>8,481</u>

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

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

	As at	
	30 June 2022 (Unaudited) THB'000	31 December 2021 (Audited) THB'000
Within one year	200,695	151,865
More than one year	<u>39,100</u>	<u>43,685</u>
	<u>239,795</u>	<u>195,550</u>

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

5. LOSS BEFORE TAX

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>THB'000</i>	<i>THB'000</i>
Cost of inventories sold	–	6,518
Cost of services rendered	146,004	123,707
Depreciation of leasehold improvements and equipment	315	368
Depreciation of right-of-use assets	1,927	1,984
Amortisation of computer software*	207	62
Employee benefit expense (including directors' remuneration):		
Salaries, allowances and benefits in kind	25,052	22,668
Defined contribution schemes contributions **	831	761
Net benefit expenses of a defined benefit plan	484	525
	<hr/>	<hr/>
Total employee benefit expense	26,367	23,954
Less: Amount included in cost of services rendered	(6,645)	(7,844)
	<hr/>	<hr/>
	19,722	16,110
	<hr/> <hr/>	<hr/> <hr/>

* This item is included in “Administrative expenses” on the face of the consolidated statement of profit or loss and other comprehensive income.

** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. INCOME TAX

No income tax expenses has been provided since the Group has no assessable profit for the six months ended 30 June 2022 and 2021.

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	<i>THB'000</i>	<i>THB'000</i>
Current:		
Charge for the year	–	–
Deferred tax	–	–
	<hr/>	<hr/>
Total tax charge for the period	–	–
	<hr/> <hr/>	<hr/> <hr/>

Note: No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising from Hong Kong for the six months ended 30 June 2022 (30 June 2021: Nil).

7. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

8. LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic loss per share of the Company is based on the loss for the period attributable to shareholders of the Company of THB16,417,000 (30 June 2021: loss of THB18,325,000), and the weighted average number of 400,000,000 (30 June 2021: 400,000,000) ordinary shares in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the six months ended 30 June 2022 and 2021 in respect of a dilution as the Company had no potentially dilutive ordinary shares of the Company in issue during each of these periods.

9. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

During the six months ended 30 June 2022, the Group acquired leasehold improvements and equipment with a total cost of approximately THB194,000 (six months ended 30 June 2021: approximately THB16,000).

10. LEASES

Group as a lessor

The rental receivable under a finance lease as at 30 June 2022 and 31 December 2021 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 period, finance income of THB1,126,000 (30 June 2021: THB1,393,000) was recognised in profit or loss in respect of the rental receivable under a finance lease.

At 30 June 2022 and 31 December 2021, the undiscounted lease payments receivable by the Group in future periods with its customer are as follows:

	Minimum lease receivables		Present value of minimum lease receivables	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	THB'000	THB'000	THB'000	THB'000
Within one year	49,479.21	57,306	47,679	55,204
After one year but within two years	34,566.25	34,503	33,377	33,010
After two years but within three years	34,566.25	34,545	34,000	33,679
After three years but within four years	12,186.53	29,087	12,135	28,816
After four years but within five years	–	383	–	382
	<u>130,798</u>	<u>155,824</u>	<u>127,192</u>	<u>151,091</u>
Total minimum finance lease receivables				
Less: Unearned finance income	<u>(3,607)</u>	<u>(4,733)</u>		
Total net receivable under a finance lease	127,192	151,091		
Portion classified as current assets	<u>(47,679)</u>	<u>(55,204)</u>		
Non-current portion	<u>79,513</u>	<u>95,887</u>		

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 six months ended 30 June 2022 as follows:

	Office premises <i>THB'000</i>	Office equipment <i>THB'000</i>	Total <i>THB'000</i>
At 1 January 2021	9,268	113	9,381
Addition	–	–	–
Depreciation charge	(3,836)	(86)	(3,922)
At 31 December 2021, 1 January 2022	5,432	27	5,459
Addition	–	124	124
Disposal	–	(17)	(17)
Depreciation charge	(1,917)	(10)	(1,927)
At 30 June 2022	<u>3,515</u>	<u>124</u>	<u>3,639</u>

(b) *Lease liabilities*

The carrying amount of the Group's lease liabilities and the movements during the six months ended 30 June 2022 and 2021 are as follows:

	2022 (Unaudited) <i>THB'000</i>	2021 (Unaudited) <i>THB'000</i>
At 1 January	5,803	9,661
New leases	133	–
Accretion of interest recognised during the period	162	288
Disposal	(18)	–
Payments	(2,160)	(2,211)
At 30 June	3,920	7,738
Portion classified as current liabilities	(3,836)	(3,935)
Non-current portion	<u>84</u>	<u>3,803</u>

11. TRADE RECEIVABLES

	As at	
	30 June 2022 (Unaudited) THB'000	31 December 2021 (Audited) THB'000
Trade receivables	931,661	1,091,339
Impairment	—	—
	<u>931,661</u>	<u>1,091,339</u>
Portion classified as current portion	<u>(412,546)</u>	<u>(474,609)</u>
	<u><u>519,115</u></u>	<u><u>616,730</u></u>

- a. The Group's trading terms with its customers are mainly on credit. The credit period is generally 7 to 30 days from the invoice date. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to certain customers with good reputation, in the opinion of the directors of the Company, there is no significant credit risk. Trade receivables are non-interest-bearing, except for a trade receivable amounting to THB756,247,000 (2021: THB961,137,000) contains significant financing component which will be settled over 5 years.
- b. An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	As at	
	30 June 2022 (Unaudited) THB'000	31 December 2021 (Audited) THB'000
Within 1 month	72,782	129,383
1 to 3 months	110,217	27,485
3 to 6 months	267	770
Over 6 months	11,008	10,034
	<u>194,274</u>	<u>167,672</u>
Unbilled*	<u>737,387</u>	<u>923,667</u>
Total trade receivable	<u><u>931,661</u></u>	<u><u>1,091,339</u></u>

- * Under the agreement between the Group and Customer F, the Group's role was to install up to 2,900 ATM machines for Customer F, and thereafter manage the maintenance of these machines over a five (5) years period. Up to 30 June 2022, the Group had completed on a cumulative basis the installation of 2,900 ATM machines. In return, Customer F would make monthly payments over five (5) years to the Group, and hence, the relevant amounts will be "billed" in the respective periods. Owing to the agency role of the Group in supplying and maintaining the ATM machines, the revenues in respect of Customer F ATM Project were accounted for on a net basis, i.e., total contract revenue net of related cost of sales, in accordance with IFRS 15.

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	As at	
	30 June 2022 (Unaudited) THB'000	31 December 2021 (Audited) THB'000
Contract cost	247,848	213,142
Prepayments	2,805	3,617
Interest receivables	511	467
Deposits and other receivables	8,557	8,498
Loan receivable	–	–
Value Added Tax receivable	24,075	27,810
Others	2,963	5,888
	<u>286,759</u>	<u>259,422</u>
Impairment	(600)	(600)
	<u>286,159</u>	<u>258,822</u>
Portion classified as current assets	<u>(284,821)</u>	<u>(257,534)</u>
Non-current portion	<u><u>1,338</u></u>	<u><u>1,288</u></u>

13. INVESTMENT IN AN ASSOCIATE

Platt Nera Company Limited invested THB22.0 million for 44% equity interests in the Joint Venture on 1 June 2021 in relation to the CDM Project in Thailand. The Company's equity interests in the Joint Venture Company were diluted from 44% to 11% after an increase in the share capital of the Joint Venture Company contributed by other shareholders. At the ended 30 June 2022, the carrying amount of the Group's investment in an associate was THB15,691,000 (31 December 2021: THB16,553,000).

14. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

		As at	
		30 June 2022 (Unaudited) THB'000	31 December 2021 (Audited) THB'000
	Notes		
Cash and bank balances other than time deposits		52,635	62,140
Time deposits		<u>103,542</u>	<u>126,372</u>
Total cash and bank balances	(a)	156,177	188,512
Less: Pledged bank deposits	(b)	<u>(103,542)</u>	<u>(126,372)</u>
Cash and cash equivalents		<u><u>52,635</u></u>	<u><u>62,140</u></u>

(a) Cash at banks earns interest at floating rates based on daily bank deposit rates. Time deposits are made for one year as the security for letters of guarantee and letter of credit issued by banks in favour of the Group and the Group's bank loans and overdrafts. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

(b) At the end of the reporting period, certain bank deposits of the Group were pledged to banks for letters of guarantee, letters of credit, bank loans and bank overdrafts.

The pledged deposits bore interest at rates ranging from 0.15% to 0.38% per annum (2021: 0.15% to 0.38% per annum) as at 30 June 2022.

15. TRADE PAYABLES

Trade payables of the Group are unsecured, interest-free, and are normally settled on 30 to 60 days terms.

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

	As at	
	30 June 2022 (Unaudited) THB'000	31 December 2021 (Audited) THB'000
Within 1 month	71,527	84,464
1 to 2 months	35,524	41,916
2 to 3 months	2,518	24,881
Over 3 months	4,880	104,798
	<hr/>	<hr/>
Unbilled	114,449	256,059
	742,637	835,374
	<hr/>	<hr/>
Portion classified as current liabilities	857,086	1,091,433
	(346,293)	(484,256)
	<hr/>	<hr/>
Non-current portion	510,793	607,177
	<hr/> <hr/>	<hr/> <hr/>

16. BANK AND OTHER BORROWINGS

		As at	
		30 June 2022 (Unaudited) THB'000	31 December 2021 (Audited) THB'000
	Notes		
Bank overdrafts:			
Secured	(a)	2,088	–
Bank loans:			
Secured	(b)	265,986	149,222
Other loans:			
Secured	(c)	<u>95,836</u>	<u>107,430</u>
Total bank and other borrowings		<u><u>363,910</u></u>	<u><u>256,652</u></u>
Analysed into:			
Bank loans and overdrafts repayable:			
Within one year or on demand		234,692	106,990
In the second year		8,772	14,671
In the third to fifth years,		18,468	24,490
In the fifth years or more, inclusive		<u>6,142</u>	<u>3,071</u>
		<u><u>268,074</u></u>	<u><u>149,222</u></u>
Other loans repayable			
Within one year or on demand		23,978	23,449
In the second year		25,072	24,519
In the third to fifth years, inclusive		<u>46,786</u>	<u>59,462</u>
		<u><u>95,836</u></u>	<u><u>107,430</u></u>
Total bank and other borrowings		363,910	256,652
Portion classified as current liabilities		<u>(258,670)</u>	<u>(130,439)</u>
Non-current portion		<u><u>105,240</u></u>	<u><u>126,213</u></u>

Notes:

- (a) The secured bank overdrafts as at 30 June 2022 and 31 December 2021 bear interest at the minimum overdraft rate (“MOR”) promulgated by the banks and are repayable on demand.
- (b) Secured bank loans with an aggregate amount of THB244,271,000 (31 December 2021: THB105,671,000) as at 30 June 2022 bear interest at rates ranging from 2.00% to 8.99% per annum (31 December 2021: 2.00% to 8.99% per annum).

Other secured bank loans with an aggregate amount of THB21,715,000 (31 December 2021: THB35,551,000) as at 30 June 2022 bear interest at rates ranging from the minimum lending rate (“MLR”) promulgated by the banks to MLR minus 1% per annum (31 December 2021: MLR to MLR minus 1% per annum).

The Group’s secured bank overdrafts and loans as at 30 June 2022 and 31 December 2021 were guaranteed by a subsidiary, two directors of the Company and a director of a subsidiary, and secured by:

- (i) certain bank deposits of the Group (note 14);
 - (ii) right of receiving payment from projects; and
 - (iii) cash payment to a bank.
- (c) The Group’s secured other loan as at 30 June 2022 represented a loan from a third party company with an aggregate amount of THB95,836,000 (31 December 2021: THB107,430,000) which bears interest at 4.47% per annum, is secured by a corporate guarantee given by IAH and repayable within 60 months.

17. SHARE CAPITAL

	30 June 2022 (Unaudited) HK\$’000		31 December 2021 (Audited) HK\$’000
Authorised:			
10,000,000,000 ordinary shares of HK\$0.01 each	100,000		100,000
	30 June 2022 (Unaudited) HK\$’000	30 June 2022 (Unaudited) THB’000	31 December 2021 (Audited) HK\$’000
			31 December 2021 (Audited) THB’000
Issued and fully paid:			
400,000,000 ordinary shares of HK\$0.01 each	4,000	15,977	4,000
			15,977

18. RELATED PARTY DISCLOSURES

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

		Six months ended 30 June	
		2022	2021
		(Unaudited)	(Unaudited)
	<i>Notes</i>	THB'000	<i>THB'000</i>
Purchase of equipment	<i>(i)</i>	<u>–</u>	<u>5,072</u>
Transaction with an associate:			
Sale of IT integrated solutions	<i>(ii)</i>	<u>64,718</u>	<u>–</u>
Transactions with preference shareholders of IAH:			
Dividend paid and payable		<u>944</u>	<u>944</u>

Notes:

- i. The transactions were conducted based on terms and conditions mutually agreed between the parties.
 - ii. The transactions were conducted based on terms and conditions mutually agreed between the Group and an associate.
- (b) Details of the guarantees given by the Directors in respect of the Group's bank loans are set out in note 16 to the condensed consolidated interim financial information.
- (c) The compensation of the key management personnel of the Group:

	Six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	THB'000	<i>THB'000</i>
Short term employee benefits	<u>7,952</u>	9,164
Post-employee benefits	<u>719</u>	751
Total compensation paid and payable to key management personnel	<u><u>8,671</u></u>	<u><u>9,915</u></u>

19. CONTINGENT LIABILITIES

Bank guarantees

At 30 June 2022, there was outstanding bank guarantees of THB148,552,000 (31 December 2021: THB149,745,000) issued by banks on behalf of the Group in respect of certain performance obligations as required in the normal course of business of the Group.

Letters of credit

At 30 June 2022, there was no outstanding letter of credit (31 December 2021: THB49,755,000) issued by a bank on behalf of the Group in respect of certain performance obligations as required in the normal course of business of the Group.

20. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

The condensed consolidated interim financial information was approved by the Board on 26 August 2022.

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 up to 2020 was 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. In 2021, the Company entered into the CDM Project Service Contract which taps on the Company's rich experience in operating ATM/CDM projects in order to partner with a private sector customer.

BUSINESS OUTLOOK

Thailand went through an Omicron COVID-19 wave in early 2022 but with this wave peaking in April 2022, Thailand is poised to re-open its economy to the world. On 1 May 2022, Thailand started to receive fully vaccinated tourists from all countries without having to undergo any quarantine or testing on arrival. This bodes well for the Thai economy for the rest of 2022.

The opening of the Thai economy makes the Group cautiously optimistic of the Group's prospects in 2022. The Directors will continue keep a close watch on the changing COVID-19 outbreak and Thai economic situation as well as their impact on the Group's operations, financial, and risk profile.

The Group remains confident of its long-term prospects as it continues to work to secure new projects and deliver on its existing projects.

FINANCIAL REVIEW

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

For the six months ended 30 June 2022 (“1H2022”), the Group’s total revenue increased by around 15.5%, or THB22.5 million from approximately THB145.3 million in the six months ended 30 June 2021 (“1H2021”) to approximately THB167.7 million in 1H2022. The increase was mainly due to the revenues of THB64.7 million of the new CDM Project Service Contract with the Joint Venture Company in FY2021 but offset by the completion of the installation phase of the Customer F Passbook Project and PEA project in 1H2021 which led to declines of approximately THB7.3 million and THB7.3 million in 1H2022 compared to 1H2021, respectively. Furthermore, the CCTV Project was decreased by approximately THB16.5 million compared to the same period last year due to its was completed in 1H2021 and also the decrease of approximately THB15.1 million for maintenance services of BAAC ATM Project.

Gross profit and gross profit margin

For 1H2022, the Group earned a gross profit of approximately THB21.7 million or 13.0% of revenue and compared to the same period last year of approximately THB15.1 million or 10.4% of revenue. The improvement came mainly from the new CDM Project Service Contract with the Joint Venture Company.

Other income and gains, net

Our Group’s recorded other income for 1H2022 of approximately THB22.5 million, a decline of approximately THB7.0 million compared to the same period last year. The decrease was mainly due to the decrease of the interest income from financial leases of approximately THB3.8 million. Meanwhile, the interest income from bank savings and foreign exchange gains in 1H2022 decreased by approximately THB0.5 million and THB2.7 million, respectively, compared to 1H2021.

Selling and distribution expenses

Our selling and distribution expenses for 1H2022 was approximately THB8.5 million, mainly comprising salaries of our sales division, and advertising and marketing expenses. These expenses increased by THB2.4 million compared to the same period last year. The increase was mainly attributed sales staff salary impact of approximately THB3.5 million. Meanwhile, sale commission decreased by approximately THB1.1 million compared to the same period last year.

Administrative expenses

Administrative expenses for 1H2022 decreased approximately by 9.0% or THB2.4 million from approximately THB26.8 million for 1H2021 to approximately THB24.4 million for 1H2022. The decrease was mainly due to the decrease in professional fees and employee expenses by approximately THB2.0 million and THB0.6 million, respectively. Meanwhile, the other expenses increased by approximately THB0.2 million.

Finance costs

Our Group's finance costs for 1H2022 of approximately THB27.0 million decreased by approximately THB3.0 million, compared to the same period last year. The decrease was mainly due to the decrease of interest expenses from financial leases of approximately THB3.8 million. Meanwhile, interest expenses from bank loans increased by approximately THB0.8 million.

Net loss

As a result of the above factors, the Group took a net loss of approximately THB16.4 million, in 1H2022 compared to a loss of approximately THB18.3 million in 1H2021.

FINANCIAL POSITION

Condensed Consolidated Statement of Financial Position

Net Current Assets

The Group recorded net current assets of approximately THB384.5 million as at 30 June 2022 (31 December 2021: approximately THB379.7 million). The increase in net current asset position was mainly due to the on-going costs in the CDM Project Service Contract.

Current Assets

The Group's current assets decreased by approximately THB2.3 million from approximately THB1,062.4 million as at 31 December 2021 to approximately THB1,060.1 million as at 30 June 2022, mainly due to the decrease of approximately THB79.1 million in rental receivable under a finance lease, trade receivables and cash and cash equivalents. Trade receivables balance as at 30 June 2022 of approximately THB412.5 million, decreased by THB62.1 million compared to that as at 31 December 2021. The decrease was mainly to the amount due for the Customer F ATM Project of approximately THB237.1 million as at 30 June 2022 (31 December 2021: THB344.4 million). Such decreases were offset by the increase in contract assets and prepayment, other receivables and other assets by approximately THB76.8 million.

Current Liabilities

The Group had current liabilities of approximately THB675.6 million as at 30 June 2022 (31 December 2021: approximately THB682.7 million). The decrease in current liabilities was mainly due to the decrease in trade payables from approximately THB484.3 million as at 31 December 2021 to approximately THB346.3 million as at 30 June 2022, which were in turn attributed to the Customer F ATM Project of approximately THB252.8 million (31 December 2021: THB339.6 million). The above decrease was offset by the increase of bank and other borrowings by approximately THB128.3 million from approximately THB130.4 million as at 31 December 2021 to approximately THB258.7 million as at 30 June 2022, due to the on-going costs in the CDM Project Service Contract.

Non-Current Assets

The Group recorded non-current assets of approximately THB728.7 million as at 30 June 2022 (31 December 2021: approximately THB868.5 million). The decrease in non-current assets was mainly due to non-current trade receivable of approximately THB97.6 million arising from Customer F ATM Project, non-current rental receivable under a finance lease of approximately THB16.4 million from Customer F Passbook Project and pledge bank deposit of approximately THB22.8 million.

Non-Current Liabilities

The Group's non-current liabilities decreased to approximately THB659.4 million as at 30 June 2022 (31 December 2021: approximately THB777.9 million), mainly from the decrease in non-current trade payable of approximately THB96.4 million arising from Customer F ATM Project and bank and other borrowings of approximately THB21.0 million from approximately THB126.2 million as at 31 December 2021 to approximately THB105.2 million as at 30 June 2022.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's net bank and other borrowings balance increased by approximately THB107.3 million to approximately THB363.9 million as at 30 June 2022 (31 December 2021: THB256.6 million), mainly due to borrowings to finance the CDM Project Service Contract. All of the Group's bank loans are denominated in THB. The annual effective interest rate of the bank and other borrowings during 1H2022 ranged from 3.7% to 5.0% (FY2021: 3.9% to 5.1%).

As at 30 June 2022, the total interest-bearing bank borrowings of the Group repayable within one year were approximately THB258.7 million, an increase from approximately THB130.4 million as at 31 December 2021, due to finance the on-going costs in the CDM Project Service Contract.

As at 30 June 2022, the gearing ratio of the Group was approximately 80.2% (31 December 2021: 54.6%), which represent the interest-bearing debt divided by total equity and multiplied by 100%. The Group's operations were mainly financed by project loan facilities from financial institutions.

CAPITAL STRUCTURE

There was no change to the Company's capital structure during the six months ended 30 June 2022. As at 30 June 2022, the issued share capital of the Company was HK\$4,000,000 divided into 400,000,000 Shares of HK\$0.01 each.

CAPITAL COMMITMENTS

As at 30 June 2022, the Group did not have any other significant capital commitments.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have other material investment, material acquisitions or disposals of subsidiaries, associates and joint ventures during the six months ended 30 June 2022.

CONTINGENT LIABILITIES

Bank guarantees

At 30 June 2022, there was outstanding bank guarantees of THB148,552,000 (31 December 2021: THB149,745,000) issued by banks on behalf of the Group in respect of certain performance obligations as required in the normal course of business of the Group.

Letters of credit

At 30 June 2022, there was no outstanding letter of credit (31 December 2021: THB49,755,000) issued by a bank on behalf of the Group in respect of certain performance obligations as required in the normal course of business of the Group.

PLEDGE OF ASSETS

As at 30 June 2022, approximately THB103,542,000 of bank deposits of the Group was pledged to banks for letters of guarantee, bank loans and bank overdrafts.

EMPLOYEE AND REMUNERATION POLICIES

As at 30 June 2022, the Group had 66 employees (31 December 2021: 55 employees). The Group's labor costs (including salaries, bonuses, social security and provident fund) were approximately THB24.8 million, equivalent to 14.8% of the Group's revenue for the six months ended 30 June 2022. 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 30 June 2022.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have other plans for material investments or capital assets as at 30 June 2022.

FOREIGN EXCHANGE EXPOSURE

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

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

INTERIM DIVIDEND

The Board does not declare the payment of interim dividend for the six months ended 30 June 2022.

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

During the six months ended 30 June 2022, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to upholding high standards of corporate governance practices and business ethics in the firm belief that they are crucial to improving the efficiency and performance of the Group and to safeguarding the interests of the Shareholders. The Board reviews the Company’s corporate governance practices from time to time in order to meet the expectations of stakeholders and comply with increasingly stringent regulatory requirements, and to fulfil its commitment to excellence in corporate governance. Set out below are the principles of corporate governance as adopted by the Company during the period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Securities Dealing Code (the “Securities Dealing Code”) on terms no less exacting terms than the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the required standard set out in the Model Code and the Securities Dealing Code during the six months ended 30 June 2022.

The Company has also established written guidelines (the “Employees Written Guidelines”) no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

COMPETING INTERESTS

As at 30 June 2022, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete 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. The Audit Committee comprised three independent non-executive Directors, namely, Mr. Tong Yee Ming, Mr. Cheung Pan and Mr. Julapong Vorasontharosoht. Mr. Tong Yee Ming who serves as the chairman of the Audit Committee has the professional qualification and experience in financial matters in compliance with the requirements of the Listing Rules.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2022. The Audit Committee considered that the unaudited consolidated interim financial information of the Group for the six months ended 30 June 2022 are in compliance with the relevant accounting standards, rules and regulations and that appropriate disclosures have been made.

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 BAAC ATM Project to focus on the frontend system aspect of the BAAC 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
“BVI”	British Virgin Islands
“Cayman Companies Law” or “Companies Law”	“Cayman Companies Law” or “Companies Law”
“CDM”	Cash Deposit Machine
“CDM Project”	a project relating to acquisition and installation of CDMs at convenience stores in Thailand

“CDM Project Service Contract”	contract between Platt Nera and Joint Venture Company that requires the former to, inter alia, develop software and switches to run on the CDM machines, install CDM machines at convenience stores in Thailand and operate/maintain the CDM machines over a 10 years’ (extendable for 2 further years) period
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Platt Nera International Limited, an exempted company incorporated in the Cayman Islands with limited liability on 23 November 2018
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consortium”	a consortium formed between our Group and the ATM Terminal Provider for the ATM Project pursuant to the Phase One Contract and the Phase Two Contract
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules and, in the context of this announcement, means Pynk, Mr. Asvaplungprohm, Mr. Archadechopon and Ms. Talomsin
“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

“Executive Director(s)”	the executive Director(s)
“Group”, “our Group”, “we”, “us” or “our”	our Company together with our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
“HK\$”	Hong Kong dollars and cents, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Independent Third Party(ies)”	person(s) or company(ies) which is (are) independent of and not connected with any of the Directors, chief executive or substantial Shareholders of our Company or our subsidiaries or any of our respective associates within the meaning of the Listing Rules
“Joint Venture Agreement”	the joint venture agreement entered into on 1 June 2021 among Platt Nera, Mr. Prapan Asvaplungprohm and Cash Machine Capital Co., Ltd. with respect of the formation of the Joint Venture Company
“Joint Venture Company”	Platt FinServe Company Limited, a company registered under the laws of Thailand and a joint venture company formed pursuant to the Joint Venture Agreement
“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

“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of the Company, adopted on 17 June 2019 and as amended from time to time
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules
“Nomination Committee”	the nomination committee of the Board
“PEA”	Provincial Electricity Authority, a state-owned enterprise in Thailand responsible for providing provincial electricity supply
“Platt Nera”	Platt Nera Co., Ltd., a company incorporated with limited liability on 28 October 2004 under the laws of Thailand, a subsidiary of the Company
“PRC” or “China”	the People’s Republic of China, but for the purposes of this announcement and unless otherwise indicated, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Pynk”	Pynk Holding Limited, a company incorporated with limited liability on 8 January 2019 under the laws of the BVI and a Controlling Shareholder
“Remuneration Committee”	the remuneration committee of the Board
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Thai Government”	the Government of Thailand

“Thailand” the Kingdom of Thailand
“THB” Thai Baht or Baht, the lawful currency of Thailand
“%” per cent.

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

Hong Kong, 26 August 2022

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 Vorasontharosoith as independent non-executive Directors.