



Where Innovation Begins

AppliCAD Public Company Limited

Annual Report 2020
(Form 56-1 One Report)

Innovation Changes Everything.

AppliCAD is Where Innovation Begins.



AppliCAD Public Company Limited

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Attachment 1

Details of directors,
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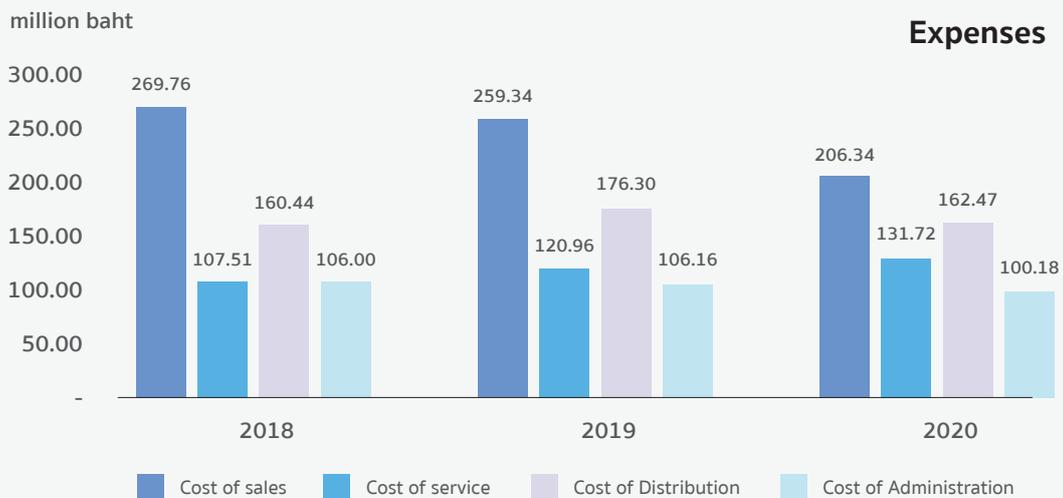
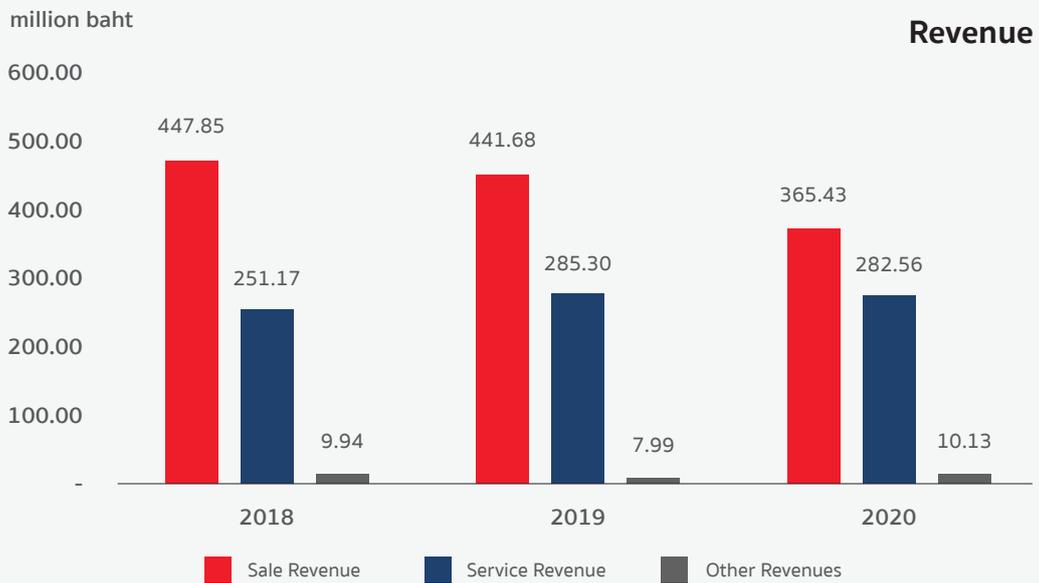
Attachment 2

Details of directors
of subsidiaries

Attachment 3

Details of internal audit supervisor
and operation supervisor of
the Company and its subsidiaries

Important Financial Information



Important Financial Information

(million baht)

Operation Performance (million baht)	2018	2019	2020
Sales revenue	477.85	441.68	365.43
Service revenue	251.17	285.30	282.56
Other revenues	9.94	7.99	10.13
Total revenue	738.96	734.97	658.12
Cost of sales	269.76	259.34	206.34
Cost of Service	107.51	120.96	131.72
Cost of distribution	160.44	176.30	162.47
Cost of administration	106.00	106.16	100.18
Total expense	643.70	662.76	600.71
Profit (Loss) before financing expenses and income taxes	95.26	72.21	57.41
Financial cost	0.29	0.01	0.34
Profit (loss) before income tax	94.96	72.20	57.07
Income	19.73	14.59	12.09
Net profit (loss)	75.24	57.63	44.98

Financial Position (million baht)	2018	2019	2020
Total assets	379.39	615.45	660.44
Total liabilities	286.54	292.02	320.28
Total shareholders' equity	92.86	323.43	340.16

Information per share (baht)	2018	2019	2020
Earnings per share	1.01	0.28	0.16
Dividend	0.15	0.10	0.15

Financial ratios	2018	2019	2020
Gross profit margin - service (%)	43.55	41.28	43.54
Gross profit margin (%)	57.20	57.60	53.38
Net profit margin (%)	48.25	47.69	47.83
Return on equity (%)	10.18	7.84	6.83
Liquidity ratio (time)	115.89	27.58	13.22
Debt to equity ratio (time)	1.09	1.99	1.94
Gross profit margin - service (%)	3.09	0.90	0.94

Message from Chairman of Board of Directors

To Shareholders

In 2020, AppliCAD Public Company Limited has experienced the challenge of a multi-dimensional transformation under the rapidly spreading of COVID-19 in Thailand and all around the world. It is unable to predict when the crisis would end, inevitably causing difficulties for livelihoods, well-being, society, economy, and business sectors.

The Company's business operations in the past even in the manufacturing sector, which is the main source of the Company's revenue, has been adversely affected. The Company has monitored and followed the economic situation closely, bringing challenges to adapt to change and the development of the Company's potential. The Board of Directors and all executives of the Company are aware of the need to strictly reduce the impact of this crisis, including the measures to strictly supervise all aspects of the Company's expenses, as well as finding the new opportunities to expand the business with the good growth and long-term stability while taking care of employees, business partners, customers and society and working with those involved in the defense to overcome this crisis.

On behalf of the Board of Directors, Executives, and all employees of the Company, I would like to take this opportunity to address this concern and best wishes to shareholders, business partner, customers society, stakeholders and all supporters of all sectors to encourage everyone to get through this COVID-19 pandemic. Finally, we would like to thank you all for your trust and support for the Company's operations. We hope that you will continue to support and grow steadily with the Company in order to generate sustainable returns to shareholders.



Asst.Prof.Dr. Prasert Kanthamanon
Chairman and Independent Director

CEO's Message

To Shareholders

2020 is the year we have faced the crisis of the coronavirus (COVID-19) pandemic which has caused a wider impact on every sectors. The core business of AppliCAD Public Company Limited linked to the main industries of the country; production for export, automotive industry, electronic industry and construction industry, has been severely impacted in the second and third quarter which had the main impact to the Company's performance of 2020 as not good as expected at the beginning of 2020.

However, despite the crisis of COVID-19 we are facing, the customer has postponed the purchase order. The Company is able to well perform to some extent. When we look forward to 2021 and the next 3 years, I am confident that the Company and its subsidiaries will be able to return to excellent performance and grow strongly with the following factors;

1. Economic conditions after the crisis of COVID-19, if it begins to recover, it should be growing in the direction of quite good to very good.
2. Change of production process with the introduction of automated technology to replace human labor, including the use of software and hardware in the development of the manufacturing process. The Company's solutions can respond well to the country's changing trends.



3. The Company's state-of-the-art technology and likely new global trends such as 3D Printer, 3D Scanner, including Digital Twins make the Company as a top choice to assist customers who want to make the digital transformation which is the trend of the world and Thailand.
4. After the crisis passes, the business market structure will be changed from a business structure with highly competitive to a market structure with few competitors, as many businesses may not be able to compete or survive such crisis. As a result, there is a decline in business competitors.
5. The Company's cash flow arising from being listed company in the Stock Exchange of Thailand and the performance still has high liquidity which is able to use cash to invest in various strategic plans effectively.
6. The expansion of investment in products and services to other products in 2021 will continue through the in-house R&D and including the acquisition of the necessary technology or in-line with the Company's strategy, which is a long-term plan for sustainable growth.

For the investment in 2021, the Company has made the partial investment in the purchase of machinery and some equipment with caution due to the bad economic situation. In 2021, we are believing that after the vaccine has been released and the return of consumer confidence in the second half of the year, we are able to seriously invest again as well as travel abroad, especially to Indonesia, where one of our subsidiaries locates and the country with a very high economic growth rate in ASEAN, as well as access to new opportunities in other ASEAN countries at the end of 2021 or at the beginning of 2022.

Finally, as a responsible person of the management team of AppliCAD Public Company Limited is confident and believe that the Company will be able to generate the good performance in 2021 and in the following years and generate good returns for all stakeholders.

Sincerely Yours,

Mr. Prapas Tangadulrat
Director and CEO

Board of Directors of AppliCAD Public Company Limited



Asst.Prof.Dr. Prasert Kanthamanon
Chairman and Independent Director



Mr. Prapas Tangadulrat
Director and CEO



Mr. Somsak Worraraksa
Director and Executive Director of AEC
Business Department



Miss Thitiporn Chartaisong
Director and CFO





Mr. Prakrit Laoboncharoen
Director



Dr. Sune Sornchaitanasuk
Chairman of Audit Committee
and Independent Director



Mr. Thanin Pornsiritivet
Audit Committee and Independent Director



Mr. Jeerawat Kulsapudom
Audit Committee and Independent Director

Board and Management profile

Asst. Prof. Dr. Prasert Kanthamanon

**Position: Chairman of the Board of Directors
and Independent Director**

Age: 58 years old

Date of Being a Director of the Company

- 25 December 2012

Shareholding in the Company (%)

- 0.032

Meeting attendance

- Board of directors 7/7 times

Education

- Ph.D. Computer Engineering, School of Computer Science and Engineering, University of New South Wales, Australia
- Bachelor of Engineering (Electrical Engineering), King Mongkut's University of Technology Thonburi

Completed Program from Thai Institute of Directors (IOD)

- Directors Certification Program (DCP), Class 151/2018

Working Experiences

- 2012 – Present Chairman of the Board of Directors and Independent Director, AppliCAD Public Company Limited
- 2019 - Present Vice Chairman, Innovation Development Foundation, King Mongkut's University of Technology Thonburi
- 2015 - Present Director, Nawawiwat Company Limited
- 2015 - 2019 Director, Innovation Development Foundation, King Mongkut's University of Technology Thonburi
- 2010 - Present Senior Vice Rector for Administrative Affairs and Chief Information Officer, King Mongkut's University of Technology Thonburi



Mr. Prapas Tangadulrat

Position: Director and Chief Executive Officer

Age: 51 years old

Date of Being a Director of the Company

- 22 May 2012

Shareholding in the Company (%)

- 57.15

Meeting attendance

- Board of directors 7/7 times

Education

- Master of Business Administration, Bangkok University
- Bachelor of Engineering (Computer Engineering), King Mongkut's University of Technology Thonburi

Completed Program from Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP), Class SET/2012

Working Experience

- 2013 - Present Chief Executive Officer, AppliCAD Public Company Limited
- 2012 - Present Director, AppliCAD Public Company Limited
- 2013 - Present Director, DETI Company Limited
- 2013 - Present Director, PT. Indonesia AppliCAD Company
- 2011 - Present Director, Ribbit Prototype Company Limited



Mr. Somsak Worraraksa

**Position: Director and Executive Director
of AEC Business Department**

Age: 51 years old

Date of Being a Director of the Company

- 22 May 2012

Shareholding in the Company (%)

- 0.043

Meeting attendance

- Board of directors 7/7 times

Education

- Bachelor of Engineering (Computer Engineering),
King Mongkut's University of Technology Thonburi

**Completed Program from Thai Institute of Directors
(IOD)**

- Directors Accreditation Program (DAP),
Class SET/2012

Working Experiences

- 2012 - Present Director, AppliCAD Public
Company Limited
- 2009 - Present Executive Director of AEC Business
Department, AppliCAD Public
Company Limited



Miss Thitiporn Chartaisong

Position: Director and Chief Financial Officer

Age: 52 years old

Date of Being a Director of the Company

- 22 May 2012

Shareholding in the Company (%)

- 0.038

Meeting attendance

- Board of directors 7/7 times

Education

- Bachelor of Accountancy (Accounting and Finance),
Ramkhamhaeng University

Completed Program from Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP),
Class SET/2012
- Company Secretary Program (CSP), Class 48/2012
- Driving Company Success with IT Governance (ITG),
Class 1/2016
- Training of Internal Audit, Class 2 from Federation of
Accounting Professions

Working Experiences

- 2012 - Present Director, AppliCAD Public
Company Limited
- 2009 - 2019 Executive Director of Central
Administration Department,
AppliCAD Public Company Limited
- 2019 - Present Chief Financial Officer, AppliCAD
Public Company Limited
- 2013 - Present Director, DETI Company Limited
- 2011 - Present Director, Ribbit Prototype Company Limited



Mr. Prakit Laobooncharoen

Position: Director

Age: 51 years old

Date of Being a Director of the Company

- 23 August 2013

Shareholding in the Company (%)

- None

Meeting attendance

- Board of directors 7/7 times

Education

- Bachelor of Engineering (Manufacturing Engineering), King Mongkut's University of Technology North Bangkok

Completed Program from Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP),
Class 150/2018

Working Experiences

- 2016 - Present Director, AppliCAD Public Company Limited
- 2014 - Present Director, Prime Design Solutions
Company Limited
- 2013 - 2015 Executive Director,
AppliCAD Company Limited
- 2000 - 2013 Executive Director, Solid System
Company Limited



Dr. Sunee Sornchaitanasuk

Position: Chairman of the Audit Committee and Independent Director

Age:

59 years old

Date of Being a Director of the Company

- 3 February 2018

Shareholding in the Company (%)

- None

Meeting attendance

- Board of directors 6/7 times
- Audit committee 4/4 times

Education

- Doctor of Philosophy (Communication Management), Suan Dusit University
- Master of Business Administration (Industrial Business), King Mongkut's University of Technology North Bangkok
- Bachelor of Accountancy (Accounting), Thammasat University

Completed Program from Thai Institute of Directors (IOD)

- Directors Certification Program (DCP), Class 53/2005
- Directors Accreditation Program (DAP), Class 28/2004
- Audit Committee Program (ACP), Class 5/2005
- Role of Chairman Program (RCP), Class 18/2008

Working Experiences

- 2018 - Present Chairman of the Audit Committee and Independent Director, AppliCAD Public Company Limited
- 2018 - Present Chairman of the Audit Committee and Independent Director, B.Grimm Power Public Company Limited
- 2016 - Present Chairman of the Audit Committee and Independent Director, Namyongterminal Public Company Limited
- 2015 - Present Chairman of the Audit Committee and Independent Director, Siam City Cement Public Company Limited
- 2015 - Present Chief Executive Officer, AMC Medical Center (Thailand) Company Limited
- 2013 - Present Director, CPA Associate (Thailand) Company Limited
- 2003 - Present Director, NFC Public Company Limited



Mr. Thanin Pornsiritivet

Position: Audit Committee and Independent Director

Age: 51 years old

Date of Being a Director of the Company

- 25 December 2012

Shareholding in the Company (%)

- None

Meeting attendance

- Board of directors 7/7 times
- Audit committee 4/4 times

Education

- Master of Business Administration,
St. Louis University, USA
- Bachelor of Commerce and Accountancy,
Chulalongkorn University

Completed Program from Thai Institute of Directors (IOD)

- Directors Certification Program (DCP), Class 243/2017

Working Experiences

- 2012 - Present Audit Committee and Independent Director,
AppliCAD Public Company Limited
- 2017 - Present Director, Iconsiam Signature
Company Limited
- 2016 - Present Director, Iconsiam Retails Company Limited
- 2015 - Present Director, ICS Company Limited
- 2011 - Present Director, DPAC Corporation Company Limited
- 2010 - Present Director, Magnolia Quality Development
Corporation Company Limited
- 2015 - Present Chief Financial Officer, DT Group of
Companies Corporation Company Limited
- 2016 - Present Director, Siam Rivea Company Limited
- 2018 - Present Director, The Chaopraya River Assets
Holdings Company Limited



Mr. Jeerawat Kulsapudom

Position: Audit Committee and Independent Director

Age: 50 years old

Date of Being a Director of the Company

- 25 December 2012

Shareholding in the Company (%)

- 0.018

Meeting attendance

- Board of directors 7/7 times
- Audit committee 4/4 times

Education

- Master of Business Administration, Kasetsart University
- Bachelor of Engineering (Computer Engineering), King Mongkut's University of Technology Thonburi

Completed Program from Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP), Class 151/2018

Working Experiences

- 2012 - Present Audit Committee and Independent Director, AppliCAD Public Company Limited
- 2017 - Present Head of Ecosystem, Siri Ventures Company Limited
- 2002 - 2017 Audience Evangelism Manager, Director, Microsoft (Thailand) Company Limited



Dr. Isra Akrapitak

Position: Chief Operating Officer

Age: 51 years old

Date of Being a management of the Company

- 29 April 2015

Shareholding in the Company (%)

- None

Education

- Doctorate in Business Administration, University VAN Amsterdam
- Master of Business Administration, University of Portsmouth
- Master of Management, Thames Business School
- Bachelor of Business Administration, Assumption University

Completed Program from Thai Institute of Directors (IOD)

- Directors Accreditation Program (DAP), Class 81/2009

Working Experiences

- 2014 - Present Deputy Chief Executive Officer and Chief Operating Officer, AppliCAD Public Company Limited
- 2014 - Present Director, DETI Company Limited
- 2014 - Present Director, PT. Indonesia AppliCAD Company
- 2009 - 2013 Director and Chief Financial Officer, GJ Steel Public Company Limited
- 1992 - 2010 Head of Global Network Operation, France Telecom



Mr. Thussanai Paisiriyaunyong

Position: Executive Director

Age: 52 years old

Date of Being a management of the Company

- 7 August 2018

Shareholding in the Company (%)

- None

Education

- Bachelor of Engineering (Manufacturing Engineering),
King Mongkut's University of Technology North Bangkok

Completed Program from Thai Institute of Directors (IOD)

- None

Working Experiences

2018 - Present Executive Director,
AppliCAD Public Company Limited

2011 - Present Director and General Manager,
Ribbit Prototype Company Limited



Mr. Krirkrit Jearnkamonchuen

**Position : Director of MEC business
And Director of 3D Printer
Solution business**

Age: 41 years old

Date of Being a management of the Company

- 29 April 2015

Shareholding in the Company (%)

- 0.024

Education

- Bachelor of Engineering Program in Production Engineering, King Mongkut's University of Technology Thonburi

Completed Program from Thai Institute of Directors (IOD)

- None

Working Experiences

- 2015 - Present Director of MEC business and Director of 3D Printer Solution business, AppliCAD Public Company Limited
- 2012 - 2015 Deputy Director, of MEC business, AppliCAD Public Company Limited



Mr. Chayo Petcharat

**Position : Director of Research
and Development**

Age: 43 years old

Date of Being a management of the Company

- 27 January 2014

Shareholding in the Company (%)

- 0.041

Education

- Master of Business Administration in Marketing, Ramkhamhaeng University
- Bachelor of Engineering Program in Industrial Engineering, Rajamangala University of Technology

Completed Program from Thai Institute of Directors (IOD)

- None

Working Experiences

2000 - Present Director of Research and Development, AppliCAD Public Company Limited



Mrs. Khwanchai Viriyasumon

Position : Accounting Manager
AppliCAD Public Company Limited

Age: 45 years old

Date of Being a management of the Company

- 1 April 2013

Shareholding in the Company (%)

- 0.004

Education

- Bachelor of Business Administration, Accountancy,
Ramkhamhaeng University

Completed Program from Thai Institute of Directors (IOD)

- None

Working Experiences

- 2013 - Present Accounting Manager -
AppliCAD Public Company Limited
- 2009 - 2013 Accountant - AppliCAD Public
Company



Miss Phemzetha Zibhunyarnt

Position : Accounting Manager - Subsidiaries

Age: 39 years old

Date of Being a management of the Company

- 28 February 2018

Shareholding in the Company (%)

- None

Education

- Bachelor of Business Administration, Accountancy,
Suan Dusit University

Completed Program from Thai Institute of Directors (IOD)

- None

Working Experiences

- 2018 - Present Accounting Manager -
Subsidiaries of AppliCAD
Public Company Limited
- 2013 - 2018 Accountant - Subsidiaries
of AppliCAD Public
Company Limited



A close-up photograph of a person's hands in a light blue business shirt interacting with a tablet. The tablet screen displays various data visualizations, including a bar chart with blue bars, a pie chart with purple and blue segments, and a line graph with a red trend line. The background is blurred, showing another person's hands and a white coffee cup, suggesting a collaborative business meeting environment. The overall lighting is cool and professional.

Nature of Business Operation and Operating Performance

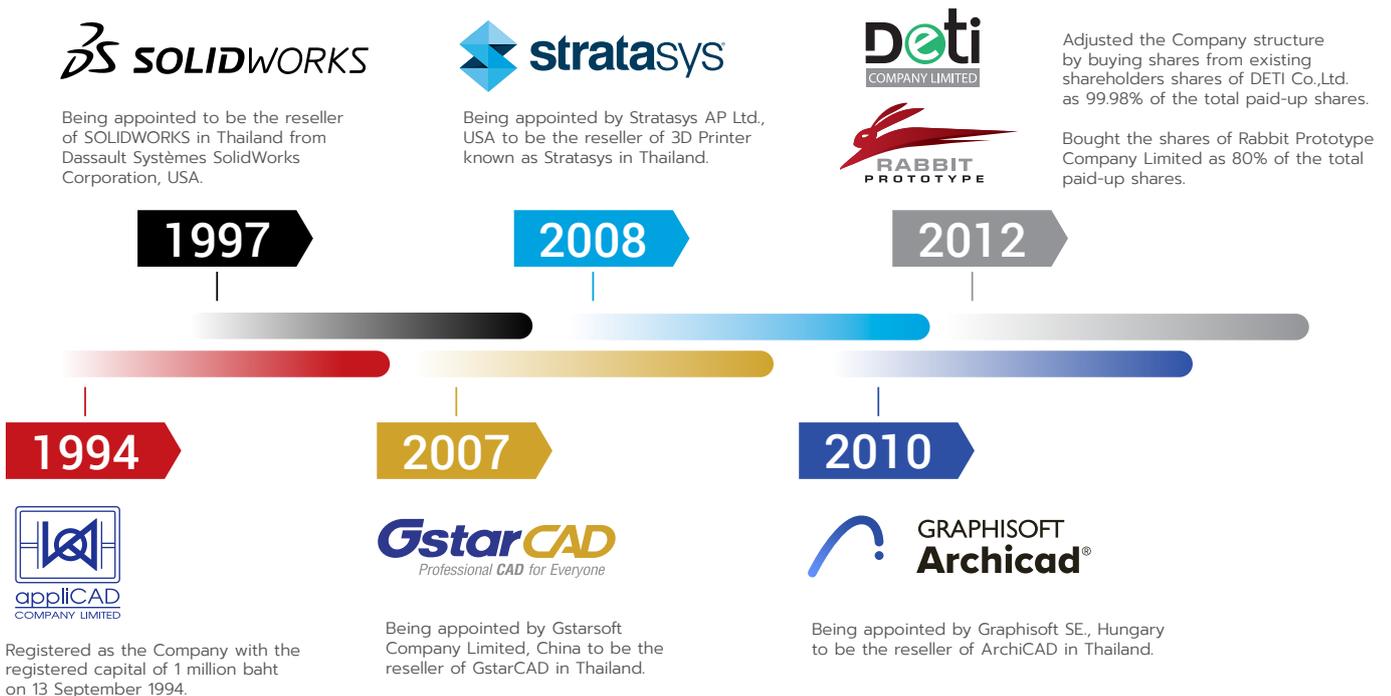
1. Business Structure and Operation of the Company

1.1 Business Policy and Overview

AppliCAD Public Company Limited (“the Company” or “APP”) or previously known as AppliCAD Public Company was established on 13 September 1994 with an initial registered capital of 1 million baht, in order to conduct the business as a distributor of complete design solutions. The Company started the business as a distributor of AutoPLANT which is the 3D design of piping system. With the vision from Mr. Prapas Tangadulrat, the founder of the Company, saw the chance of 3D design software to become the fundamental tool of engineer instead of the drawing on the paper as the purpose to enhance the performance of the engineer to work faster, easier and more accurate. He studied the market of design software in Thailand and found the gap of the Middle Range in the market and in 1996, he contacted Dassault Systèmes SolidWorks Corporation which is the leading company for the mechanical and engineering design software in the United States. At that time, this company had developed new software named SolidWorks that is the mechanical and engineering design software focusing on easy and fast working to enhance the performance of

the users. It perfectly meets the requirements of Thailand’s market. After contacting that company, AppliCAD was appointed to be the reseller of SolidWorks in Thailand since 1997.

In order to expand its business, the Company expanded its business into the 3D Printer which can produce the work from 3D design file. This technology can help the product owner to produce the prototype faster in a lower cost of product design and development. In 2008, the Company was appointed to be the reseller of 3D Printer known as Stratasys from Stratasys AP Limited which is the world-leading company in the 3D Printer from the United States. After that, the Company expanded its business into the market of architectural engineering and construction design. In 2010, the Company was appointed by Graphisoft SE from Hungary to be the reseller of ArchiCAD in Thailand. In 2019, the Company has expanded into the 3D scanner’s market which is the 3D optical measurement system in the industrial section. The Company was appointed by Gom

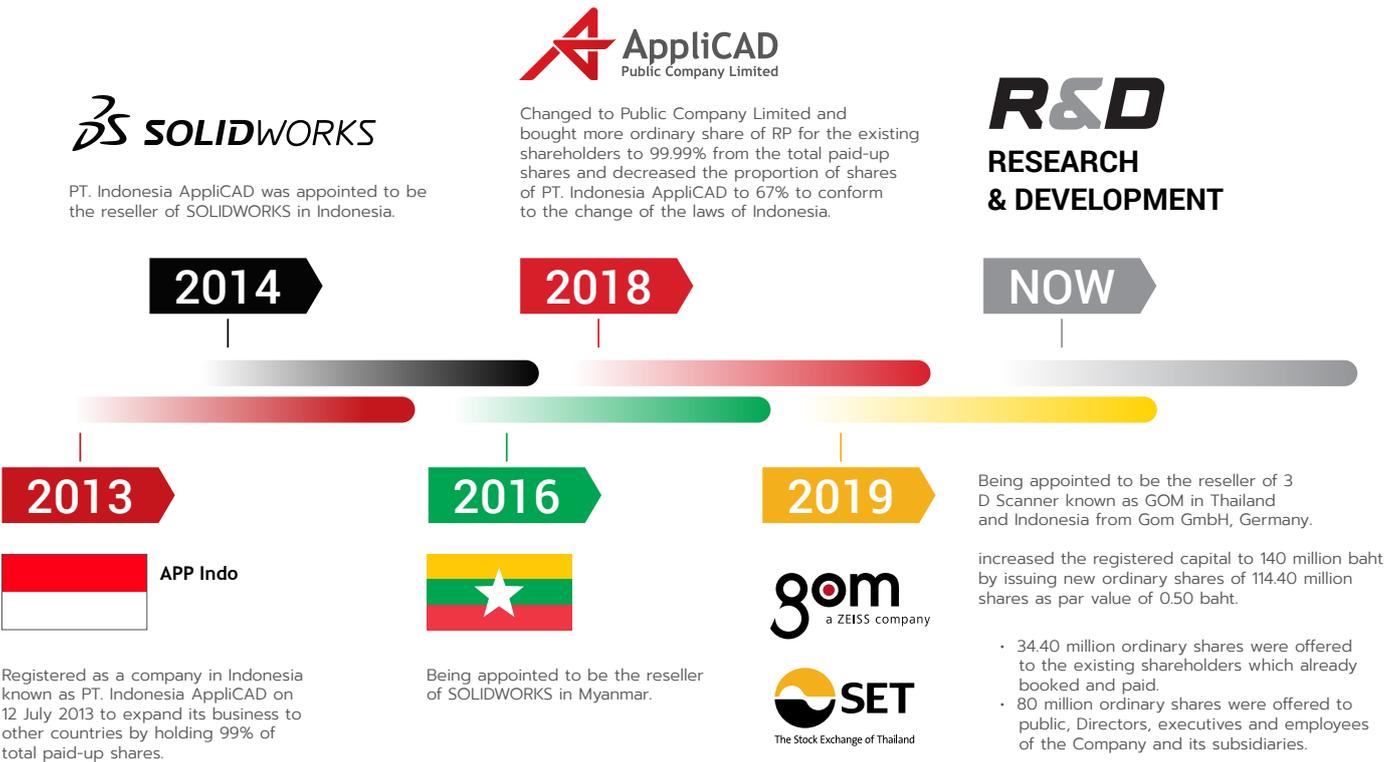


GmbH from Germany to be the reseller of 3D scanner in Thailand known as GOM.

To be the provider of the complete 3D design solutions for our customers, the Company has also provided the 3D design training center known as DETI Company Limited and prototyping service company known as Rabbit Prototype Company Limited. Currently, both companies are the subsidiaries of the Company holding 99.99% of the total shares.

Moreover, the Company expanded its business in to Indonesia to support ASEAN Economic Community (AEC) registered as PT. Indonesia AppliCAD in 2013 to provide the 3D design solutions. Recently, PT. Indonesia AppliCAD has been appointed to be the reseller of SolidWorks, ArchiCAD, GstarCAD, 3D Printer known as Stratasys and 3D Scanner known as GOM.

After all this time, the Company has committed to provide the best products and technologies to create the greatest satisfaction for customers by searching for new products and technologies to grow the customers' business for Mechanical Solution: MEC, Architectural Engineering & Construction: AEC and 3D Design products (Hardware); 3D Printing and 3D Scanner as well as other related services. As a result, the Company has gained more trust from its customers and products' owners and to support the growth in the market. The Company increased the registered capital and already paid 100 million baht and on 7 December 2018, the Company was transformed as "AppliCAD Public Company Limited".



Vision, Mission and Goal



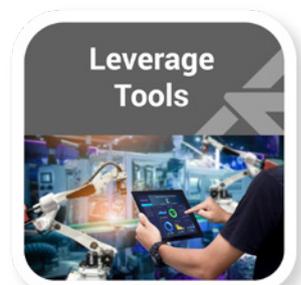
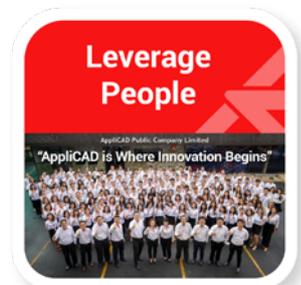
Vision

“Innovation Changes Everything. AppliCAD is Where Innovation Begins.”

Goal

“ To be recognized as the leading company for consulting and selecting the technological products to encourage the creation of creative innovation of design and manufacturing as well as construction in Southeast Asia ”

Mission



Major Change and Development

AppliCAD Public Company Limited and its subsidiaries have continuously developed the organization to ensure efficient business operations. The company's major developments in the past 3 years are as follows:

2018

- At the Extraordinary General Meeting of Shareholders No. 1/2018 held on 30 November 2018 had the approval to the Company to operate as following details;
 1. to transform to Public Company Limited (7 December 2018)
 2. to change the par value from 100 baht per share to 0.50 baht per share
 3. to increase the registered capital of 46.80 million baht from the previous registered capital of 36 million baht as the total of 82.80 million baht by issuing 93,600,000 of new ordinary shares as par value of 0.50 baht offered to the existing shareholders to be the working capital.
- The Company bought more 9,998 of the ordinary shares of Rabbit Prototype Company Limited from one of shareholders as par value which could make the proportion of shareholding of Rabbit Prototype Company is 99.99% from the total paid-up shares.
- The Company decreased the proportion of shares of PT. Indonesia AppliCAD to 67% to conform to the change of the laws of Indonesia.



2019

- The Company was appointed to be the reseller of 3D Scanner known as GOM in Thailand from Gom GmbH, Germany and PT. Indonesia AppliCAD was also appointed to be the reseller of 3D Scanner known as GOM in Indonesia.
- In May 2019, PT. Indonesia AppliCAD reclassified the shares into Series A of 89,100 shares or as 33% of the total paid-up shares held by Mr. Ibnu Afi Sena, the Indonesian shareholder and Series B of 180,900 shares or 67% of the total paid-up shares held by the Company. Moreover, the Company was entitled to receive the dividend before the Series A's shareholder of 95% from the total dividend announced by PT. Indonesia AppliCAD.
- The business of 3D Printer as General use of Rabbit Prototype Company Limited was transferred to the Company.
- At the Annual General Meeting of Shareholders of 2019 held on 8 March 2019 had the approval to the Company to increase the registered capital of 57.20 million baht from the current registered capital of 82.80 million baht to 140 million baht by issuing new ordinary shares of 114.40 million shares as par value of 0.50 baht as the following details;



2019

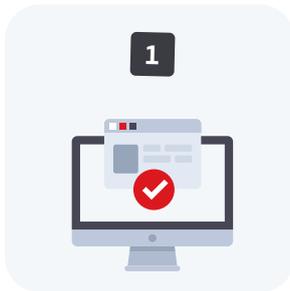
1. 34.40 million ordinary shares were offered to the existing shareholders which already booked and paid. Therefore, the Company had the paid-up capital as 100 million baht.
 2. 72 millions of the ordinary shares were offered to the public.
 3. 8 millions of the ordinary share as were offered to the board of committee, management team and the staff of the Company. In the case of the remaining shares from those offers, it would be allocated to offer to the public.
- Listed on the Stock Exchange of Thailand On November 22, 2019, the shares were traded on the first day of trading on the Stock Exchange of mai in the Technology Group. After booking of IPO as 80 million shares at a price of 2.46 baht and using the initial as "APP".

2020

- The Company was appointed to be the reseller of 3D Printer from Makerbot, which is the subsidiary of Stratasys.
- The Company has developed the online platform known as CADThai to facilitate the customers as a comprehensive collection of tools, knowledge and models as well as increasing the communication channels with the industry entrepreneurs, designers, engineers, architects, manufacturing plants and freelancers.
- The Company has researched and developed Robotendy, which is an automatic mixer by robot that can replace the shortage of service workers.
- The Company received the "PDPA Compliance" award from the award announcement of "Preparation under the Personal Data Protection Act 2019 - PDPA Awards 2020" organized by the Securities and Exchange Commission together with the Office of the Personal Data Protection Committee Faculty of Law, Chulalongkorn University and Thailand Productivity Institute.



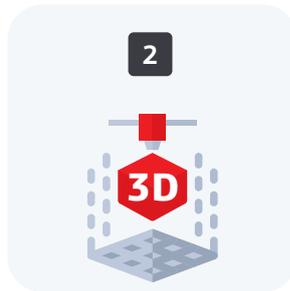
1.2 Nature of Business Operation



SOFTWARE

Business of Design Software

- + Software for industrial design
- + Software for architectural design and construction



HARDWARE

Business of Design Software

- + 3D Printer
- + 3D Scanner
- + Equipment and consumables



SERVICES

Service related to 3D design solution

- + Subscription Service
- + 3D design services according to customer's requirements
- + Prototype and low volume production
- + Training Services (DETI Training Center)

1. Summary of each business unit of the Company

Product/ Service	Each business unit of the Company			
	AppliCAD	RP	DETI	APP Indo
Distribution Business of Design Software (Software)				
Industrial design software (MEC)	✓	-	-	✓
Architectural and Construction design software (AEC)	✓	-	-	✓
Distribution Business of 3D Design (Hardware)				
3D Printer for Industrial Grade	✓	-	-	✓
3D Printer for General Use	✓	-	-	-
3D Scanner	✓	-	-	✓
Service				
Subscription Service	✓	-	-	✓
3D Design as requirement	✓	-	-	-
Prototyping and Low Volume Production	-	✓	-	-
Training Service	-	-	✓	-

2. Revenue Structure of the Company

From 2018 to 2020, the revenue structure of the Company can be summarized as follows:

Type of Revenue	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenues from Sales						
- Design Software	319.34	43.21	287.38	39.10	278.20	42.27
- 3D Design Product	158.51	21.45	154.30	20.99	87.23	13.25
Total Revenues from Sales	477.85	64.67	441.68	60.09	365.43	55.52
Total Revenues from Services	251.17	33.99	285.30	38.82	282.56	42.94
Other Income*	9.94	1.34	7.99	1.09	10.13	1.54
Total Revenues	738.96	100.00	734.97	100.00	658.12	100.00

Remark: Other significant revenues consist of commission and marketing subsidy from the owners of the products of which the Company is a distributor and gain from exchange rate.

3. Product information

The Company distributes solutions for 3D design and provides a full range of related services as following details:

Characteristics of product and service and innovation development

3.1. Distribution Business of Design Software

The design software distribution business operated by APP and APP Indo is the main revenue generating business for the Company, representing 66.83%, 65.07% and 76.13% of sales revenue in 2018-2020 respectively. The distribution of software to customers is mainly the nature of software licenses. The design software distributed by the Company can be divided into two main groups: Industrial and architectural and construction design software.

1. Industrial Design Software (MEC)

Industrial design software (MEC) is 3D Software for an aided-design of products or equipment parts, and test of the engineering property of the designed products, using Simulation software in the property analysis of parts such as strength, elasticity, as well as assembly test and movement simulation together with other parts. The revenues from sales of Industrial design software in the approximate proportion at 65% of revenues from sales of Software

The key 3D industrial design software distributed by the Company includes **SOLIDWORKS**, whereas APP has been appointed to be the distributor in Thailand from Dassault Systemes SOLIDWORKS Corporation (“DSSW”), USA, from 1997. Later in 2014, APP Indo has been appointed to be the distributor in Indonesia. In 2016, APP has been granted for SOLIDWORKS distribution license in Myanmar.

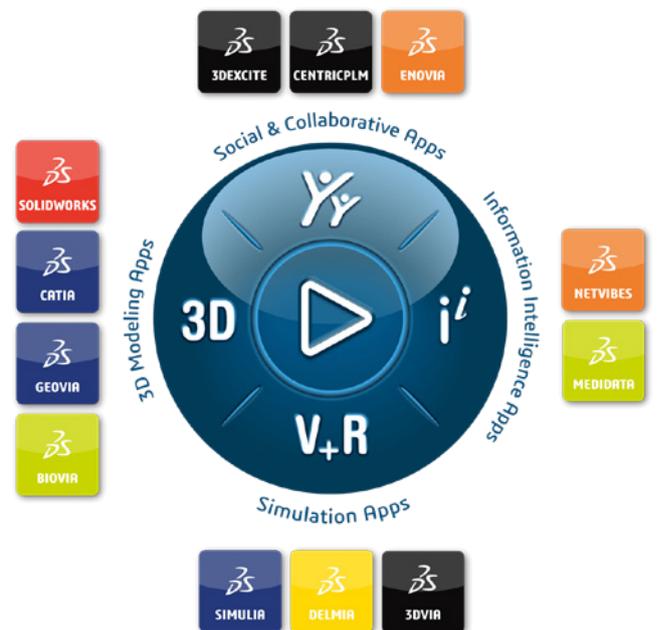
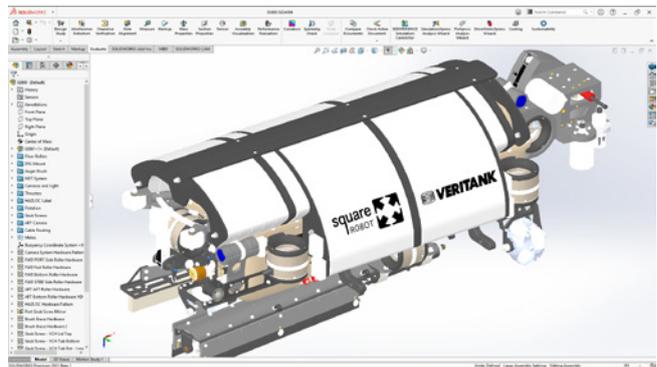
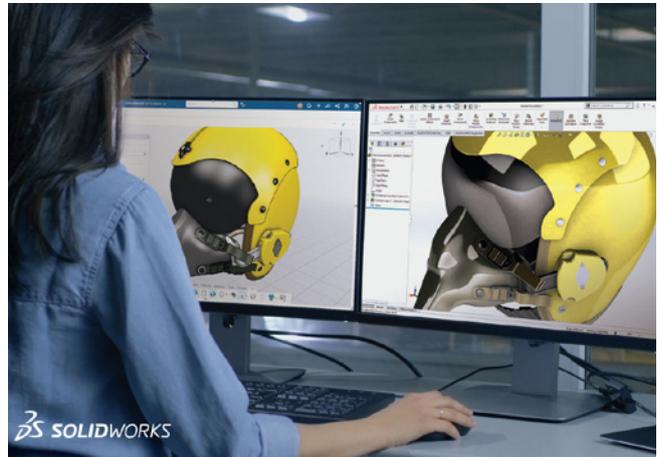
SOLIDWORKS

SOLIDWORKS is software developed by DSSW, USA, as 3D Industrial design software developed for using in Personal Computer, resulting in a simple accessibility to the users and an extensive popularity among the engineers and industrial fields. A prominent feature of SOLIDWORKS in creation of a virtual simulation of product is an ability of the user to define the details and specifications of parts, such as color, structure, volume, surface, and type of material, for using in property analysis of the part whether being a calculation to measure area, volume or weight. An assembly test and a movement simulation together with other parts, and an engineering test of the parts designed in different states prior to actual production are conducted to ensure that the designed parts can be actually and efficiently used in accordance with the required specifications. This will contribute to a reduction of the period, procedure, and cost used in design and development of the user. New version of software will be yearly updated to ensure better serve the user's need and new function will be updated to facilitate the user with various and different needs in each industry.

SOLIDWORKS distributed by APP and APP Indo is classified into three packages consisting of (1) SOLIDWORKS Standard, (2) SOLIDWORKS Professional, and (3) SOLIDWORKS Premium.

3DEXPERIENCE Platform

3DEXPERIENCE Platform is another channel to meet the changing of user behavior in the form of software as a service or SAAS by using the Cloud Service system. This platform can work seamlessly to connect with current customers. Beginners can easily learn how to use them as well and to provide better usability, DS developers have added various capabilities to 3DEXPERIENCE in the form of applications. It brings hi-end technologies developed in high-end industries such as Aerospace and Automotive to add capabilities on the platform in a flexible way based on the role of the user responsible for the specific area. This makes it easy to adapt applications to specific roles.



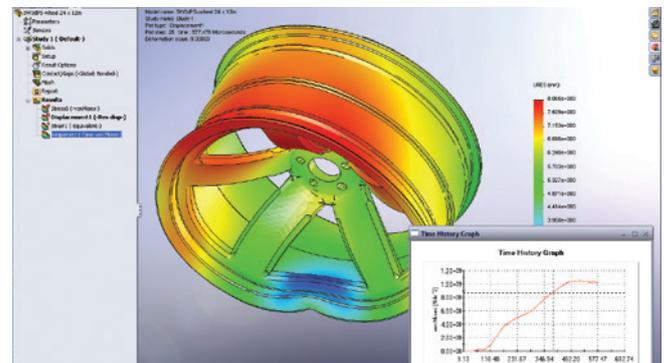
Add-on for industrial design software

Other than SOLIDWORKS which is the core software distributed by the Company, it has also distributed Add-on for industrial design software to enhance the functional capacity of SOLIDWORKS to be more efficient for serving the user's specific need. The software consisting of SOLIDWORKS Simulation, SOLIDWORKS Electrical, SOLIDWORKS Visualize, etc., are developed by DSSW; and such software consisting of SolidCAM and SolidPlant, are developed by other software developers. The usability of Add-on is in the nature of Add-on Function on Tools Bar in SOLIDWORKS (Plug-in) or a Stand-Alone software by taking file acquired from SOLIDWORKS to work on each Add-on.

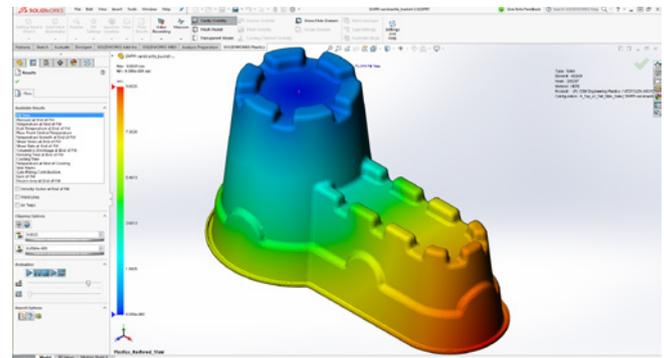
Add-on distributed by the Company can be summarized as follows.

Add-on Used for Engineering Simulation

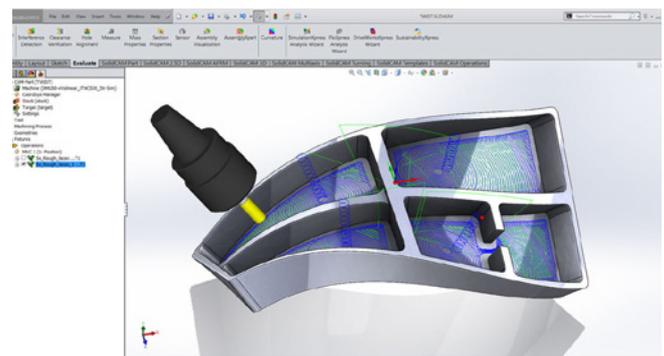
SOLIDWORKS Simulation: It is software used for analyzing the engineering property of parts designed by 3D Software to test the parts' strength, quality, and operation. Various states and forces can be determined in testing the parts. Therefore, the quality of parts can be assessed, contributing to quality improvement of the parts prior to the actual production.



SOLIDWORKS Plastics: It is software used for simulating plastics injection molding from the process of design, simulation of melt flow pattern during plastics injection molding, as well as assessment of risk from the plastics injection molding, contributing to reduction of waste from the plastics injection molding. The users can test integrity of the parts from the procedure of mold design, contributing to a more efficiency of plastics part and plastics injection mold design.

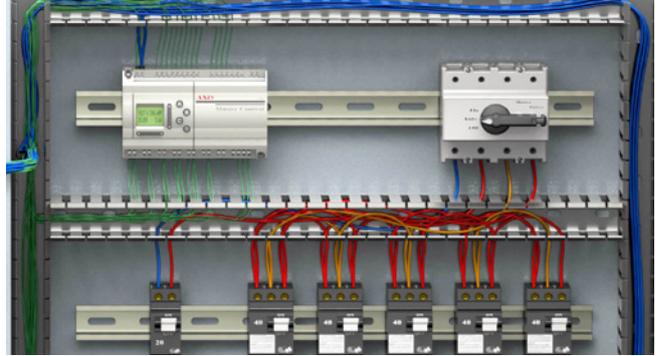


SolidCAM: It is software used for simulating milling with CNC (Computer Numerical Controlled) Machine and defines instruction for controlling the operation of CNC Machine from the file of the designed CAD parts. This software aids in defining the size of raw materials which must be used, and recommending the positioning of raw materials, determining the type of cutter; aids in defining the automatic milling path for the maximum efficiency; and shows a part milling procedure from the beginning to the end of the process.

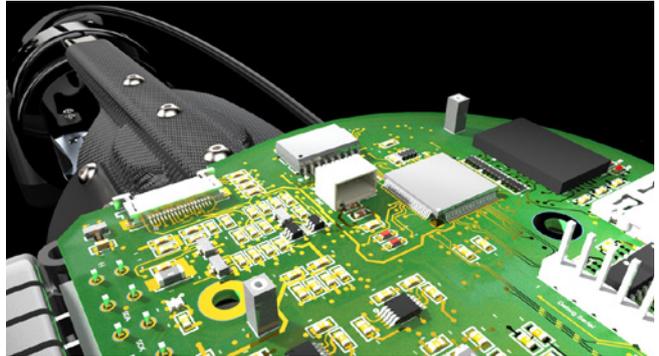


Add-on Used for Specific Design

SOLIDWORKS Electrical: It is software used for designing an electrical system both in format of 2D and 3D together with designing a mechanical work. Bill of Material (BOM) in the design can be quickly prepared. This software also aids in an automatic wiring by linkage of BOM data to be connected with the electrical devices at the specified terminal points.



SOLIDWORKS PCB: It is software used for designing a Printed Circuit Board (PCB) System. This software aids in linkage of data of the PCB System design and mechanical design together, resulting in more rapidity, correctness, and accuracy of PCB designing and contributing to an easy design revision.

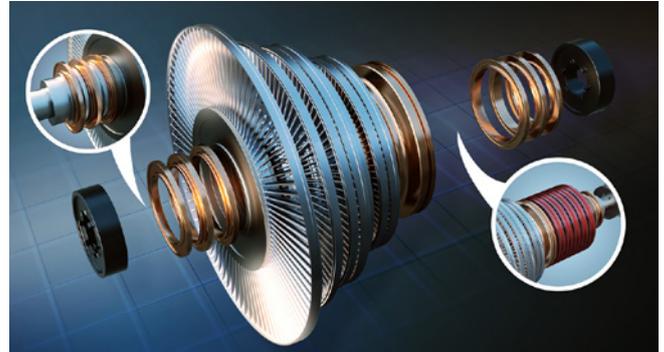


SolidPlant: It is software used for drawing the factory piping and wiring for pressure hose, factory pipe, and drain. Bill of Material (BOM) in design can be shown, and many libraries of standard parts for designing the factory wire and pipe routing are available for selecting to use.

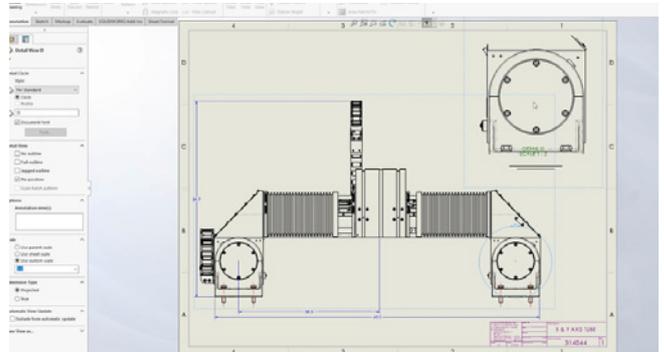


Add-on Used for Data Presentation and Data Management

SOLIDWORKS Composer: It is software used for enhancing a technical communication potential; imaging the product components with the complicated resolution both in format of 2D and 3D images or animations to be used in preparation of the assembly and manufacturing manual, instruction manual of the product, maintenance manual, product data presentation document; and showing Bill of Material (BOM).



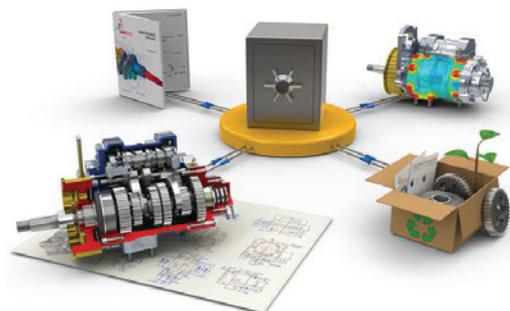
SOLIDWORKS Inspection: It is software used for preparing the documents relating to parts inspection, and it is operable with Coordinate Measuring Machine (CMM) for the parts in order to link with the parts inspection result, and automatically prepare an inspection report.



SOLIDWORKS Visualize: It is piece of software used for imaging the high-quality graphics to be used in design presentation for the reality and attractive light and shade.



SOLIDWORKS PDM Professional: It is software used for controlling, managing and building security for design data by defining the right to use and the right to access data for each user as necessary and appropriate.



Target Customer Group

The customers that are the main target groups of Industrial design software such as the businesses in the groups of automotive industry, electronic parts industry, electric appliances industry, and machine and industrial material manufacturing industry.

2. Architecture Engineering and Construction Design Software (AEC)

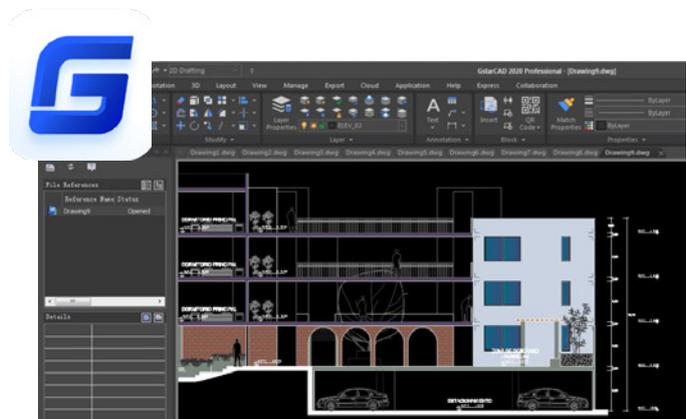
Architecture Engineering and Construction Design Software is software aiding in architecture engineering and construction design, such as building design, interior design, and building structure and system design. Revenues from sales of Architecture Engineering and Construction Design Software are in the approximate proportion at 33% of revenues from sales of software.

The core Architecture Engineering and Construction Design Software distributed the Company can be classified into 4 groups as follows.

2.1 2D Drawing Software: GstarCAD

2D Drawing Software is the 2D Computer Aided Design (CAD) in replacement of paper drawing, aiding in labour-saving and increase in working efficiency of the architects and engineers in plan drawing. However, 2D Drawing Software mainly distributed by the Company is GstarCAD.

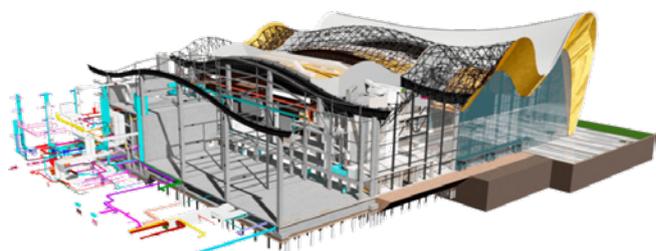
GstarCAD is the 2D Drawing Software developed by Gstarsoft Co., Ltd., China, and accepted by many users in 65 countries worldwide. It is software which is user-friendly and can support various types of the design files, resulting in interoperability with files from other software without requirement of file conversion. This will not cause data damage.



2.2 3D Building Design Software with BIM Technology: ARCHICAD

3D Building Design Software is the technology developed to display 3D modelling image, resulting in faster design, and easy data presentation and communication to the related departments. In addition, the construction drawing both of 2D plan and section image can be automatically created in 3D Drawing Software, contributing to a reduction of redundant work procedures and time-saving. However, 3D Building Design Software mainly distributed by the Company is ARCHICAD.

ARCHICAD is software developed by Graphisoft SE, Hungary. It is considered as the first 3D Building Design Software that has commenced to develop Building Information Modeling (BIM) Technology to be



used on personal computer, resulting in the extensive acceptance of the users particularly in Europe, Australia, New Zealand, and Japan. With BIM Technology, a virtual modelling of the building by ARCHICAD is precise by adding data and specifications in construction drawing. Data from different sections, whether being design, construction, engineering, and purchasing data, will be linked and integrated. BOQ (Bill of Quantity) can be extracted, resulting in the consistent interoperability of all related parties, ability to accurately estimate construction cost, and easy management of the project's progress.

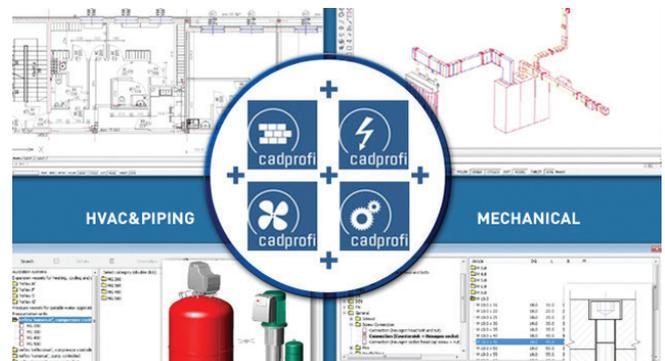


2.3 Add-on of Architecture Engineering and Construction Design Software

The Company distributes Architecture Engineering and Construction Design Software Add-on to enhance the functional capacity of GastarCAD and ARCHICAD and to serve the specific needs of the customers who are the users. The usability nature of Add-on is to add function on Tools Bar in the core software developed by other software developers. However, Add-on distributed by the Company can be summarized as follows.

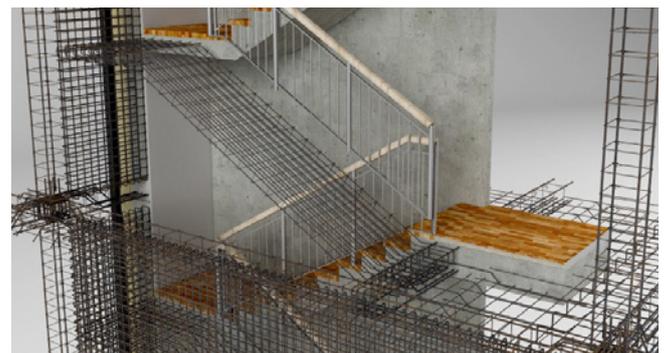
Add-on Used for 2D Drawing

CADProfi: It is software aiding in more efficient 2D drawing. A specific design-aided tool is available for extracting BOM/BOQ and Library of standard components, and it is classified into four Modules, including Architectural Design, Electrical Circuit Design, HVAC&Piping Design, and Mechanical Engineering Design.



Add-on Used for Building Design

Eptar: It is software which is interoperable with ARCHICAD, and used for designing and preparing the specifications of reinforcement structure both in 2D and 3D format. Total quantity of reinforced concrete required for using in construction can be calculated and extracted, resulting in more details of the structural work design, a reduction of the design conflict, and a reduction of the error problems in construction work.



Add-on Used for 3D Drawing

THAIBIM: It is an add-on software developed by the Company to be interoperable with ARCHICAD, aiding in more convenient working of Thai architects and contractors in construction design and drawing, and cost estimation due to the availability of instructions consisting of a building structuring in accordance with the various patterns popular for using in Thailand in Library for selecting to use; an automatic insertion of reinforcement in columns, beams, and floors; and an extraction of BOQ of the materials used in all building sections.

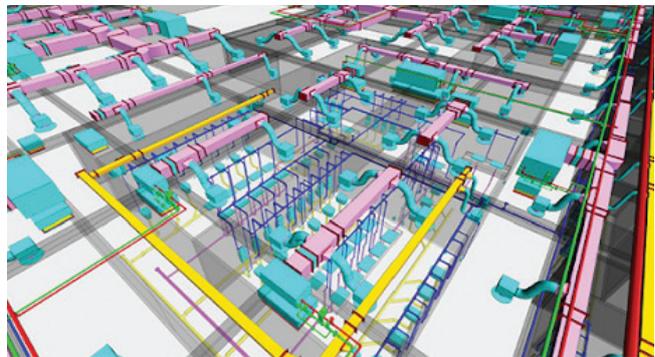


2.4 Specific Design Software

The Company distributes other 3D Software used for specific design to serve the various needs of the customers. The characteristic of this software is the Stand-Alone Software which can extend the development from the files acquired from GstarCAD or ARCHICAD. However, the specific design software distributed by the Company can be summarized as follows.

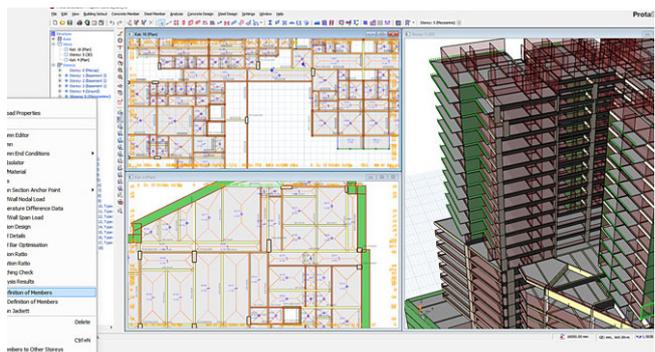
MEP System Design Software

CADEWA: It is software from Japan, which is used as aid in designing an engineering system in the building consisting of electrical system, plumbing and sanitary system, and air-conditioning system. The available easier design-aided instructions consist of a water piping of which equipment is automatically inserted, and an inspection of the system corrosion, and a count-aided instruction for the quantity of equipment used in design for the quantity extraction. This software supports BIM Technology which can input and output IFC standard files for using the data by another BIM Program.



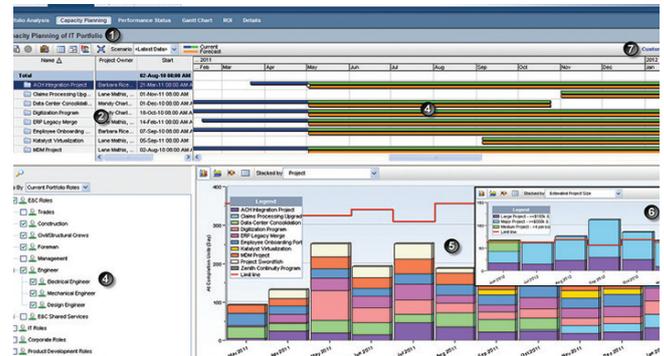
Building Strength Analysis Software

Prota Structure: It is software used by the engineers in analysis of building strength. A 3D building structural modelling can be performed and a building structural model file from other software can be used to calculate for determining the standards of steel and concrete used, and analyzing the designed building strength for inspecting whether the building can be durable in different situations. For instance, upon an occurrence of earthquake or storm, a calculation report is automatically created, contributing to the correct and rapid designing.

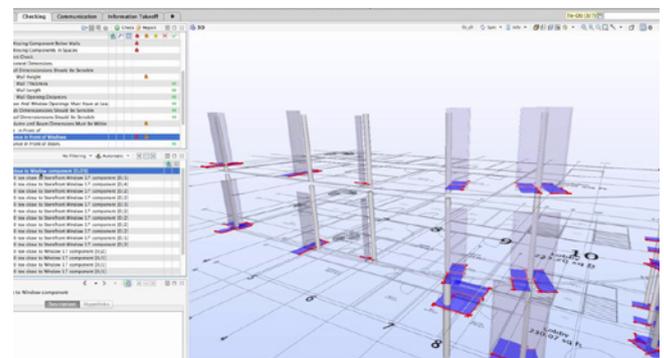


Data Management Software

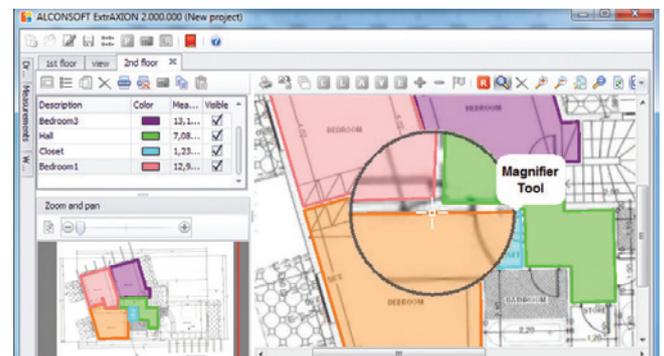
Oracle Primavera: It is software used for the project management in the efficient planning, chronology, and resource control and management of the small-sized to large-sized projects that have an activity complexity and a number of the people relating to the project. This can contribute to more improvement on the related parties' cooperation, monitoring of the progress, and management of the project overview.



Solibri Model Checker: It is a software that helps to monitor BIM-designed models with various applications, including architecture, air conditioning, indoor water pipe system, structural work that must be combined to identify potential design defects such as overlapping parts, which, when detected, are corrected. It ensures complete design accuracy and reduces construction problems.



ExtrAXION: It is software used for estimating a construction cost from a construction drawing by measuring the length of the line, calculating the area, and counting the quantity of materials and equipment in a construction drawing. The calculated data can be automatically linked with Work Breakdown Structure (WBS) for calculating to find workload and expenses.



Virtual Imaging Software

Artlantis: It is software used in graphic imaging for the high-quality perspective presentation in the building design and interior decoration works, landscape works, jewelry design works, and other products; as well as the high-quality animation presentation in forms of virtual perspective work, VR Panoramas and VR Objects presentation.



Twinmotion: It is software used in real-time creation of animation whereas the topography or surrounding details can be referred from Google Earth worldwide, resulting in the user's ability to accurately simulate the project location, and outer details.



V-Ray: It is software used for graphic imaging of both exterior and interior building designs with reality and very high quality. This software must be interoperable with the main modelling program.

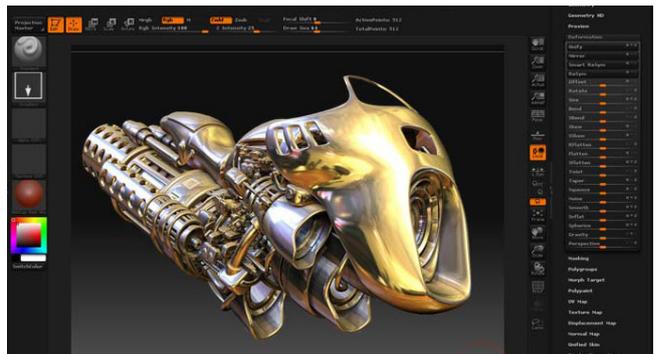


General 3D Modelling Software

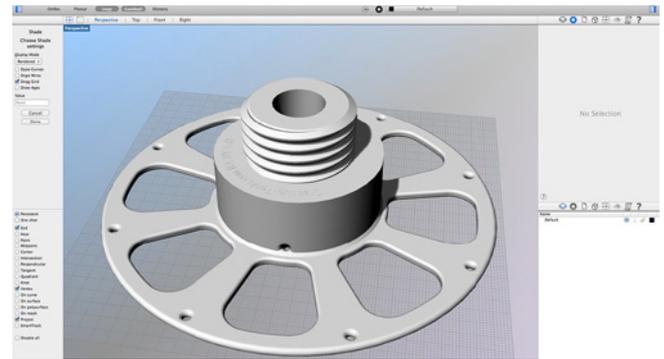
SketchUp Pro: It is 3D Design Software for house, building, and system architecture. It is designed to be user-friendly. In addition, an instruction of 3D part management in interoperability with Google Map and Google Earth is available for creating a geographical map or putting a designed building on Google Earth for creating a reality.



ZBrush: It is software used for 3D Sculpture, and consists of various user-friendly tools aiding in sculpture of the model, resulting in the user's ability to freely configure the model and correct work. The nature of its usability is similar to a real sculpture to ensure that the achievement with the remarkable special contour can be built. Therefore, this software is popular for using in high resolution model works, such as Animation work or Compute Graphic work in films.



Rhinoceros: It is software for modelling or producing 3D parts in product design requiring novelty. It is outstanding in creating Free Form, resulting the designer's ability to unlimitedly transfer his/her imagination.



Target Customer Group

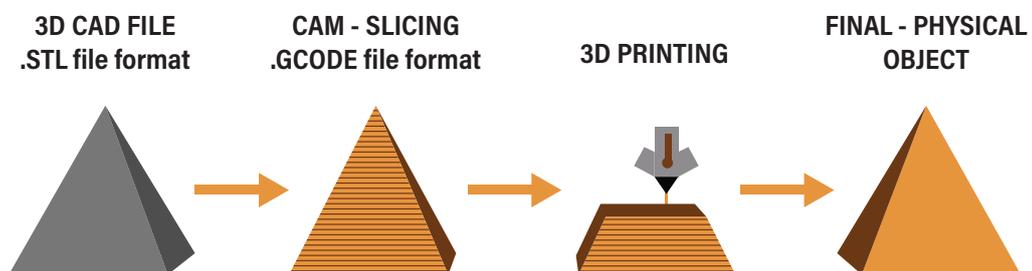
The customers in the main target group of Architecture Engineering and Construction Design Software include the entrepreneurs in the construction industrial group, such as construction contractors, architects, real estate developers, and manufacturers and distributors of construction materials, etc.

3.2. Distribution Business of 3D Design Hardware

To extend the expertise in distribution business of 3D Design Solutions, the Company has also distributed 3D Hardware such as 3D Printer, 3D Scanner as well as the related equipment. In 2018 - 2020, the Company's revenues from distribution of 3D Design Hardware were in the proportion at 33.17%, 34.94 % and 23.90% of revenues from sales and services, respectively, as following details:

1. 3D Printer

3D Printer is the technology of part production from 3D CAD File with Additive Manufacturing Process using computer for calculating data from 3D CAD File in order to continue printing material texture into layers at a micron level resolution (1 micron is 0.001 mm.) to be a virtual part as designed. The said part is tangible and really utilizable, resulting in the designer's ability to quickly and accurately produce a part.



At present, 3D Printer and materials used for printing and distributed by the Company can be classified into two groups, consisting of Industrial Grade 3D Printer and General Use 3D Printer. The details of the said products are as follows.

1.1 Industrial Grade 3D Printer

This type of 3D Printer distributed by APP and APP Indo is a large-sized printer with high precision, and able to precisely, accurately, and quickly manufacture the complicated part. The various types of materials used in printing are used so that the various engineering properties of part can be determined. Therefore, it is suitable for various industries, such as Automotive, Aerospace, Electrical Appliance, Health Care, and Dental, etc.

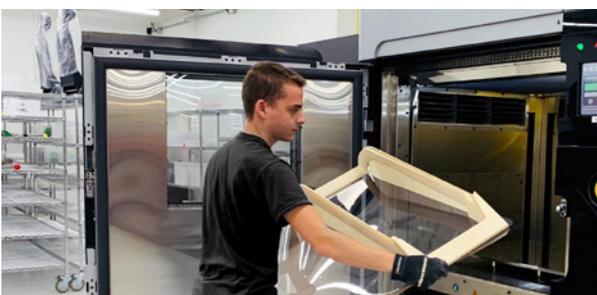
The Industrial Grade 3D Printer, such as 3D Printer in Stratasys Brand from United States of America, is distributed by APP and APP Indo which are the world market leaders of 3D Printers. Stratasys 3D Printing Technology can be classified into materials and a technology used for printing part as follows.

3D Printer - FDM (Fused Deposition Modeling) System from Stratasys

3D Printer - FDM System has currently been the most popular and usable printer. This printer uses thermo plastic materials such as ABS, PLA, PET, Nylon, etc., which are plastics that can be formed for recycling after melting. The functional process of this type of printer starts from melting plastic filaments to become fluids and then injecting them to be filaments with an injector in plane level into layers to form part in accordance with 3D design file data. The characteristic of the acquired part is an opaque solid object. Therefore, it is suitable for works in type of which the part strength is required, for instance, sample of assembly testing part, Jig & Fixture, End Use Part, and medical device, etc.

3D Printer – Polyjet System

It is 3D Printer - Polyjet System that uses material in type of Photo Resin in printing. Resins are hardened at the light exposure point. The functional process of this type of printer starts from injecting fluid resins out and then radiating with UV to harden them. Therefore, the figure is continually formed into layer by layer to acquire high resolution part as required. This printer can print a work with several colors or several materials in one piece. Therefore, it is suitable for a work with fine surface, or a work requiring attractiveness, such as Model, product sample, and dental work, etc.



In addition, in 2018 the Company has been authorized to be the distributor of 3D Metal Printer in Desktop Metal from United States of America, which is the 3D Printer with the fast, user-friendly, and safe printing technology for metal parts due to the non-requirement for use of the hazardous metal powder. This 3D Metal Printer functions by printing metals which are attached into layers and then cleaning adhesive out of the part by cleaning machine. After that, the part is taken into oven to conduct heat of the part to be close to a melting point. This makes adhesives burnt until being dried and disappeared.

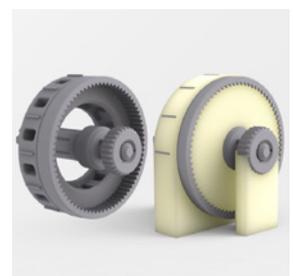


1.2 3D Printer for engineer and designer

This type of 3D printer, distributed by APP, is a small but packed 3D printer with features from industrial-grade machines. It is suitable for 3D printers at the desks of engineers and designers to model and experiment with various functions in product development or production aids as follows:

3D printer, FDM system (Fused Deposition Modeling) from MakerBot

The FDM 3D printer from MakerBot, a Stratasys subsidiary, is another popular model among beginners but supports industrial applications. It features price and print quality to supports prototype printing and to create a sample of the work that must be tested. It can also choose from a wide range of printheads that are open for a wide range of materials.



1.3 3D Printer for General Use

This type of 3D printer, distributed by APP, is a 3D Printer with small size, light weight, and cheap price to be suitable for using in production of small and non-complicated parts, such as small model, learning media for kids, etc.

At present, General Use 3D Printers distributed by APP consist of 2 brands as follows: (1) Sindoh from Korea, (2) XYZ from United States of America. In distribution of General Use 3D Printer, the Company shall mainly distribute using online channel via www.8baht.com which is the Company’s website.



2. 3D Scanner

3D Scanner, distributed by the Company is a 3D optical measurement technology for industrial inspection and 3D scanning technology for reverse engineering engineers.

GOM is suitable for fast and accurate inspection industries such as automotive and aerospace industries, especially sheet metal forming, metal and aluminum castings. GOM 3D scanners can be operated manually and automatically

In 2019, the Company has been appointed as the distributor of GOM 3D Scanner from GOM GmbH., Germany, which is the leader of the technology of the High-Resolution 3D Vision Measuring System called Optical Metrology System Technology in the manner that 3D Scanner is used with Specific Inspection Software. APP and APP Indo have formally commenced to distribute GOM 3D Scanners since 1 January 2019.



Artec is a 3D scanner for fast and accurate industries to reverse engineer or store details of objects into digital files such as industrial and architectural work.



3. Equipment and Consumables

Other than 3D Printer and 3D Scanner distributed by the Company, it has also distributed equipment as spare parts and consumables required for use together with printer and scanner, such as different types of printing materials, parts cleaner, parts tray, components and spare parts, etc.

Target customers

The main target customers in 3D design are automobile industrial enterprises, electrical appliances include government agencies and educational institutions.

3.3. 3D Design Solution-Related Services

To fulfill 3D Design Solution of the Company to entirely serve the customers' needs, it provides other 3D Design Solution-related services to its customers. The said services can be classified into 4 types as follows;

1. Subscription Services

As software and solutions distributed by the Company, either Software or 3D Printer in Stratasys Brand, are the design technology that requires the use of specific knowledge and expertise, therefore, the Company establishes a policy for selling Software and Solutions together with Subscription Services Package for one year. After the first expiration of the period of Subscription Services, the customers can select to renew the Subscription Services Agreement for another 1-3 years per term under the determined service rate and service conditions for each product. However, throughout the period of Subscription Services, the customer is granted for the privileges to enhance the customer's usability efficiency of Software or 3D Printer as per the following details.



Privilege of Subscription Services for Software Products

- ✔ **Software Upgrade Service:** the new version upgrade service is provided throughout after sales service period at free of charge to enhance the working efficiency of program.
- ✔ **Training Service:** The customers can attend the software usability training for the usability at full capacity. The training is conducted at DETI Training Center and the trainees who are passed for the usability training will be awarded for the software usability certificate.
- ✔ **Technical Support Service:** The Company's team which is expert and certified by the product owner is ready for counseling and troubleshooting via the following service channels.
 - Hotline Service: It is a counseling service on the software usability by phone in working hours from 8.30-17.00 hrs. at Hotline 02-744-9044.
 - Online Service: It is a troubleshooting service via chat in online channel, and Remote Access for the quick troubleshooting support.
 - Onsite Service: It is a service in the way that an Application Engineer is sent to give troubleshooting counsel and advice in collaboration with the customer's team for correct and quick troubleshooting to meet the requirement.
- ✔ **Other Services:** The customers can download data or media of usability for additional uses, such as 3D Object or Library Package, for instance, screw, knot, window, door, etc., to be used in design or instructional videos for the use of instructions, etc.

Privileges of Subscription Services for 3D Printer Products

- ✔ **Condition Checking, Maintenance, and Spare Parts Replacement Service:** The preventive maintenance service for checking condition and maintaining a printer is provided every four months or three months per year for the complete availability of the printer and replacement of spare parts under the Agreement.
- ✔ **Training Service:** The customers can attend the printer usability training for usability at full capacity.
- ✔ **Technical Support Service:** The Company's expert team is ready for counseling and troubleshooting via the following service channels.
 - Hotline Service: It is a counseling and troubleshooting service on the usability by phone in working hours from 8.30-17.00 hrs. at Hotline 081-936-9914
 - Onsite Service: It is an onsite service in the way that an application engineer is sent to the customer office for the urgent troubleshooting in quickness and correctness manner.
- ✔ **Parts Production Service:** In case of the problem occurred with the customer's printer during usability, resulting in a functional failure, or during importation of components and spare parts for replacement from the manufacturer, the customer can send the correct and complete file to the Company for producing the customer's parts with the Company's printer at a specific expense for the actual cost of materials used in production only. The expense for the working hours of the printer and the engineering labor cost must be unpaid.

2. Customized 3D Design Services

The Company provides the customized 3D design services, using its experiences and expertise of the personnel, and technological readiness to fulfill the specific needs of the customers in various forms both for industrial design software, Architecture Engineering and Construction Design Software, and Customized Add-on Development to efficiently serve the specific needs of its customers.

Samples of 3D industrial design software Support Services

- 3D design file creating and engineering design analysis service
- Product Presentation Preparation Service with virtual rendering image and interactive animation
- Specific Plug-in Program Development Service for working on core software like SOLIDWORKS



Samples of 3D Architecture Engineering and Construction Support Services

- 3D Building Modelling Service on BIM Standard
- Presentation Animation and Presenting Work Preparation Service with AR and VR Technologies
- Specific Plug-in Program Development and BIM Object Creation Service whereas the BIM Object is the 3D parts design, for creation of Library Package for using in design and virtual modelling for presentation.



3. Prototype Production and Low Volume Production Services

RP provides one stop services of Prototype Production and Low Volume Production from Scan & Reverse Engineering, forming, designing, improving 3D parts, and producing prototype using technologies which are suitable for producing each type of work, such as 3D Printer, Vacuum Casting Machine, and CNC (Computer Numerical Control) Machine.



4. Training Services

DETI provides the integrated training services for usability of industrial design software and Architecture Engineering and Construction Design Software, with experiences of longer than 18 years. At present, DETI has been appointed as SOLIDWORKS Authorized Training Center from DSSW and Authorized Training Center from Autodesk, Inc., including Authorized SketchUp Training Center from Trimble Inc.

The DETI Training Center is a training center for usability of Design Software, and emphasizes on development of the software users' knowledge and competency so that the users can efficiently use such software with a practice-based teaching process for the actual application of knowledge. The learners are trained by the professional trainer team of which the teaching techniques and field working experiences are available, and the team is expert of the software usability. The DETI trainers must be trained and certified by the product owners.



The courses opened for teaching by DETI are diversified to ensure that the trainees can select for training based on their interests or needs for using SOLIDWORKS, ARCHICAD, AutoCAD, Revit, and SketchUp in actual working. The courses opened for teaching are from a basic level to an advanced level and it takes around 1-4 days of training period, depending on the course content. In addition, DETI also provides the services in organizing special customized onsite training courses whereas the customers can define training topics to be suitable for the efficient organizational personnel development. After completion of each training course, the trainees will be tested to assess their competence and skills on the software usability. The trainees who pass the test will be certificated as a guarantee of each trainee's capability to use software.

Details of the current DETI courses opened for teaching are as follows.

Engineering and Industrial design software Courses

Type of Course	Subject Opened for Teaching
SOLIDWORKS Standard Course: SOLIDWORKS Usability Course for Designing of Various Types of Objects	<ul style="list-style-type: none"> - SOLIDWORKS Basic - SOLIDWORKS Essentials - SOLIDWORKS Advanced Part Modeling - SOLIDWORKS Assembly Modeling - SOLIDWORKS Surface - SOLIDWORKS Drawing - SOLIDWORKS Sheet Metal - SOLIDWORKS Weldments - SOLIDWORKS Mold Design - SOLIDWORKS CAD Productivity Tools
SOLIDWORKS Communication: SOLIDWORKS Usability Course for the Achievement Presentation	<ul style="list-style-type: none"> - SOLIDWORKS PhotoView 360 - SOLIDWORKS Animation
SOLIDWORKS Simulation Course: SOLIDWORKS Usability Course for the Engineering Test	<ul style="list-style-type: none"> - SOLIDWORKS Simulation - SOLIDWORKS Simulation Professional - SOLIDWORKS Simulation Premium - SOLIDWORKS Flow Simulation - SOLIDWORKS Simulation Dynamics - SOLIDWORKS Simulation Nonlinear - SOLIDWORKS Motion - FEA with SOLIDWORKS
SOLIDWORKS Special Course: SOLIDWORKS Usability Course for the Specific Design	<ul style="list-style-type: none"> - SOLIDWORKS Electrical 2D - SOLIDWORKS Electrical 3D - SOLIDWORKS Motion - SolidCAM 2.5D Milling - SolidCAM 3D Milling - Product Design for Plastic - SOLIDWORKS Routing

Architecture Engineering and Construction Design Software Courses

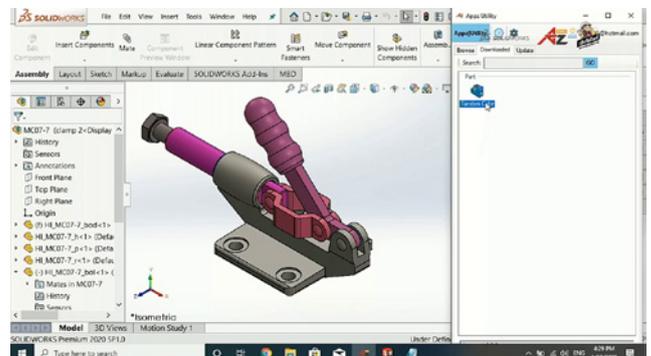
Type of Course	Subject Opened for Teaching
ARCHICAD Course: ARCHICAD Usability Course for the BIM Modelling	<ul style="list-style-type: none"> - ARCHICAD Workshop - ARCHICAD BIM Basic - ARCHICAD BIM Intermediate
Revit Course: Revit Usability Course for the BIM Modelling	<ul style="list-style-type: none"> - Revit for Architecture Workshop - Revit for Architecture Basic - Revit for Structure - Revit for MEP
AutoCAD Course: AutoCAD Usability Course for 2D Drawing	<ul style="list-style-type: none"> - AutoCAD 2D Basic - AutoCAD 2D Intermediate
Special Course: Other Design Software Usability Course	<ul style="list-style-type: none"> - SketchUp Pro Basic - Basic Drawing - SketchUp for Plant Layout - SketchUp for KID - Robot & IoT

3.4. Research & Development

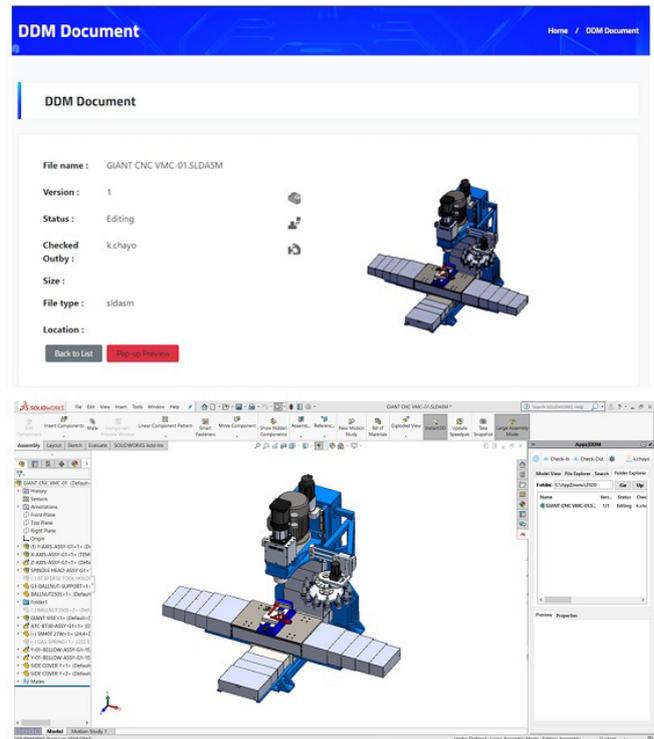
The Company has recognized the importance of making a difference to increase competitiveness, therefore the Company has considered the research and development as one of the strategies to develop its business to be sustainable in the long run and has established the research and development (R&D) to take responsibility for the development and presentation of design solutions to help make customers work efficiently. In the past, the Company has continued on product research and development as follows:

1. APP Menu

APP Menu is the add-on on SOLIDWORKS with the aim to increase the learning-to-use software to SOLIDWORKS users in Thailand. Moreover, it is another way to provide after-sales service to customers of the Company. The Company has developed APP Menu since 2015 and has begun to provide services to customers from 2016 onwards. The function of APP Menu is as follows;



- The learning materials in video format described in Thai for the users to follow the steps in the video. The lesson starts from the basic level to advance level such as Weldment and Sheet Metal.
- The article, content and link to connect to social media or the community of SOLIDWORKS users with the updated information and new knowledge.
- The standard parts (Library) such as bolts, screws that users can use immediately.
- The shortcut menu to assist in running various tools more quickly.
- Design Data Management system (DDM) is a storage space for design files in the Cloud Base.
- Designing tools as a tool to help in creating specific design, rendering, and calculating including converting files and so on.
- As Technical Support channels that are available to assist in the event that customers experience problems through channels such as Hotline, Line App, Remote Access, Email and so on.



Currently, the Company has developed an APP Menu to be used as an online platform on www.appzmenu.com website to facilitate customers, as well as increase communication channels with industry entrepreneurs, designers, manufacturing plants, including freelancers.

2. THAIBIM

The basic function of design and construction of each country is different and the Company has recognized the importance of such point. Therefore, the Company has created and developed Thai BIM on ARCHICAD to complement and increase the efficiency of the users in Thailand including architects, engineers and contractors, small and medium-sized enterprises. The Company has developed Thai BIM since the late of 2017 and has begun to distribute in the early of 2018 with many functions as follows;



(1) structural composition function as the standard structure in Thailand such as

- Various footing such as spread footing, footing with piles, triangular footing etc. It automatically provides functions for adding reinforced steel to the footing.
- Inserting a steel reinforcement in concrete structures, pillars and beams with a data entry screen in Thai.



(2) Standard parts (Library) are available to the architects and engineers deployed in selected projects, including doors, windows and doors with mullion, ventilation, spirit house and others for more than 100 models.

(3) Quantities take-off function for architecture and structural automatically for each floor of the building according to Thai architects and engineers' standards. The information obtained can be linked to the median price of building materials and the federal accounting department's wages which are updated every month in order to get the price of construction at a mid-price price and can export as an Excel file.

3. CADThai DWG

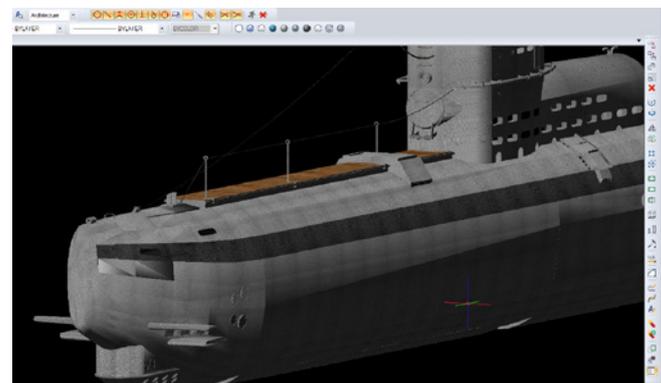
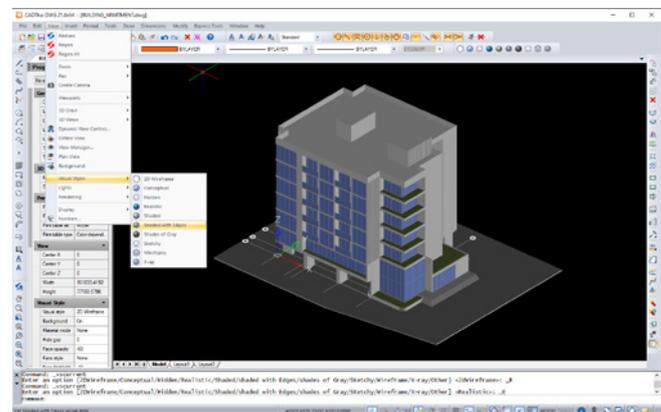
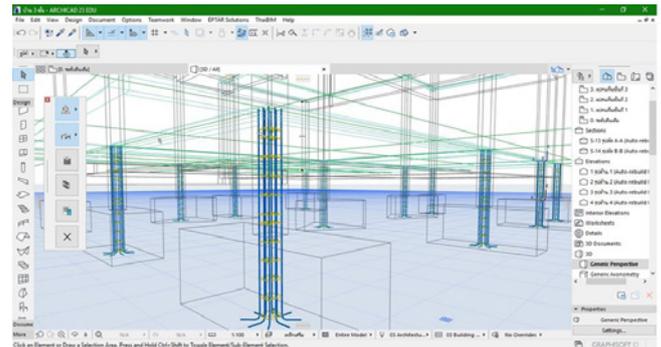
CADThai DWG is a 2D CAD software designed and developed to meet design and writing applications that will allow Thais to use 2D writing software for free. It is free of charge and can be used commercially, which has significant functionality as follows:

- 2D and 3D writing software designed to meet all professional writing needs by offering a full set of powerful tools and the flexibility to fully collaborate with leading writing software.
- - Whether you're an engineer. You'll find interfaces and tools you're familiar with. This includes commands used when writing CAD tasks that can be re-captured immediately. Without wasting time reading any guide.
- - From older DWG files from 2.5 to the newest like 2018 or 2020, CADThai DWG 21 is perfectly collaborative. It also supports popular files such as DXF, DWF, PDF, and works with other writing software.
- - Supports familiar Command lines Lisp tools and functions are available in one.

Currently, the company has developed CADThai DWG to be used as an online platform on www.cadthai.com website to facilitate customers and increase communication channels with industry entrepreneurs. Designers, engineers, architects, manufacturing plants, and freelancers.

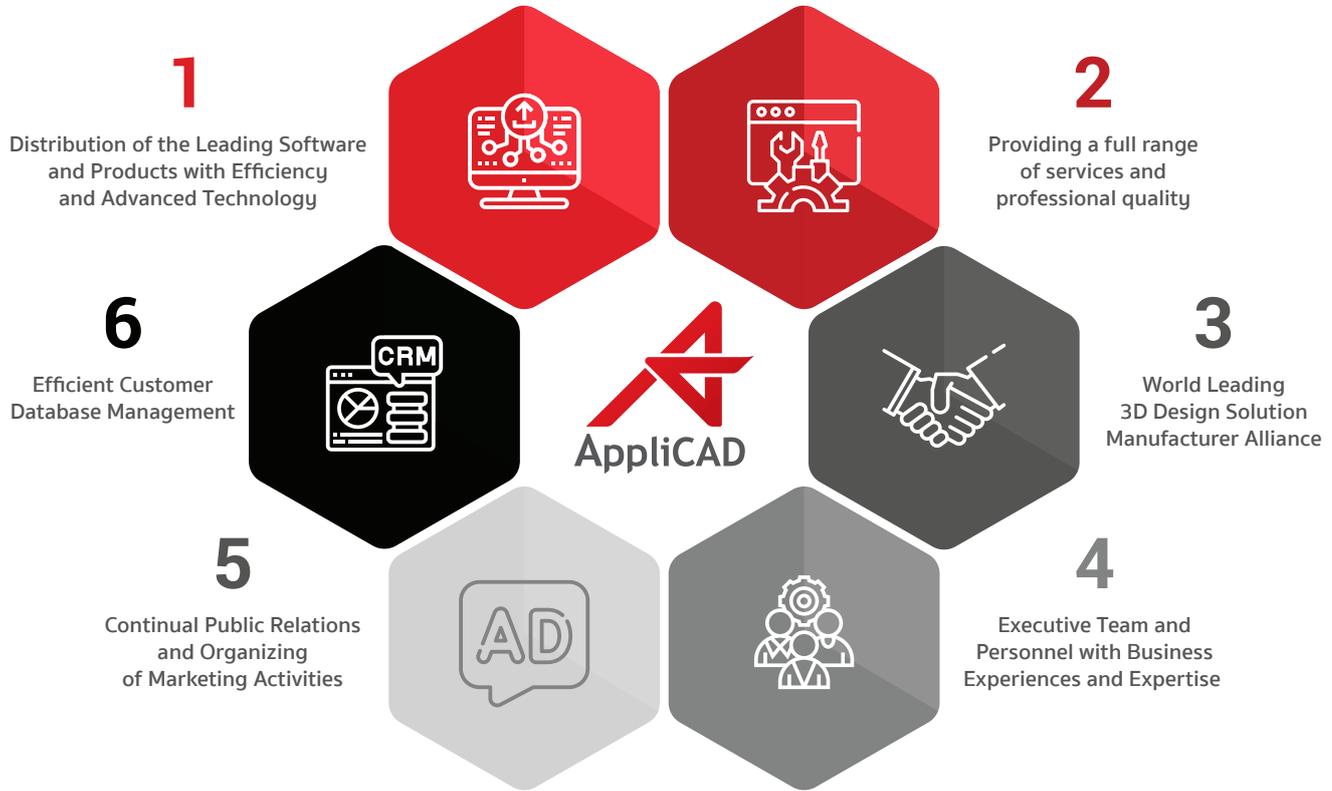
4. Automatic Beverage Mixer

Research and develop department have researched and developed the automatic beverage mixer with robots called Robotendy and can be used by mobile via application. The operation takes less than 1 minute, with constant taste not distorted. There are more than 40 different types of menus available, automatic beverage mixers can be used as a substitute for labor shortages. The Company aims to make a difference and change for the manufacturing and service sectors.



4. Marketing and Competition

4.1 Competitive Strategy



1. Distribution of the Leading Software and Products with Efficiency and Advanced Technology

The Company operates its main business in distribution of 3D design software and products. Therefore, it highly gives precedence to the selection of products, focusing on the software and products with advanced technology and high efficiency from the world leading, well-known, internationally and widely accepted software developers and manufacturers for the competitive differentiation and ability to serve its customers' needs under its requirement of an efficient adaptation in accordance with the rapid changing technologies.

It can be seen that the Company is the distributor of the software for various products which are the world leading software. For instance, SOLIDWORKS developed by DSSW, United States of America, which is the leader of the 3D Industrial design software market, has been a first piece of software which is usable on personal computer, resulting in easy usability and extensive popularity from the users. In addition, ARCHICAD developed by Graphisoft SE, Hungary, is the first piece of 3D Drawing Software of which the development of Building Information Modeling (BIM) Technology has been commenced to be used on personal computer. Moreover, the Company has played the role in offering the advanced innovation that will contribute to upgrade of the domestic design industry to be internationally equivalent. New products, such as 3D Printer in Stratasys Brand from United States of America, 3D Metal Printer in Desktop Metal Brand from United States of America, as well as 3D Scanner in GOM Brand, Germany, have been selected to be continuously launched into the market. All of them are the popular products with the top market shares of the world. The trust from the said leading software developers and manufacturers on the Company has indicated its potential and ability to well analyze market and customers' needs. In accompany with a vision of the executives and a precise prediction on the tendency of the change in design technology, they have taken part in enhancement of the Company's opportunity to continuously and stably extend the business in the future.

2. Providing a full range of services and professional quality

The Company is the distributor of the industrial design software and Architecture Engineering and Construction Design Software, the distributor of 3D Design Products (Hardware) which are 3D Printer and 3D Scanner, and the provider of the related services consisting of Subscription Service, Training Center Service, Prototype Production Service, and Customized Design Service. Therefore, the Company can entirely serve the customers' needs and access to the various target groups which are private companies in industrial groups, architects, real estate developers, contractors, educational institutions, or Government Agencies.

Moreover, the Company also aims at the quality customer services. The said service starts from Pre-Sale whereas the sales section officer inquires the customer's need, and then collaborates with the technical section officer to offer a solution which can properly and efficiently serve the customer's need, and demonstrate the actual usability of software and/or products to the customer for viewing the parts sample acquired from the actual usability as a decision support of its customers. After the customer's selection to purchase software or product, the Company shall organize training, focusing on transfer of the basic knowledge and essential skills in usability by an expert. This will contribute to the ability of the user to actually apply knowledge acquired from training in working. The software version service is provided to ensure that the customer can work at full capacity, and assistance service is provided by the technical specialists who are knowledgeable, proficient, and experienced, and passed for training and certified by the product owner. The said technical specialists are ready for quickly and efficiently giving counsels and advices, and solving problems through various service channels whether being by phone, e-mail or online system, and entering for the onsite problem solving at the customer's premise, resulting in the customer's confidence and trust on the continual use of the Company's services.

3. World Leading 3D Design Solution Manufacturer Alliance

Due to the expertise and leadership of the Company in one stop distribution business of 3D Design Solutions in Thailand, the Company has been continuously relied by more world leading product owners consisting of SOLIDWORKS,

ARCHICAD, 3D Printer in Stratasys Brand, 3D Metal Printer in Desktop Metal Brand, or 3D Scanner in GOM Brand, to appoint it to be their distributors, Nevertheless, the Company establishes a policy for building the long-term relationship with product owners, and cooperating under the business alliance concept, sharing of information, mutual formulating business strategies. With good relationship with business alliances, the Company is always supported in body of knowledge relating to technologies and products, and tendency of the change in the related technologies, contributing to the well enhancement of its competitiveness. Moreover, the Company is able to manage sales volume to have a continual growth, and efficiently fulfill the product owners' policies, particularly for SOLIDWORKS-related software and services, until distribution license of SOLIDWORKS has been additionally granted in Myanmar and Indonesia. From the aforesaid factors, they have reflected the continuity of the business operations under the strong and secure collaborations with the product owners.

4. Executive Team and Personnel with Business Experiences and Expertise

The Company's executive team mostly consists of the experienced persons in the distribution business of 3D Design Solution for over 25 years' period, resulting in the availability of knowledge and expertise to cover all fields whether being technologies in design, product supply, marketing, as well as understanding on the users' needs; and the ability to efficiently formulate the marketing strategies and management guideline in various fields. Moreover, the distribution business of 3D Design Solution is a business relying in the personnel with the technological knowledge and expertise, and well understanding on usability of software to ensure that software or solutions can be offered to serve the customers' needs for maximum satisfaction. The Company's personnel in part of Technical Support must be trained and certified by the product owners. In addition, the Company also establishes a supporting policy for the sales team to be certified by the product owners to ensure that its personnel have knowledge and profoundly understand the products offered to the customers for the need fulfillment and provision of advices on solving the complicated problems of the users in efficient and quick manners. Therefore, the Company is continuously and consistently trusted by its customers all the time.

5. Continual Public Relations and Organizing of Marketing Activities

The Company regularly emphasizes on organizing the marketing activities for public relations of its products to be recognized through a main channel such as online channel. Due to a changing behavior of the target groups in more acquisition of the news information through an online channel, therefore, the Company aims at the developing the public relations pattern to access the target groups, and producing the useful contents for creating the understanding on its technologies and products, and aiding in developing the customer designing potential. Other than the said online channel, the Company also continuously organizes the seminar events and innovation exhibitions. The Company will yearly organize the innovation exhibitions of the core software of which it is the distributor in order to debut the new versioned software, such as SOLIDWORKS Innovation Day organized in October of every year, and ARCHICAD Thai BIM Conference Event organized in July of every year. Both events are the innovation exhibitions which are interested for participating by a lot of people which are the current customers and the group of those interested in 3D Design Software. This well indicates the leadership of the Company in design technology.

In addition, the Company also yearly participates in exhibitions such as Metalex Event and Manufacturing Expo Event, etc., resulting in the opportunities to meet and share the information with the target groups which are direct customers, product owners, and distributors of the related products. Therefore, the Company's products can be increasingly recognized, contributing to its ability to expand its market to cover wider customer bases. Other than this regard, the Company can acquire the news information of the new movements, innovations and technologies of the related industries from the exhibition participation. It can assess the tendency of the changing technological development and quickly respond to the said changing trend.

Moreover, the Company also gives high precedence to educational sector and establishes a policy for continuously focusing and supporting the use of software and/or products in the educational sector to enhance the user bases of its software and/or products, and distribute for extensive industrial usability, contributing to an increase in its customer bases in the future. At present, software products distributed by the Company have been used as the instruction media in the educational institutions nationwide.

6. Efficient Customer Database Management

The Company gives high precedence to the customer database management and information technology system is applied as aid in customer database management both of the customers that have ever purchased products and/or services of the Company, and the persons that are expected to be the customers. The Marketing Department has collected and screened from those interested in products and services of the Company from various channels from seminar event, public relations event, and online media channel whether being the Company's website, and social media. The sales team shall appropriately use such database for analyzing and offering products and services to meet the needs of each group of customers.

In addition, the Company also systematically applies such information system in its sales process management under continual monitoring of the selling opportunity progress, and applies in monitoring after sales services, and managing after sales relationship with customer groups. This shall help the salespersons to enable to efficiently work and help the executives to enable to supervise, manage, and define strategies so that the setting target can be properly attained.

4.2 Distribution and Distribution Channel

The Company's distribution channels of the products and services can be classified into 2 types based on the nature of the customer as follows;

1. Distribution of Products and Services to the Entrepreneurs and General Customers

The sales team of the Company is responsible for supervising the distribution of the products and services to the customers which are the entrepreneurs and general customers. The sales team is classified into type of products and services, of which the different specific knowledge and expert must be used. The Sales Department shall contact and make the appointment with the customer to inquire for recognition of the customer's needs. After that, the Sales Department together with the officer of the Technical Support, shall offer the solution that can serve the customer's need, and demonstrate the actual usability of software to make the customer confident on the Company's products, and can actually serve the user's working.

Other than the distribution of products through sales team, the Company's online distribution channel is through www.8baht.com, which is the Company's website of which the customers can conveniently select to purchase software through website. The products distributed through the said online channel are basic software for general usability, such as Adobe, Microsoft Windows, ESET Anitivirus, etc., whereas the users can use the said software without relying on the Company's staffs in giving advice or demonstrating the software usability.

2. Distribution of Products and Services to the Educational Institutions and Government Agencies

The distribution of the products and services to the educational institutions and government agencies is mostly in the nature of project work using procurement method in accordance with the official regulation. The period of delivery and installation for the said projects is short. The Sales Department for the educational institutions and Government Agencies is in charge of monitoring the news information of bidding opening of the educational institutions and Government Agencies, and considers the customer's needs by studying on TOR (Term of Requirement in details together with the Technical Support for considering the participation in making a bid, and preparing documents, such as list of the details of durable articles, technical documentation, etc. for submission of quotation in the scheduled date and time through E-Bidding System or submission of bidding envelopes depending on the regulation or requirement of each customer.

However, the bidding participation is in the nature of self-bidding participation by the Company, and bidding participation through business alliance. The alliance shall purchase products and services of the Company for distributing together with the alliance's products and services or with other distributors in accordance with the customer's requirement.

4.3 Nature of the Customer and Target Customer Group

The customer Company and its subsidiaries can be classified into different groups as follows.

1. Industrial Manufacturing Customers mean the business operators in the manufacturing-related business, such as automotive, electronics parts, electric appliances, petrochemical, energy, machine, and industrial material industries, etc., for instance, Siam Kubota Corporation Company Limited, Panasonic Manufacturing (Thailand) Company Limited, Toyota Motor (Thailand) Company Limited, Hitachi Compressor (Thailand) Company Limited, Magnecomp Precision Technology Public Company Limited, etc.

2. Construction Industrial Customers means the business operators in the real estate and construction-related industries such as contractor, real estate developer, and construction materials, for instance, Italian-Thai Development Public Company Limited, SCG Cement-Building Materials Company Limited, Siam Multi Cons Company Limited, and J.S.P. Property Public Company Limited, etc.

3. **Software and solutions business customers** mean the business operators related to software distribution and/or related solutions, most of which buy the Company's products to sell in conjunction with their products and services.

4. **Educational Institutions and Government Agencies** mean the customers which are the educational institutions and Government Agencies. The procurement method in accordance with the official regulation is used in most procurements of this customer group. Such agencies include university, school, and research institute, as well as the related administrative agencies such as Pathumwan Institute of Technology, Chulalongkorn University, Sukhothai Thammathirat Open University, Sirindhorn International Institute of Technology, Thailand Institute of Scientific and Technological Research, and Office of the Permanent Secretary for Science and Technology, etc., including the entrepreneurs which are the business alliance in bidding participation.

5. **Foreign Customers** mean the customers in Indonesia derived from the business operation of APP Indo.

6. **General Customers** mean the customers that operate their businesses in other industries, such as information technology business, food business, and gem and jewelry business; and the customers that are a natural persons and freelancers.

Proportion of sales revenue classified by type of customer.

Type of customer	2018	2019	2020
Manufacturing Customer	68.44%	63.40%	61.11%
Construction Industry Customer	18.80%	18.26%	19.85%
Software and Solutions Customer	8.44%	9.30%	10.88%
Educational & Government Customer.	3.85%	8.12%	6.81%
Foreign Customer	0.14%	0.36%	0.10%
Individuals and Other businesses	0.34%	0.57%	1.25%
Total	100.00%	100.00%	100.00%

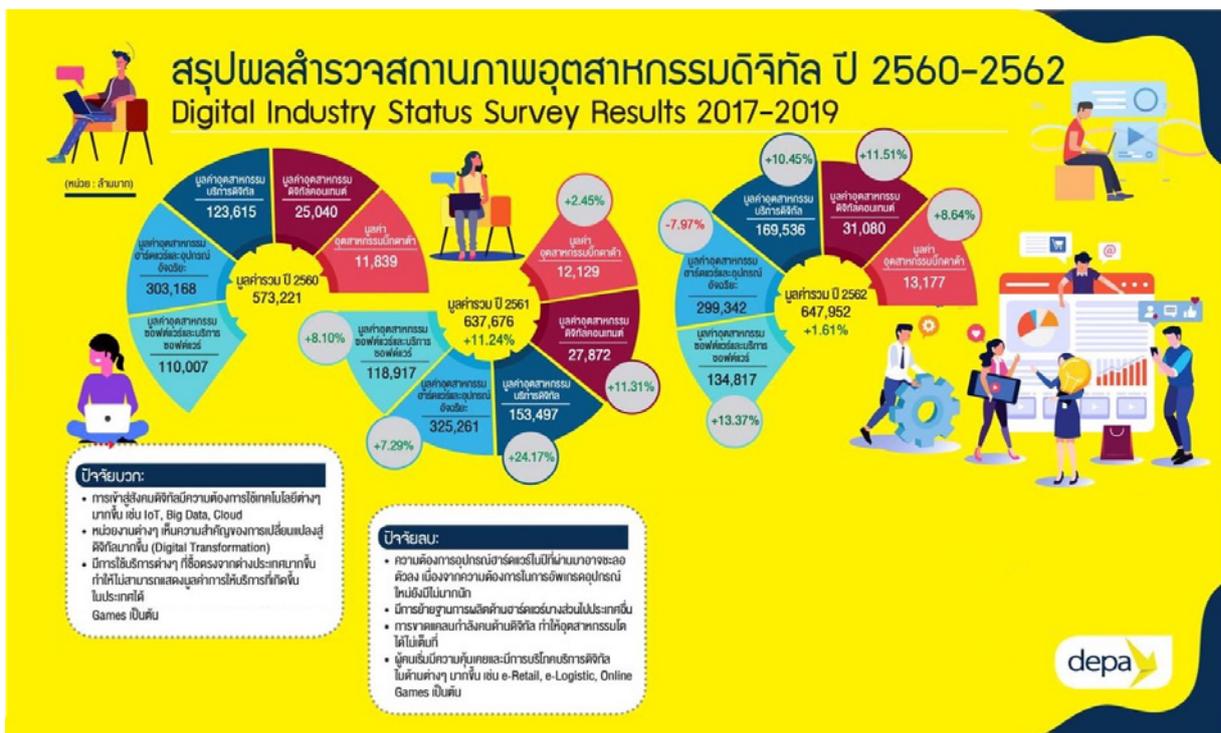
Note: The data shows the proportion of sales revenue by customer type, as directly from the database used to track sales operations.

4.4 Industrial Situation

Thailand has begun aggressively developing into the digital economy in 2017 with a clear government digital policy to promote the development and use of digital technology innovation. To get the country out of the economic and social development trap. In addition, The Digital Development for Economic and Social Development Act B.E. 2560 also points to important issues in promoting such goals, including promoting industry and innovation, investment, economic and social utilization, as well as the country's digital man power development.

Digital Industry

The Digital Economy Promotion Agency (DEPA) released a survey of data and assessed the health of the digital industry. In 2018-2019, the Thai Digital Market Value Projection 2020-2022 covers five industry groups including software, hardware & smart devices, digital services, digital content industry and big data industry. In 2019, the total value was 647,952 million baht. The positive factors affecting the image of the Thai digital industry in 2018-2019 were due to the increased demand for technology from entering the digital society. Meanwhile, agencies recognize the importance of digital transformation as people become more familiar and use digital services. On the other hand, the factors that are holding back market value growth come from the lack of new hardware products that stimulate the market. As a result, demand for hardware devices is slowing down and increasingly turning to service models such as cloud services. There is a shortage of digital man power, which has resulted in the industry expanding in its fullest. Meanwhile, the use of services purchased directly from abroad is increasing. As a result, there is no domestic income data.



Source: Digital Economy Promotion Agency (DEPA) Ministry of Digital Economy and Society

Software industry and software services

The results of the 2018-2019 Digital Industry Survey, classified by category, suggest that the software and software services industry in 2018 totaled 118,917 million baht. The average growth rate was 8.10% compared to 2017, while in 2019 the total market value was 134,817 million baht. In 2020-2022, the software and software services industry are expected to total 133,199 million baht, with contraction averaged 1.2% caused by the coronavirus outbreak crisis. Despite the application of some aspects of the software due to remote operation such as online CRM and Document conferencing, most of the software is from abroad. Because entrepreneurs are undergoing major business transformations, the model of software operations

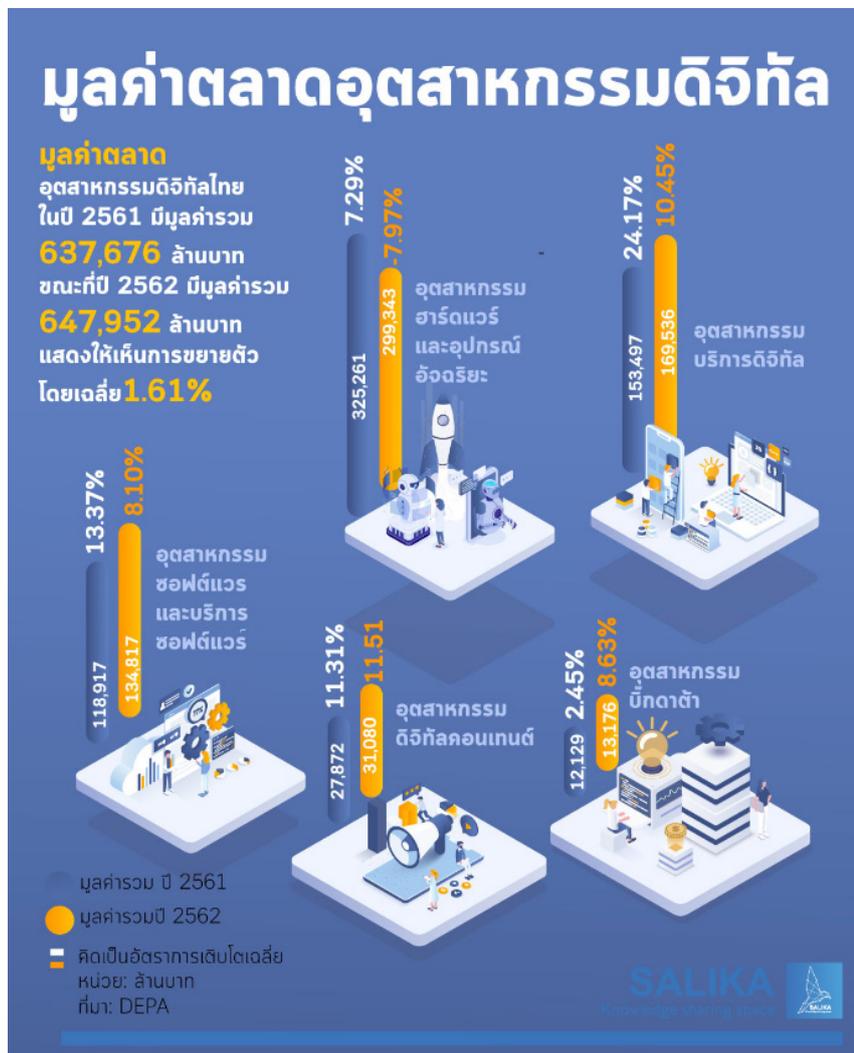
is changing dramatically. As a result, entrepreneurs are trying to find ways to generate sustainable new forms of income. Software-enabled service (software-generated service) and sold as software as a service (SaaS) or charged as revenue sharing with its own intellectual property, which is a sustainable way to operate the business.

Smart Hardware & Equipment Industry

In 2018, the smart hardware and equipment industry totaled 325,261 million baht. The average growth was 7.29% from 2017, while in 2019 the total market value was 299,343 million baht, declined from an average of 7.97% a year earlier, especially as computers have continued to decline in market value in recent years, both in terms of number of machines and value. The growth was smart devices, which, despite good growth rates, remained negative in 2019 due to lower imports, as well as a move in production that affected the revenues of hardware vendors in Thailand. Meanwhile, the 2020 smart hardware and equipment industry valuation is expected to be 268,989 million baht or growth decreased by 10.1% as well, affected by COVID-19. As a result, there has been a significant decrease in hardware imports.

Both industries are expected to resume normal expansion. In particular, IoT products will expand more prominently than others in 2021-2022, and the positive factors that will support the Thai smart hardware and equipment industry are the importation of AI (Artificial Intelligence) technology, creating more automation and continuing 4G investment before 5G auctions to support the demands of consumers and the government investing in digital infrastructure. The negative factor, meanwhile, is the lack of products that drive demand for purchases. Currency fluctuations, economic problems, and trade wars between China and the United States.

Photo: SALIKA News Agency



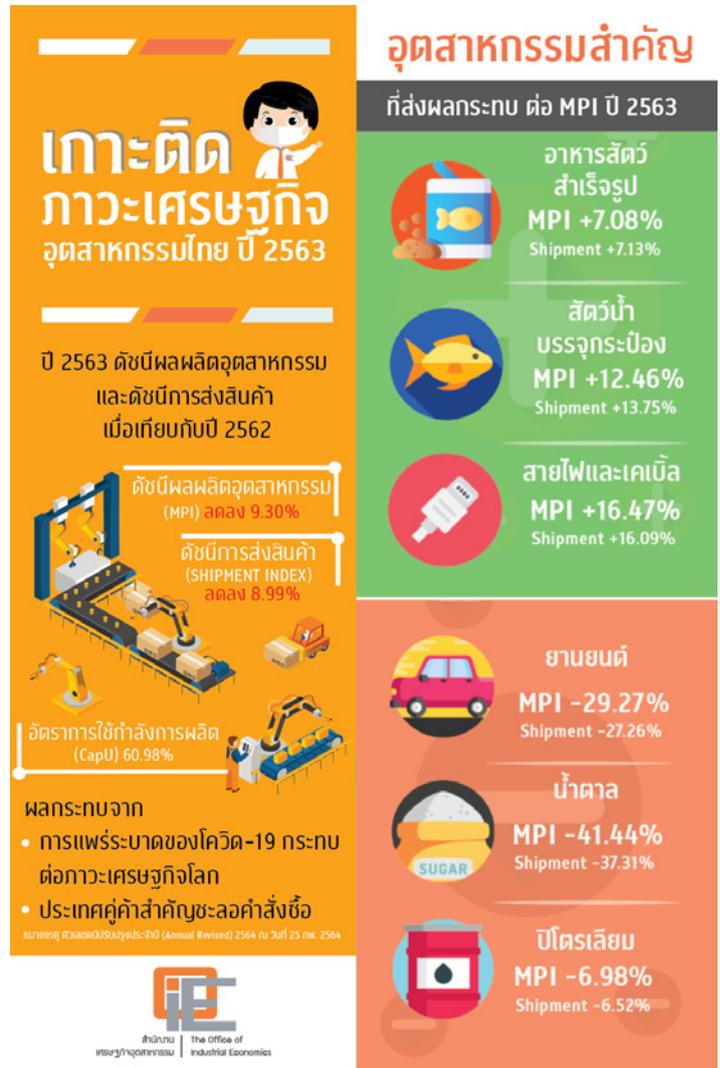
Manufacturing Industry

Since the beginning of 2020, due to the covid-19 pandemic, the global economy has faced a severe crisis. Meanwhile, Thailand's overall response to the first round of outbreaks has been relatively good, compared to many countries, however, at the end of the year, new outbreaks are facing new outbreaks. Therefore, the Thai economy has been hit hard, but it has also faced supply disruption both inside and outside the country.

The Company's core business and revenues are linked to the manufacturing industry, which is the country's main industry. The Company's main revenues come from the sale of SOLIDWORKS software, which is industrial design software, and most of its users are manufacturers and industrial plants. If the factory operator has an increased capacity utility rate or the number of factories has a higher growth rate, the number of factories will increase. This will result in an increase in demand for the Company's products. Therefore, the domestic manufacturing industry can demonstrate the market trends and revenue growth of the Company.

Gross domestic product (GDP) overall in Thai economy in production in 2020 decreased by 6.1% compared to 2.3% growth in 2019 due to covid-19 outbreak. It was the first economic recession in 11 years, as well as a 3.5% decline in the global economy, the lowest level since the end of World War II. Private consumption and total investment fell 6.6% to 1.0% and 4.8% respectively.

The overall industrial production sector in 2020 declined 5.7 percent, compared with a 0.7 percent decline in 2019 in the industrial corner. Industrial economy When considering the Manufacturing Production Index (MPI) and the Shipping Index in 2020 compared with the year 2019 (Annual Revised 2021 as of 25/2/2020), the Manufacturing Production Index (MPI) The Shipment Index decreased by 8.99% and the average capacity utilization rate (CaPU) was 60.98%.



Source:

Data: Office of the National Economic and Social Development Council

Photo: Office of Industrial Economics

Construction Industry

Due to the software for architectural and construction design that the Company sells as a tool for the work and service of construction contractors directly. If the construction industry is growing, The Company will benefit from the expansion of the construction industry with an increased demand for software for architectural design and construction services. Construction industry conditions are one of the factors that can indicate the Company's revenue growth prospects depending on the gross domestic product (GDP), the overall picture of the Thai economy and production sector.

Construction production in 2020 grew by 2.3%, accelerating from an expansion of 1.6% in 2019, a significant result of a 5.7% expansion in government construction (government construction grew by 8.4% and state-owned construction grew by 0.6%), while private construction declined 2.2%.

Source: Office of the National Economic and Social Development Council

Infringement Rate of the Software Copyright

As the Company has been formally appointed as the distributors from the foreign product owners, it has been useful from campaign and awareness on the significance of the usability of the lawful copyrighted software, and resulted in a continuous decreasing trend of the infringement in the current software usability. BSA | The Software Alliance or software business alliance group which is the trade association established for purpose of an attempt to stop the copyright infringement of the software manufactured by the members in the group, in collaboration with International Data Corporation (IDC), a data survey company of Thailand in United States of America, publicized survey result of the global software usability for 2018. The said survey result indicated that the global copyright infringement of software has tended to have a continuous decreasing rate from 42% in 2011 to be remained at 37% in 2017, as the result of the strict law enforcement of the public sector agencies in suppression of the offence relating to economic crime, and campaign relating to usability of the lawful copyrighted software. In addition, both public and private organizations have given more precedence to the security of information technology system, resulting in their emphasis on more usability of the lawful copyrighted software and contributing to reduction of risk and expenses from malware and threat attacks in cyber world. The users have also been beneficial from the usability of the copyrighted software in reduction of security risk and legal problem risk, increase in IT productivity, protection of corporate image, and creation of the confidence of the Company's customers and business partners.

The Department of Intellectual Property (DIP), together with the TCSD and BSA, continues to work together on software copyright protection missions, aiming to reduce violation rates as fasten as possible in ASEAN. In 2019, there were 469 cases of software piracy, up from 395 in 2018 with a total of more than 464 million baht of infringements, decreased from 661 million baht. In 2018, for business organizations prosecuted for software piracy, mostly are in the manufacturing industry. Other businesses include real estate and construction, interior design and decoration and so on.

Most pirated programs

- Drawing design software used in the manufacturing industry
- Architectural drawing design software
- Engineering drawing design software
- Office programs

In 2020, officials increased data communication with business organizations on the risks of using the software without a license agreement in conjunction with law enforcement against business organizations that infringe software copyrights to reduce software piracy rates in Thailand as quickly as possible. Nowadays, with technology and technical experts from victims of software piracy, as a result, the investigation was carried out more quickly by the TCSD. It aims to see the average rate of software piracy in Thailand by more than 3% per year and the fastest decline compared to other ASEAN countries.

At the same time, it relies on cooperation between copyright owners and Internet service providers to alert copyright infringement and remove copyright infringement work from the system, known as notice and takedown system, which believes

that all this will help building up confidence among Thai and foreign merchants and investors, and to demonstrate the business opportunities of copyright software distributors.

Source: Notice of the 2019 Software Copyright Protection and 2020 Guidelines by the Department of Intellectual Property. Economic Crime Suppression Division and BSA (Software Business Alliance)

Competitive Situation of the Domestic Software Business

For the competition in software distribution business, each entrepreneur has distributed software with the various and different usability functions to serve the user's needs in each area, such as office software, accounting software, Enterprise Resource Planning (ERP) software, and design software, etc. The design software which is a core product of the Company is a specific software. This type of software is often software developed by the foreign software developer and distributed through the distributor in Thailand. Most of the distributors have been the non-exclusive distributors, resulting in competition between each software distributor. Other distributors of the core software of which the Company are the distributors are as follows.

- SOLIDWORKS : Metro Systems Corporation Public Company Limited
- ARCHICAD : Team Consulting Engineering and Management Public Company Limited,
and DCS Associates Company Limited

In addition, the Company has competitive with the distributors of the design software of other product owners. The software which is competitive and comparable with the software distributed by the Company is the software in the Group of Autodesk Inc. which is the developer of the design software both in industrial design software and Architecture Engineering and Construction Design Software, such as AutoCAD (2D Design Software), Inventor (Industrial Design Software), and Revit (Architecture Engineering and Construction Design Software). Total of twelve distributors in Thailand for the software in the Group of Autodesk Inc. have been appointed as follows.

- | | |
|-----------------------------------------------------|--------------------------------------------|
| 1. Synergysoft Solution Company Limited | 7. CCM Systems Company Limited |
| 2. VR Digital Company Limited | 8. Twoplus Soft Company Limited |
| 3. M Technologies (Thailand) Company Limited | 9. Padee Innovation Company Limited |
| 4. SVOA Public Company Limited | 10. Bhatara Progress Company Limited |
| 5. I.T Solution Computer (Thailand) Company Limited | 11. NR Automation Systems Company Limited |
| 6. Cadcamthai Company Limited | 12. Advance Inter Solution Company Limited |

However, in competition with other entrepreneurs, the Company mainly focuses on differentiation, and emphasizes on customer service, whether being a preparation of the personnel with knowledge, competence, and attention in efficiently solving problems for the customers who are the users, and providing one stop services in various areas, whether being Subscription Service, Prototype Production Service, and Training Service, etc., to ensure that the customer's needs on design solutions are fulfilled.

5. Supply of Products and Services

3D Design Products

The supply of products has been deemed as a key of the business operation of the Companies adhering to creation of the maximum customer satisfaction throughout over 25 years ago. The Company and its subsidiaries have been continuously appointed to be the distributors of both 3D MEC and Architecture Engineering and Construction Design Products from the international accepted leading product owners. In addition, the executive teams of the Company possess knowledge, expert, and experiences in the 3D design solutions distribution industry for long time, has considered selecting the products offered to the customers to ensure that the customers receive the quality products with advanced technology as per the following details.

(1) Software Products

(a) Software of which the Company is not a distributor

Most of the distributed core software is the software of which APP and APP Indo have been directly appointed to be the distributor from the product owner, and shall directly order software with the foreign product owners in accordance with the purchase orders of their customers. APP and APP Indo shall acquire Serial Number from the product owner to activate software. An after sales services team shall install software for their customers for the software availability.

The term of the distributor agreement of software acquired by APP and APP Indo from the product owners is 1-3 years, and most of the distribution licenses are non-exclusive as the general trade terms in software business. However, due to the good relationship of the Company with the product owners for long time in accompany with its ability to efficiently fulfill the policies, this makes the executive assured of trust from the product owners to continuously be the distributors in long run.

The details of software of which APP and APP Indo have been appointed to be the distributors are as follows.

1. Industrial Design Software

Software	Product Owner	Country	Type of License	Term of Agreement	Executed by
SOLIDWORKS / Public Cloud 3DEXPERIENCE WORKS / Public Cloud 3DEXPERIENCE WORKS for Education / DELMIAWORKS EnterpriseIQ for MOM / SIMULIA legacy for CRE	Dassault Systemes Singapore Pte. Ltd.	Singapore	Non-exclusive	25 JUL 2019 - 31 DEC 2020; and an automatic renewal of 1 year per term	APP
			Non-exclusive	1 FEB 2020 - 31 DEC 2021; and an automatic renewal of 1 year per term	APP Indo
SolidCAM	SolidCAM Ltd.	Israel	Non-exclusive	3 years-term (2 MAY 2018 - 1 MAY 2021)	APP
SolidPlant	AH Holding B.V.	Netherlands	Non-exclusive	23 FEB 2018 - 31 DEC 2020; and an automatic renewal of 1 year per term	APP

2. Architecture Engineering and Construction Design Software

Software	Product Owner	Country	Type of License	Term of Agreement	Executed by
ARCHICAD,	Graphisoft Asia Limited	Hongkong	Non-exclusive	3 years-term (1 JUN 2018 - 31 MAY 2021)	APP
			Non-exclusive	3 years-term (1 JUL 2018 - 30 JUN 2021)	APP Indo
GstarCAD	Gstarsoft Co., Ltd.	China	Exclusive	2 years-term (1 NOV 2019 - 30 OCT 2021)	APP
			Exclusive	2 years-term (1 AUG 2019 - 31 JUL 2021)	APP Indo
CADProfi	CADProfi Germany GmbH.	Germany	Exclusive	Indefinite term of the agreement (the effective date of the agreement on 1 MAR 2019)	APP
CADEWA	Fujitsu Systems Global Solutions Sdn. Bhd.	Japan	Non-exclusive	1 year term (1 DEC 2019 - 30 NOV 2020) and an automatic renewal of 1 year per term	APP
Eptar	Éptár Kft.	Hungary	Non-exclusive	1 year term (1 JAN 2020 - 31 DEC 2020) and an automatic renewal of 1 year per term	APP
Solibri	Solibri Inc	Finland	Non-exclusive	1 year term (1 APR 2020 - 31 MAR 2021) and an automatic renewal of 1 year per term	APP
			Non-exclusive	1 year term (28 APR 2020 - 27 APR 2021) and an automatic renewal of 1 year per term	APP Indo
ExtrAXION	Alconsoft SA	Greece	Non-exclusive	1 year term (21 AUG 2015 - 20 AUG 2016) and an automatic renewal of 1 year per term	APP
Twinmotion	Epic Games Inc.	USA	Non-exclusive	Indefinite term of the agreement (the effective date of the agreement on 1 MAY 2020)	APP
Artlantis	Abvent S.A.	France	Non-exclusive	Indefinite term of the agreement (the	APP
V-Ray	Chaos Software Ltd.	Bulgaria	Non-exclusive	1 year term (2 JAN 2018 - 1 JAN 2019) and an automatic renewal of 1 year per term	APP
Rhinoceros	McNeel Asia	USA	Non-exclusive	Indefinite term of the agreement (the effective date of the agreement on 1 APR 2018)	APP
Zbrush	Pixologic Inc.	USA	Non-exclusive	Indefinite term of the agreement (the effective date of the agreement on 14 SEP 2016)	APP
Lumion	Act-3D B.V.	Netherlands	Non-exclusive	Indefinite term of the agreement (the effective date of the agreement on 22 MAR 2019)	APP Indo
Oracle Primavera	Oracle Corporation	USA	Non-exclusive	2 years-term (3 SEP 2018 - 2 SEP 2020) and an automatic renewal of 1 year per term	APP
Prota	Prota Asia Pte Ltd	Singapore	Exclusive	1 year term (7 FEB 2019 - 6 FEB 2020) and an automatic renewal of 1 year per term	APP

(b) Software of which the Company is not a distributor

The software of which the Company is not directly appointed as a distributor from the product owner, is software for the general usability, such as Sketchup Pro, Adobe, Microsoft Window, and ESET Aniti Virus. The Company shall order from the appointed distributor in Thailand for delivering to its customers.

(2) 3D Printer and 3D Scanner Products(a) 3D Printers and 3D Scanners of which the Company is not a distributor

In supply 3D Printer and 3D Scanner products, the Company shall select the products from the manufacturers which are accepted in quality and the market leaders. The Company has been appointed as a distributor of 3D Printer and 3D Scanner in Thailand and Indonesia from total of three manufacturers. However, the term of the distributor agreement for 3D Printer and 3D Scanner acquired by the Company from the product owners is 1-2 years and the distribution license is non-exclusive.

Product	Product Owner	Country	Type of License	Term of Agreement	Executed by
Stratasys 3D Printer	Stratasys AP Limited	USA	Non-exclusive	1 year term (1 JAN 2020 - 31 DEC 2020)	APP, APP Indo
Desktop Metal 3D Printer ^{1/}	Desktop Metal, Inc.	USA	Non-exclusive	1 year term (10 JAN 2018 - 9 JAN 2019) and an automatic renewal of 1 year per term	APP
MakerBot 3D printer	Makerbot Industries	USA	Non-exclusive	27 MAY 2020 - 31 DEC 2020 and an automatic renewal of 1 year per term	APP
GOM 3D Scanner ^{2/}	Gom GmbH.	Germany	Non-exclusive	2 year term (1 OCT 2020 - 30 SEP 2022) and an automatic renewal of 1 year per term	APP
			Non-exclusive	1 year term (1 JAN 2019 - 31 DEC 2019) and an automatic renewal of 1 year per term	APP Indo
Artec 3D Scanner	Artec Europe, S.a.r.l	Luxembourg	Non-exclusive	1 year term (4 SEP 2015 - 3 SEP 2016) and an automatic renewal of 1 year per term	APP

Remark : 1/ At present, the marketing for Desktop Metal 3D Printer has been under execution of the Company and the distribution has not yet been formally commenced.

2/ The Company has formally commenced to distribute GOM 3D Printers since 1 January 2019.

In part of Stratasys GOM 3D Printer GOM 3D Scanner, the Company will order and import from the foreign manufacturer, upon the Group the Company's receipt of purchasing order from its customer. The approximate lead time of ordering for Stratasys 3D Printer and GOM 3D Scanner are 30 and 15 days, respectively.

However, pursuant to the Notification of the Ministry of Commerce on the Determination of 3D Printer as merchandise which must observe an organization measure of the importation into the Kingdom B.E. 2559 (2016), "3D Printer" is determined to be a merchandise which must observe a organization measure of the importation into the Kingdom. An importer must execute in accordance with the requirement in the Notification of the Department of Foreign Trade on rule, procedure, and condition for importing 3D Printers into the Kingdom B.E. 2559 (2016) prescribing that the business operator for importing 3D Printers must execute the following.

1. An importer of 3D Printers must apply for the registration as an importer of 3D Printers with the Bureau of Foreign Trade Services, Department of Foreign Trade.
2. Every importation of 3D Printers, an importer must submit the Notification of the 3D Printer Importing Detail to the Merchandise Trade Administration Division, Department of Foreign Trade, at least 15 (fifteen) days prior to importation of the goods.

3. At the end of every June and December in every year, the importer of 3D Printers must notify the details relating to importation, possession, disposal and leasing or hire purchase of 3D Printers. Such report must be submitted within 15 (fifteen) days of the following month to the Merchandise Trade Administration Division, Department of Foreign Trade.

The Company has applied for the registration as the importer of 3D Printer with the Bureau of Foreign Trade Services, Department of Foreign Trade, and has already been registered on 14 July 2016.

Equipment and Consumables of 3D Printers

To ensure the efficient customer services, the Company must always reserve equipment and consumables of 3D Printers to be sufficient for its customer services. The Company monthly schedules the ordering cycle of equipment and consumables of 3D Printers from the foreign manufacturers and consider ordering based on the determined quantity of minimum Stock. An approximate lead-time of ordering is 7-15 days.

(b) 3D Printers of which the Company is not a distributor

The 3D Printers of which the Company is not a distributor, consist of 3D Printers of Sindoh and XYZ. The Company will order 3D Printers including equipment and consumables of 3D Printers from the manufacturers or distributors which are appointed in Thailand for delivering to its customers.

(3) Computer and Accessories

The selling of the Company is in nature of Project to the customers which are the educational institutions or government agencies. In the sale contract, it specifies the supply of other equipment which are durable articles, such as computer, tools and equipment, etc. The Company shall order such products in the list of vendors specified in the contract, or from the list of the vendors which have been screened and registered in Approved Vendor List Registration of the Company. In addition, in some cases, the customers will order software of which the Company is a distributor, and order computers and accessories; or a supplier of other software to be used with the software distributed by the Company for the efficient functionality. The Company shall facilitate its customers in supply of computers and accessories, or other software from the domestic distributors which are selected from the list of the distributors which have been passed for consideration on the accepted quality and service, and in the Approved Vendor List of the Company.

Table for the Domestic and Foreign Purchasing Proportion of Software and Products

Source	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Foreign	258.48	80.50	265.15	70.40	188.26	81.09
Domestic	62.59	19.50	88.32	26.60	43.89	18.91
Total Purchasing Value of Software and Products	321.07	100.00	353.47	100.00	232.15	100.00

According to above table, it has been deemed that the supply of design software and solutions products mostly distributed by the Company have been ordered from abroad. In 2018-2020, the Company's total ordering quantity of SOLIDWORKS from DSSW has been in the proportion of 66.93% of the Company's total purchasing value of software and products.

Machines for Prototype Production and Low Volume Production Service Works

The prototype production and low volume production of RP are the automatic part production being accredited for Quality Management System ISO 9001:2015 from UKAS, England. RP considers selecting to use the different types of machines in accordance with the appropriateness of production for each type of part, using 3D file received from the customer. After completion of production, QC officer will inspect the quality of part produced prior to delivery to the customer. The machines of RP used in prototype production and low volume production are as per the following details.

- 3D Printer: It is the high-resolution machine for the prototype production. The variety of materials whether being thermoplastics or liquid plastics can be selected for using. The machine can rapidly make product model and therefore, it is suitable for the prototype production. RP has had total of five 3D Printers being classified into four set of 3D Printers – FDM, and one set of 3D Printer – Polyjet and 3D printer with SLA system.
- Vacuum Casting Machine: It is a machine for making silicone mold, and injection molding of plastics, and suitable for the low volume production of parts. RP has one Vacuum Casting Machine.
- CNC (Computer Numerical Control) Machine: It is used for milling the metal parts and forming in accordance with a 3D designed file, and suitable for the metal prototype production. RP has one set of CNC Machine.

In respect to supply of equipment and consumables of machines used in production, RP will order by taking into account the determined quantity of Minimum Stock. If the quantity is reduced to the determined minimum quantity, RP will order from the domestic distributor and Lead Time is approximately 3-5 days.

Production capacity for parts of each type of machine can be summarized as follows.

Type of Machine	Production Capacity Utilization	2018	2019	2020
3D Printer - FDM	Yearly Full Production Capacity (Hours)	23,328.00	23,328.00	23,328.00
	Actual Output (Hours)	7,585.59	9,099.52	9,099.52
	Capacity utilization Rate (%)	32.52	39.01	39.01
3D Printer - Ployjet	Yearly Full Production Capacity (Hours)	7,776.00	7,776.00	7,776.00
	Actual Output (Hours)	569.00	562.00	562.00
	Capacity utilization Rate (%)	7.32	7.23	7.23
3D Printer - SLA	Yearly Full Production Capacity (Hours)	-	7,776.00	7,776.00
	Actual Output (Hours)	-	1,189.00	1,189.00
	Capacity utilization Rate (%)	-	15.29	15.29
Vacuum Casting	Yearly Full Production Capacity (Hours)	2,880.00	2,880.00	2,880.00
	Actual Output (Hours)	713.70	672.50	672.50
	Capacity utilization Rate (%)	24.76	23.35	23.35

Type of Machine	Production Capacity Utilization	2018	2019	2020
CNC Machine	Yearly Full Production Capacity (Hours)	2,880.00	2,880.00	2,880.00
	Actual Output (Hours)	1,040.70	1,098.00	1,098.00
	Capacity utilization Rate (%)	36.14	38.13	38.13
Total	Yearly Full Production Capacity (Hours)	36,864.00	44,640.00	44,640.00
	Actual Output (Hours)	9,908.29	12,621.02	12,621.02
	Capacity utilization Rate (%)	26.88	28.27	28.27

Training Center for Use of Design Software

(1) Training Center

DETI provides training services for using Design Software. The Design Software used is a piece of Training Licensed Software of which DETI has been supported for the software cost from the software owner. As at 31 March 2019, with total of eight training rooms which can support the maximum number of trainees up to 86 persons.

However, the utilization rate of the DETI Training Center from training rooms is as follows.

	2018	2019	2020
Maximum Number of Trainees that can be supported (Persons/Year)	25,643	25,578	25,578
Number of Trainees (Excluding Onsite training) (Persons)	9,537	9,844	5,586
Utilization Rate from Training Room (%)	37.19	38.49	21.83
Trainees in Part of Onsite Training (Persons)	1,337	1,930	1,767
Trainees in Part of Online Training (Persons)	-	-	532

(2) Trainer

DETI provides training services by trainer who is knowledgeable, expert, and experienced in applying programs. DETI has currently had ten full-time trainers. All of the trainers are professional and ready both for the teaching technique and real working experience, and expert in use of program. The trainer must be trained and certified from the product owner to indicate the trainer's knowledge and competence, and training quality of DETI.

In addition, DETI has outsourced the special external trainers who have the specific in-depth expertise and experience for transferring knowledge and experience for the advance courses periodically organized by DETI as appropriate for the full and efficient benefits of trainees from the training.

(3) Training Courses

In considering the training courses opened for teaching, DETI shall mainly take into account the trainee's need. The executives and Head of the Trainer shall regularly consider on adjustment of the courses to be appropriate and consistent with the customer's need, and the trend of change in design technology. In organizing the training courses, the trainer shall define the suitable training content and training period for each type of customer group, and prepare a training supporting manual which must be passed for the consideration of the Head of Trainer. Nevertheless, the manual or documents used in training are the standard coaching textbooks of which DETI has been licensed from the product owners, and the textbooks written by the experts in each specific subject.

6. Price Policy

The Company's pricing policy for the selling price of each type of product and service is appropriately based on Cost Plus Margin, taking into account the competitive situation and the comparable level of product price both in domestic and foreign market, and product acceptance of each group of customers. The quality and technology of products, and the efficient after sales services are considered.

7. Assets used for business operations

7.1 Details of assets used for business operations

As at 31 December 2020, the Company and its subsidiaries have the assets used for business operations as follows:

Type and details of assets	ownership	Obligation As at 31 December 2020	Net Book Value (million baht)
Land - the headquarters of the Company Deed No. 248953, Phra Khanong, Bangkok The total area of 364 square meters (91 square Wa)	Possessed	-	9.94
Land - the headquarters of the Company Deed No. 223940, Phra Khanong, Bangkok The total area of 412 square meters (1 Ngan and 3 square Wa)	Possessed	During the process with Commercial Bank	9.97
Building and building improvements	Possessed	-	39.21
office equipment	Possessed	-	8.90
equipment	Possessed	-	22.36
vehicles	Possessed	-	2.26
Total			92.64

7.2 Summary of significant contracts in the business

7.2.1 Distributor Agreement of the Company

Parties: Dassault Systemes SolidWorks Corporation ("DSSW")
as "Licensor"
AppliCAD Public Company Limited as "Licensee"



Date of contract : 25 July 2019

Objective : The Company has the right to distribute SOLIDWORKS including other products and services mentioned in the contract as Non-exclusive in Thailand and Myanmar as well as the rights of branding and marketing prescribed in the territory that are entitled to and the rights cannot be transferred (non-Transferable).

Period : From 25 July 2019 to 31 December 2020
If the Licensor and Licensee do not notify the termination of the contract at least 2 months in advance, the contract is automatically renewed at a time.

However, as of 1 December 2021, the Company has been renewed for additional rights until 31 December 2021.

- Conditions for Termination :
1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve the incident within 30 days of receiving the notice
 2. The Licensor may terminate the contract, in the event that the Licensee violates the terms of trade confidentiality or in the event of an authorized distributor of goods to a competitor without permission.
 3. The Licensee is protected, liquidated or bankrupted.
 4. The Licensee may terminate the contract if the Licensee changes the shareholding ratio more than 50%.
 5. The Licensee may terminate the contract if the involved person is in the criminal prosecution and the Licensee considers that may have a negative impact on the reputation and image of the Licensee.

Parties: Graphisoft Asia Limited as "Licensor"
AppliCAD Public Company Limited as "Licensee"



Date of contract : 1 June 2018

Objective : The Company has to right to distribute ARCHICAD and MEP Modeler as Non-Exclusive in Thailand as well as the rights of documentation, branding and marketing.

Period : 3 years; from 1 June 2018 to 31 May 2021

- Conditions for Termination :
1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve such an event within at least 15 days from the date of receiving the notice.
 2. The Licensor may terminate the contract if the Licensee cannot purchase up to 80% of the orders for the second consecutive quarter. Unless the purchases of their target are from a result of the overall economy.
 3. The Licensee is protected, liquidated or bankrupted.
 4. A change in control of the affairs of the Licensee.

Parties : Gstarsoft Co., Ltd. as "Licensor"
AppliCAD Public Company Limited as "Licensee"



Date of contract : 1 November 2019

Objective : The Company has to right to distribute GstarCAD as Exclusive in Thailand and be able to appoint the Sub-Distributor and also grant the right of GstarCAD Exclusive Distributor in branding, distributing, services and marketing.

- Period : 2 years; from 1 November 2019 to 30 October 2021
- Conditions for Termination : 1. The Licensor may terminate the contract if the Licensee cannot achieve as specified in the contract.
2. Either party may terminate the contract by submitting a notice of termination to the other party 60 days in advance.

Parties: Stratasys AP Limited as “Licensor”
AppliCAD Public Company Limited as “Licensee”



- Date of contract : 1 January 2020
- Objective : The Company and its subsidiaries have the right to be the distributor of 3D Printer under Stratasys as Non-Exclusive in Thailand and Indonesia.
- Period : 1 year from 1 January 2020 to 31 December 2020
- Conditions for Termination : 1. Either party may terminate the contract by informing to the other party 30 days in advance.
2. The Licensor may terminate the contract by written notice to the Licensee. In the event that Licensee breaches any of the terms of the contract and the inability to resolve such an event within at least 10 days from the date of receiving the notice.

Parties: Desktop Metal, Inc. as “Licensor”
AppliCAD Public Company Limited as “Licensee”



- Date of contract : 10 January 2018
- Objective : The Company has the right to distribute the 3D Printer under Desktop Metal as Non-Exclusive in Thailand.
- Period : 1 year from 10 January 2018 to 9 January 2019
If either party does not inform the termination of this contract at least 30 days in advance, the contract will be automatically renewed for 1 year at a time.
- Conditions for Termination : 1. Either party may terminate the contract if either party agrees in the termination by informing to the other party 90 days in advance.
2. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve such an event within at least 30 days from the date of receiving the notice.

Parties: GOM GmbH. as “Licensor”
 AppliCAD Public Company Limited as “Licensee”



Date of contract : 1 October 2020

Objective : The Company has the right to distribute the 3D Scanner under GOM as Non-Exclusive in Thailand.

Period : 2 year from 1 October 2020 to 30 September 2022
 If either party does not inform the termination of this contract at least 6 months in advance, the contract will be automatically renewed for 1 year at a time.

Conditions for Termination : The Licensee may terminate the contract if the following occurs;

1. A change in control of the affairs of the Licensee having the negative impact on the business.
2. Breaches any of the terms of the contract especially violation of payment term.
3. Serious breaches any of the terms of the contract which made a serious loss of business confidence.

7.2.2 Distributor Agreement of PT. Indonesia AppliCAD

Parties: Dassault Systemes SolidWorks Corporation (“DSSW”) as “Licensor”
 PT Indonesia AppliCAD as “Licensee”



Date of contract : 1 February 2020

Objective : PT Indonesia AppliCAD the right to distribute SOLIDWORKS including other products and services mentioned in the contract as Non-exclusive in Indonesia as postal code specified in the contract as well as the rights of branding and marketing prescribed in the territory that are entitled to and the rights cannot be transferred (non-Transferable).

Period : 1 year from 1 February 2020 to 31 December 2021
 If either party does not inform the termination of this contract at least 60 days in advance, the contract will be automatically renewed for 1 year at a time.

Conditions for Termination : 1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve the incident within 30 days of receiving the notice.

2. The Licensor may terminate the contract, in the event that the Licensee violates the terms of trade confidentiality or in the event of an authorized distributor of goods to a competitor without permission.
3. The Licensee is protected, liquidated or bankrupted.
4. The Licensee may terminate the contract if the Licensee changes the shareholding ratio more than 50%.
5. The Licensee may terminate the contract if the involved person is in the criminal prosecution and the Licensee considers that may have a negative impact on the reputation and image of the Licensee.

Parties: Graphisoft Asia Limited as “Licensor”
PT Indonesia Applicad as “Licensee”



Date of contract : 1 July 2018

Objective : PT Indonesia Applicad has the right to distribute ARCHICAD and MEP Modeler as Non-Exclusive in Indonesia as well as the rights of documentation, branding and marketing.

Period : 3 years; from 1 July 2018 to 31 June 2021

Conditions for Termination :

1. Either party may terminate the contract by written notice to the other party. In the event that the other party breaches any of the terms of the contract and the inability to resolve such an event within at least 15 days from the date of receiving the notice.
2. The Licensor may terminate the contract if the Licensee can not purchase up to 80% of the orders for two consecutive quarters. Unless the purchases of their target are from a result of the overall economy.
3. The Licensee is protected, liquidated or bankrupted.
4. A change in control of the affairs of the Licensee.

Parties: Gstarsoft Co., Ltd. as “Licensor”
PT Indonesia Applicad as “Licensee”



Date of contract : 1 August 2019

Objective : PT Indonesia Applicad has the right to distribute GstarCAD as Exclusive in Indonesia and be able to appoint the Sub-Distributor and also grant the right of GstarCAD Exclusive Distributor in branding, distributing, services and marketing.

Period : 2 years from 1 August 2019 to 31 July 2021

Conditions for Termination :

1. The Licensor may terminate the contract if the Licensee cannot achieve as specified in the contract.
2. Either party may terminate the contract by submitting a notice of termination to the other party 60 days in advance.

Parties: GOM GmbH. as "Licensor"
PT Indonesia Applicad as "Licensee"



Date of contract : 1 January 2019

Objective : PT Indonesia Applicad has the right to distribute the 3D Scanner under GOM as Non-Exclusive in Indonesia.

Period : 1 year from 1 January 2019 to 31 December 2019
If either party does not inform the termination of this contract at least 6 months in advance, the contract will be automatically renewed for 1 year.

Conditions for Termination : 1. A change in control of the affairs of the Licensee having the negative impact on the business.
2. Breaches any of the terms of the contract especially violation of payment term.
3. Serious breaches any of the terms of the contract which made a serious loss of business confidence

7.3 Investment Policy in subsidiaries and associated companies

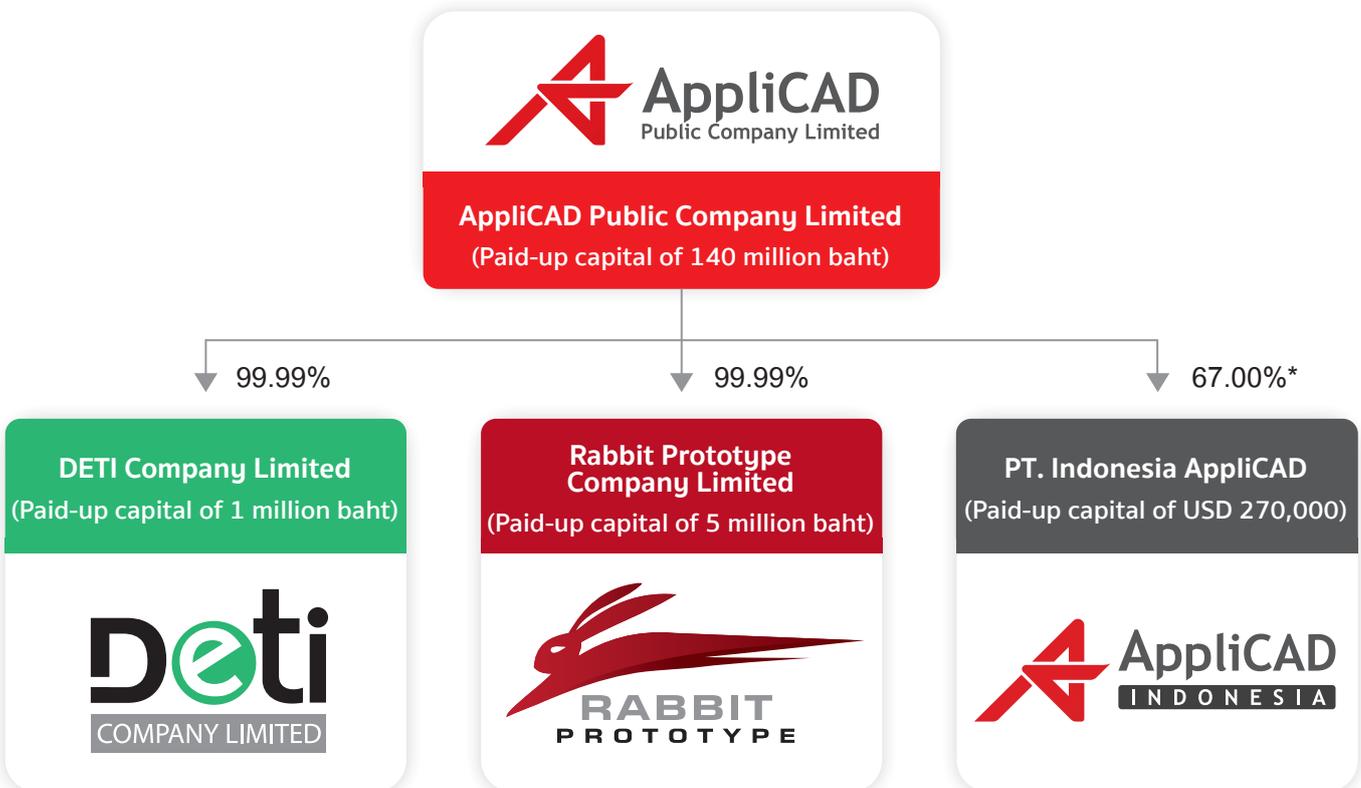
The Company will invest in companies with the same business objectives as the Company's core business or similar business or business supporting the Company's business which will increase its turnover or profitability or invest in synergy businesses for the Company by supporting the Company's core business operations to increase the Company's competitiveness. The Board of Directors may consider investing in other businesses than the Company's core business. If the Board of Directors sees such business as a potential business and such investment is beneficial to the Company and its shareholders.

To supervise the subsidiaries and associates, the Company will send directors or executives with the right qualifications and experience to conduct business to represent the management of the subsidiary and its associates to formulate important policies and control the business of such subsidiaries and/or associates. Directors representing the Company shall act in supervising subsidiaries and/or associates to manage or perform various operations in accordance with the Company's policies as well as to exercise their discretion in accordance with the resolutions of the Board of Directors and/or the meeting of shareholders of the Company to approve the critical matters of subsidiaries and/or associates to maximize the benefit of the Company and to achieve sustainable growth of the Company.

8. Undelivered Works

-None-

1.3 The Company's structure



Remarks: *

- The Company holds the shares in Series B of PT. Indonesia AppliCAD as 180,900 shares or 67% of the total paid-up shares. According to the Articles of Association of PT. Indonesia AppliCAD, the Company was entitled to receive the dividend of 95% from the total dividend as holding shares in Series B announced by PT. Indonesia AppliCAD.
- The remaining shares of PT. Indonesia AppliCAD or 33% held by Mr. Ibnu Afi Sena, the director of PT. Indonesia AppliCAD, does not have any relationship with the shareholder, committee and executive director of the Company. However, the Company has made the Shareholders' Agreement between Mr. Ibnu Afi Sena and the Company to grant the right to the Company to provide the first buyer (First Rights). If the Company could not provide any buyers, Mr. Ibnu Afi Sena would have the right to sell the shares of PT. Indonesia AppliCAD to anyone who requests to purchase them under the laws of Indonesia. The shareholders who request to sell the shares are requested to inform PT. Indonesia AppliCAD and the request must be approved by the meeting of shareholders.

Information of Subsidiaries

(1) DETI Company Limited ("DETI")

DETI was registered as a company on 26 September 2001 under the name of ETC Service Company Limited with the registered capital of 1 million baht which could be classified as 10,000 of the ordinary shares as the par value of 100 baht and on 25 December 2012, the Company purchased 9,998 shares of ETC Service Company Limited or 99.99% of the total paid-up shares. In 2016, ETC Service Company was changed the name to DETI Company Limited. DETI provides the training service of the mechanical and engineering design software and architectural engineering and construction design software. DETI was appointed as SolidWorks Authorized Training Centers from Dassault Systèmes SolidWorks Corporation and was also appointed as the Authorized Training Center from Autodesk, Inc., including Authorized SketchUp Training Center from Trimble Inc. Currently, DETI has 8 training rooms and could accommodate up to 86 trainees.

(2) Rabbit Prototype Company Limited (“RP”)

RP was registered as a company on 11 February 2011 with the registered capital of 5 million baht which could be classified as 50,000 of the ordinary shares as the par value of 100 baht and on 25 December 2012, the Company purchased 40,000 shares of RP from the shareholder or 80% of the total paid-up shares. After that on 26 November 2018, the Company also purchased more 9,998 shares increasing the shareholding proportion to 99.99% of the total paid-up shares of RP.

RP provides the business of prototyping and low volume production with the advanced technologies such as 3D Printers, Vacuum Casting and CNC machine.

(3) PT Indonesia AppliCAD (“APP Indo”)

APP Indo was registered as a company on 12 July 2013 with the 99% of total paid-up shares held by the Company. However, due to the change in the laws of Indonesia regarding the shareholding proportion of foreign shareholders of Distributor's sale not affiliated to production, it is specified that the maximum the shareholding proportion of foreign shareholders should not be over 67% of the total paid-up shares. Therefore, the Company had to reduce the shareholding proportion in PT. Indonesia AppliCAD to conform to the laws of Indonesia. Currently, APP Indo has the paid-up capital of 3,186,000,000 rupiah or USD 270,000 which are 270,00 ordinary shares as the par value of USD 1. The Company holds 180,900 shares or 67% of the total paid-up shares of APP Indo.

Moreover, in May 2019, APP Indo reclassified the shares as the registration of amendment of the Articles of Association into Series A as 89,100 shares or 33% of the total paid-up shares held by Mr. Ibnu Afi Sena and Series B as 180,900 shares or 67% of the total paid-up shares held by the Company and it also has the rights to the shareholder of Series B to receive the dividend before the shareholder of Series A at the rate of 95 percent of the dividend announced by APP Indo. So that, Mr. Ibnu Afi Sena does not have any relationship with the shareholder, committee and executive director of the Company, however he currently is the executive director of PT. Indonesia AppliCAD and the Company has made the Shareholders' Agreement with Mr. Ibnu Afi Sena that the Company has the right to provide the first buyer (First Rights). If the Company could not provide any buyers, Mr. Ibnu Afi Sena would have the right to sell the shares of PT. Indonesia AppliCAD to anyone who requests to purchase them under the laws of Indonesia. The shareholders who request to sell the shares are requested to inform PT. Indonesia AppliCAD and the request must be approved by the meeting of shareholders.

APP Indo operates the business of the distribution of 3D design solutions in Indonesia such as mechanical and engineering design software, architectural engineering and construction design software, 3D printer, 3D scanner and other related after-sale services.

Securities and shareholder information

1. Registered and paid-up capital

As of 31 December 2020, the Company has a registered capital of 140,000,000 baht classified as the ordinary share of 280,000,000 shares at par value of 0.50 baht and paid-up capital of 140,000,000 baht divided into 280,000,000 of the ordinary shares at par value of 0.50 baht.

2. Major Shareholder

As of 31 December 2020, the list of first 10 shareholders of the Company at the book closing date on 30 December 2020 is as follows;

List of shareholders	No. of shares	%
1. Group of Tangadulrat Family*	187,173,478	66.85
2. Miss Supatra Pitakwonglert	8,400,000	3.00
3. Mr. Chaiyachat Wanichpak	7,800,000	2.79
4. Mr. Rattanachai Pisitthanangkul	3,660,000	1.31
5. Mr. Pawaris Surakittidamrong	2,400,000	0.86
6. Mr. Ekkarat Tharathornanan	1,719,000	0.61
7. Mr. Chatchawan Phukrud	1,551,400	0.55
8. Mr. Chanaphat Aphiwan-O-pas	1,435,000	0.51
9. Miss Pramuanjit Amat	1,000,000	0.36
10 Mr. Phatthana Sriwitip	1,000,000	0.36
11. Other shareholders	63,861,122	22.81
Total	280,000,000	100

Remark: Group of Tangadulrat Family consists of the following names and number of shares

1. Mr. Prapas	Tangadulrat	160,015,556 shares	57.15%
2. Mr. Praphruet	Tangadulrat	10,000,000 shares	3.57%
3. Mr. Chisanupong	Tangadulrat	7,154,500 shares	2.56%
4. Mr. Prasit	Tangadulrat	6,658,700 shares	2.38%
5. Miss Siriwan	Tangadulrat	3,037,500 shares	1.08%
6. Mr. Prasert	Tangadulrat	245,000 shares	0.09%
7. Miss Siwapron	Tangadulrat	60,000 shares	0.02%
8. Mrs. Nawaporn	Tangadulrat	2,222 shares	0.0008%

1.4 Dividend Policy

The Company has a policy to pay the dividend to shareholders at a rate of not less than 40% of the net profit as recorded in the Company's Separate Financial Statement after the deductions of the corporate income tax and all legal reserves as required by law. However, the Company may consider the dividend payment differing from the Articles of Association of the Company depending on the Company's results of operations, Financial positions, cash flow, necessity of working capital in business management, investment plans as well as economic condition.

The Company may determine the Company's subsidiaries to pay the dividend to shareholders at a rate of not less than 40% of the net profit as recorded in the separate financial statement of the Company's subsidiaries after the deductions of the corporate income tax and all legal reserves as required by law. However, the Company's subsidiaries might consider the dividend payment differing from the Articles of Association of the Company's subsidiaries depending on the results of operations, financial positions, cash flow, necessity of working capital in business management, investment plans as well as economic condition.

2. Risk Management

2.1 Risk Management Policy and Plan

Risk management working team has performed its duties in accordance with the scope of duties assigned by the Board of Directors and was attended to consider important matters which can be summarized as follows:

1. To determine the appropriate risk management plan and risk management framework which complies with the Company's strategic plan and operations that changing according to the current situation to ensure that the Company is systematically and efficiently managed the risk management.
2. To promote risk learning and risk management for the Company's management and employees on a regular basis in order to emphasize the importance of risk management and to enable the Company to conduct its business in accordance with its targets.
3. To consider the annual risk management plan in which management from all relevant departments conduct risk assessments and prioritize risks, and formulate guidelines for risk response, including developing a plan to manage risks, or to control them appropriately and adequately at an acceptable level.
4. To monitor risk management in order to acknowledge the risk management results and regularly review the Company's risks as to whether there are any other risks increased or changed, and to provide additional recommendations to ensure that risk management is truly effective, and to report the risk management results throughout the organization to the Board of Directors.

From the summary above, the Risk Management Working Team has considered that the risk management is carried out systematically and in accordance with good Corporate Governance, adequate internal control and business suitability, as well as closely monitoring the risks, which is part of enabling the Company to achieve the objectives of implementing the specified business plan and valuing the Company to deliver sustainable delivery to its shareholders and stakeholders.

2.2 Risk Factor

In order to support the Company's objectives and goals, the Risk Management Working Team has analyzed risks from internal factors such as efficiency in operating processes, personnel, and strategies that can meet current business operations and external factors which has been affected by the changing business environment, stakeholder's expectations, competition, trading negotiating power of trading partners and clients, including economic and political trends. The risks factor can be divided into 4 groups as follows:

1. Strategic Risk

Risk	Risk Cause	Risk Mitigation Measures
High competitiveness in the Company's business.	The 3D design industry of software and products has strong competitiveness among technical developer and distributors of 3D design software and products.	<ol style="list-style-type: none"> 1. Find the world's leading software and 3D design solutions that meet the needs of the Company's customers. 2. Build a wider customer base as an engineer, architects, contractors, including students and/or educational institutions. 3. Focus on providing services to fully accommodate customers' needs and promoting professional quality after-sales service.

Risk	Risk Cause	Risk Mitigation Measures
Technology is evolving and changing rapidly and constantly.	Industrial and architectural design and construction software, including 3D design products, as well as related services, are rapidly changing businesses based on evolving and constantly changing technologies to meet the needs of customers in a timely way, this may result in loss of customer base and may affect operations.	<ol style="list-style-type: none"> 1. Find software and products with advanced technology and high efficiency from the world's leading product owners to continuously meet the needs of customers. 2. Build good relationships with the world's leading product owners. 3. Regularly transfer knowledge and trends or changes in technology and encourage employees to closely monitor information about the development of new technologies.
Copyright infringement of products of the Company.	The Company's main revenues from software distribution may be affected by copyright infringement issues as well as affect sales and product image at the Company.	<ol style="list-style-type: none"> 1. If copyright infringement of the Company has been found, the notification clarification will be sent to the user. 2. The Company has created a system to prevent unauthorized reproduction, modification or smuggling of software.
Dependence on SOLIDWORKS products	If the product owner changes the business model or the Company terminates the reseller contract or does not receive a contract extension, it may affect the Company's revenue and performance, which the right to sell must be renewed annually.	<ol style="list-style-type: none"> 1. Develop a strategy to present SOLIDWORKS, allowing it to build a strong customer base of SOLIDWORKS users, leading to continued sales growth. 2. Establish a good relationship with the product owner, thus giving the Company the right to distribute from 1 year to 5 years, which is considered to be the trust of the product owner.

2. Operational Risk

Risk	Risk Cause	Risk Mitigation Measures
Dependence on key executives in the business operation	Mr. Prapas Tangadulrat, CEO of the Company, is experienced in the distribution business of 3D design solutions, so he has a deep knowledge and understanding of this business and he is the main policy maker in the Company's business operations, as well as a major shareholder of the Company, so there is a risk of relying on key management in management.	<ol style="list-style-type: none"> 1. Systematic management is organized to decentralized management power for executives at the secondary level. 2. To have a policy to train employees and executives to have knowledge and ability to help manage various aspects.

Risk	Risk Cause	Risk Mitigation Measures
Dependency on some personnel	The Company's business is specialized to rely on some personnel with expertise and experience in 3D design software and products, as well as having a good understanding of the customer's processes, in order to offer and provide services that meet the needs of customers.	<ol style="list-style-type: none"> 1. Support for personnel at all levels to develop their skills and knowledge on a regular basis 2. Policy to encourage employees to pass training and get certified (Certified) from the product owner at the Group of Companies. Being a dealer 3. Appropriate compensation is set, in order to motivate such personnel to work with the company
Operation from the COVID-19 pandemic	As many companies have taken measures to prevent and control the transmission of COVID-19, third parties are unable to access their customers' workplaces. In addition, the government has social distancing and work from home measures, which affect the operation of the Company's employees who are technical support, as well as sales and technical support staff who will have to access to the customer's workplace to recommend services, install programs, and solve problems.	<ol style="list-style-type: none"> 1. The Business Continuity Plan (BCP) has been established to guide the Company's business operations during a period of crisis, 2. Encourage employees to use technology and internet in order to recommend services, install programs, and solve problems instead of visiting customer workplaces.
The Company's performance has been affected by the COVID-19 pandemic.	Due to the situation of the COVID-19 affecting the Company's operations of the customers. Including the services of the Company. Therefore, making the customers of the Company's order has been suspended, postponed, including extending the time of payment. As a result, the sales volume of the Company has been decreased, as well as the services	Promotional activities are designed to promote sales and revenue of the Company.

3. Financial Risk

Risk	Risk Cause	Risk Mitigation Measures
Foreign exchange risk	Most of the Company's foreign orders are paid in U.S. dollars, while revenues from the sale of goods and services are mainly in Thai baht.	<ol style="list-style-type: none"> 1. There is a policy to determine the price of the product by taking into account the risk of exchange rate fluctuation. 2. There is a policy to prevent fluctuation of foreign exchange rates by making forward contracts for the full amount in accordance with order value to be paid in foreign currency.

Risk	Risk Cause	Risk Mitigation Measures
The impact of operating results and financial position of overseas subsidiaries	Established PT Indonesia Applicad in Indonesia to increase investment opportunities there but in the past, the results continued to be decreased because the income base is still small while it has a high proportion of distribution costs and administrative expenses.	<ol style="list-style-type: none"> 1. Modify the strategy and form of marketing of PT Indonesia Applicad to meet the needs of customers in Indonesia. 2. Recruit knowledgeable and talented personnel to join PT Indonesia Applicad.
Revenue fluctuations from 3D design products distribution business (hardware)	Because 3D printers for industrial use are expensive, together with the customers who need 3D printers, they are still in a limited range and offering products and demonstrations for customers to consider and make purchase decisions for quite a long time. As a result, revenues from the distribution of such products are quite volatile.	<ol style="list-style-type: none"> 1. Regularly organize marketing activities to make 3D printer technology more recognizable and to give potential customers a glimpse of the practical benefits of this technology. 2. The importance of closely managing customer relationships and continuously monitoring the progress and feasibility of customer orders to ensure that the sale can be closed. 3. Recruit newer printers with price ranges that make it easier for small and medium-sized entrepreneurs to access such technologies.

4. Compliance Risk

Risk	Risk Cause	Risk Mitigation Measures
Having a major shareholder holding more than 50% of the shares	Mr. Prapas Tangadulrat, a major shareholder of the Company, owns the 57.14% of the issued shares. As a result, such shareholder has the power to control the Company and influence the Company's decisions in almost any matter regarding the appointment of directors, or requesting a resolution on other matters requiring a majority of the shareholders' meeting, except for the matters required by law or articles of association of the Company. Require that at least three-four votes be received at the shareholders' meeting.	The Audit Committee has been appointed to investigate, in order to ensure transparency in the Company's operations and the Board of Directors structure consists of 4 independent directors (including the Chairman of the Board) from a total of 8 directors.

Business Sustainability



3. Business Sustainability

Corporate Social Responsibilities: CSR

Overview

The Company has focused on the business operation for the sustainable growth and has conducted the business in a good way to society with the good corporate governance principles and ethics. The Company has recognized the importance of responsibilities to stakeholders, economic, society and environment by defining the Corporate Social Responsibilities (“CSR”) according to the principles defined by the Stock Exchange of Thailand. The Company has employed the CSR principles as the guideline to define the operation process (CSR-In process) and to ensure that all employees are aware of and perform the duties under such policies effectively based on responsibility to society, environment and stakeholder as follows;



(1) Fair business practice

The Company has committed to conduct its business correctly, honestly, justly, transparently and has also disclosed the important information that can be checked. The Company will consider the benefits and impacts to shareholders, customer, suppliers, employees and stakeholders, including sharing the benefits properly and fairly. However, the Company has given the importance of complying with the laws as well as the international code of conduct by assigning directors, executives and employees to follow the laws, regulations without taking part in any accomplices, supports or any actions violating the related laws and regulations.

(2) Anti-corruption

The Company and its subsidiaries have had the intention and commitment to conduct its business with transparency, fairness, and responsibility for all stakeholders for a sustainable growth of the Company with the principles of a good corporate governance, ethics, code of conduct anti-corruption policy that can be verified.

Directors, executives and employees of the Company must strictly comply with the Company's anti-corruption policy, ethics and code of conduct to build confidence to stakeholders both inside and outside the organization to conduct the business together with honesty.

Moreover, the Company has provided the channel to receive any clues and complaints about the dishonest and non-transparent actions as well as any illegal actions against policies, rules and regulations of the Company.

(3) Human right protection

The Company has recognized that doing the business must respect the life and dignity of all people which is the foundation of human resources management and development as well as building human relationships in society. The Company has the guidelines to promote and encourage the compliance with the basic principles of human rights and equality without discrimination of race, nationality, religion, language, color, gender, age, education, social status or physical condition as well as taking care of employees to work in a safe and happy environment.

(4) Fair treatment of employee

The Company has recognized that importance of human resource development and fair treatment of employee are crucial factor to increase the business value and to strengthen the competitiveness and sustainable growth of the Company in the future.

The Company has defined the guideline for the employee's treatment. The Company's executives must treat its employees fairly without any biases to support the potential creation in progress, to enhance employee's productivity as well as to encourage employees to understand the Code of Conduct that employees must comply with. Therefore, the Company has defined the Employees Benefits appropriately to lighten the burden of the employees and to take care of the employees such as provident fund, treatment fee for outpatient, life insurance and group health insurance, annual check-up, financial support for sports and exercises as well

as financial assistance in various cases such as ordination, childbirth, death and so on.

Moreover, the Company has provided the support its employees to develop themselves all the time in order to increase the efficiency of the employees in all level. The Company always holds the training for the employees of the practical skills and English language skills to improve self-development and organization.

(5) Responsibility to consumers

The Company has defined the guideline for its employees to strictly follow when treating the customers as the code of conduct, taking care and being responsible to the customers in term of quality and service as its standard and regulations as follows;

- 5.1 Treat customers fairly in both products and services
- 5.2 Disclosure of information about the products and services accurately and completely
- 5.3 Keep confidential data and customer information
- 5.4 Educate the customers to develop the products and services
- 5.5 Provide more channel to receive complaint about products and services to comply with the Company's complaint policy.

(6) Responsibility for the environment

The Company has emphasized on the responsibilities for the society, community, environment for human life while today's society begins to realize the importance of environmental protection. Therefore, the Company has operated and seriously controlled the compliance with the laws relating to the environmental protection.

(7) Community or Social development

The Company has defined the guideline to follow or control the compliance with the related laws and regulations and has been responsible to the society as well as cooperated, assisted, supported and volunteered any activities that benefit the community and society. The Company has also strengthened the economy and rehabilitated the society and innovation.

(8) Innovation and Dissemination of Innovation

The Company has supported the innovation in the various fields, especially in the working process both within the organization and between organizations by emphasizing

on the creative innovation that creates the positive change in productivity and value-added for maximum benefit to society. So that, the Company counted an innovation publication as one of CSR by communicating and disseminating of innovation to the stakeholders directly and indirectly in various channels to ensure that this innovation information will be reached to the stakeholders. This policy can reinforce the user base to the Company's products. This will lead to the achievement of corporate social responsibility goals in driving the organization towards sustainability.

Activities for the benefit of society and the environment (CSR-After Process)

AppliCAD Public Company Limited has focused on corporate social responsibility (CSR), as well as the importance of creating society, environment, education and quality of life of the citizens. This is because the sustained growth of the Company is driven by quality people and a strong society. Therefore, there are regular social activities organized by the Company. The important activities that the company has organized and participated in 2020 are as follows:

Educational Social Activities

The Company has realized the importance of the development of children, youth and people in society, as well as believing that providing educational opportunities can open the door to better career opportunities and quality of life through the transfer of knowledge, expertise and development of 3D design skills along with comprehensive practical training for the sustainable education.

■ AppliCAD has offered the 3D Printer to Her Royal Highness Princess Maha Chakri Sirindhorn

according to her discretion and to support the teaching and learning of Chitralada School (vocational) – Chitralada Institute of Technology at Wang Sarapatum, Bangkok.



◀ ■ "Promote learning to create opportunity - create a career" Project

has provided people with disabilities with comprehensive 3D design skills and increase workforce capacity to work with CNC machines (Computer Numerical Controlled) in the industry by supporting the design software and arranging the training of usage course for the participants from the Pattaya Redemptorist Technology College, Chonburi Province.

■ Sign a Memorandum of Understanding on Academic Cooperation. ▶

The company has conducted academic cooperation, as well as promote teaching and learning management and continuously exchange professional experiences with educational institutions on 18 February 2020, a signing ceremony for academic cooperation in engineering with the Faculty of Industrial Technology was held at Lampang Rajabhat University.

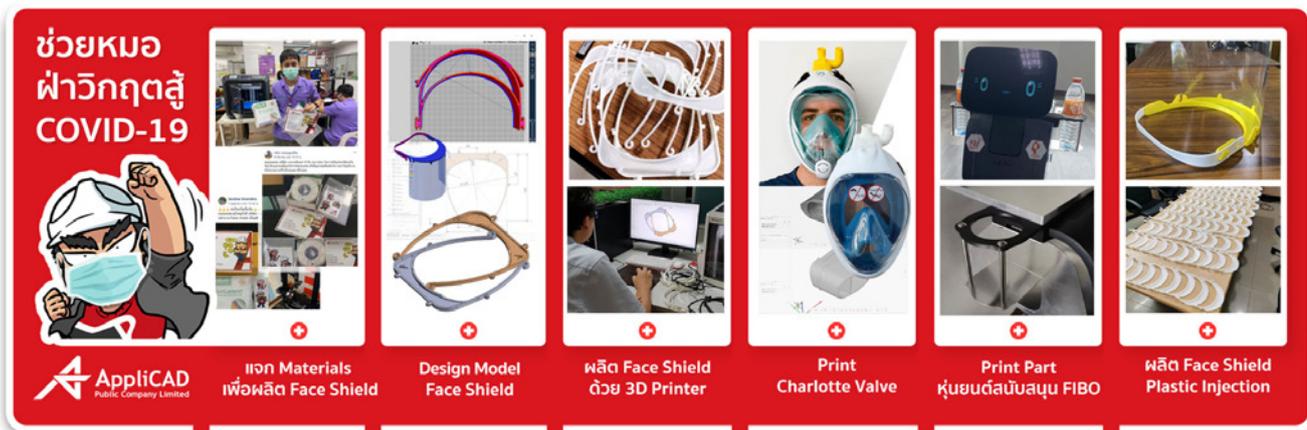


Social Activities for Promoting Quality of Life

The Company has aimed to enhance and promote the development of the quality of life of people in the community and society in order to have a good quality of life and stay safe from various dangers as a good foundation for building a strong and sustainable society.

■ Produce Face Shield with partners to deliver to the hospital. ►

The Company has collaborated with a network of 10 plastic industry partners under the project “Face Shield Plastic Injection” by using engineering resources and capabilities to design and produce face shield for the hospitals nationwide, as well as to support medical personnel in dealing with the coronavirus disease situation (COVID-19).



▲ ■ Help doctors to overcome the COVID-19 crisis.

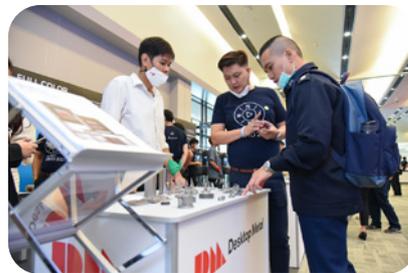
The Company has committed to use existing resources and technology, including 3D Printing and engineering capabilities to cooperate and support both public and private sectors to invent, design and manufacture such as Face Shield, Charlotte Valve, robotic part to support FFIBO, and etc. The Company has distributed the models and materials for face shield production for those with 3D printers to address the shortage of medical devices in the covid-19 crisis.

Social Activities on Innovation and Technology

The Company has strived to be a leader in technology consulting and product selection to promote the innovation in designing and manufacturing, as well as construction to meet the customers need in the digital society. In addition to selecting the best quality products, the Company has focused on innovation, technology and services, including information and learning resources to reduce inequality within society and create opportunities for sustainable development of people, economy and society.

■ **ApplicAD's SOLIDWORKS INNOVATION DAY** ▶

The seminar is held annually to present a comprehensive range of technology and innovations in industrial design and to unite people who are relevant to the industry for learning and exchanging experiences with each other, as well as update innovations and new design software technologies.



Why ArchiCAD?

- Born BIM
- Construction process alignment
- Detail drawing excellent
- Open BIM
 - IFC
 - Node export
 - Layer management
- Free BIMx

◀ ■ **ApplicAD THAIBIM CONFERENCE.**

The seminar is held annually to present a comprehensive range of technology and innovations in architectural design and construction, as well as to unite people who are related to the real estate industry. We also update software technology for architectural design and construction to raise Thai design process standards to the international level with BIM: Building Information Modeling.

■ **"PDPA Awards 2020"** ▶

With the Company's determination to develop its business for sustainable success, as well caring and accountable to customers, therefore, the Company received the "PDPA Compliance" award from the award announcement of "Preparation under the Personal Data Protection Act 2019 - PDPA Awards 2020" contest organized by the Securities and Exchange Commission together with the Office of the Personal Data Protection Committee Faculty of Law, Chulalongkorn University and Thailand Productivity Institute. The Company received the award at the Annual Conference 2020 of the Data Protection Officer - Chief Information Officer, DPO-CDOs Symposium 2020 on 22 December 2020.



4. Management Discussion and Analysis

4.1 Analysis of operations and financial status

4.1.1 Overview of the previous performance

The Company, the reseller of Mechanical solutions (MEC), Architecture Engineering & Construction (AEC) and 3D designing products (hardware); 3D printing, 3D scanner as well as other related services has been appointed by the world's leading product owners such as SOLIDWORKS from Dassault Systems SOLIDWORKS Corporation, ARCHICAD from Graphisoft SE, 3D Printer from Stratasys AP Limited and 3D scanner GOM from Gom GmbH. In order to provide the full service of 3D designing solutions, the Company has also provided the software training and prototyping service with the 3D printing. Moreover, the Company has also expanded into Indonesia under the name of PT. Indonesia AppliCAD by holding 67% of issued shares.

After all this time, the Company has focused on providing the best products and technologies to create the satisfaction for our customers by continuously searching for new products and services to expand their business. As a result, the Company has gained more trust from customers and product owners which are affected to the Company's performance. From 2018 to 2020, the Company had the total revenue as 738.96 million baht, 734.97 million baht and 658.11 million baht respectively. Meanwhile, net profit of the Company was 75.24 million baht in 2018, 57.63 million baht in 2019 and 44.98 million baht due to the recession of the construction sector and government investment, while the EEC project has been under the planning stages, as well as the spread of COVID-19 which has caused some projects to be postponed. However, there have been positive prospects in the government of vaccination is in the range of 1-2 that would take some time for the overall economic recovery.

4.1.2 Analysis of operating

1. Revenue

From 2018 to 2020, the Company had the total revenue as 738.96 million baht, 734.97 million baht and 658.11 million baht respectively, consisting of the revenue from selling products, services and others as following details;

Type of service	2018		2019		2020	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales revenue of product	477.85	64.67	441.68	60.09	365.43	55.53
Sales revenue of service	251.17	33.99	285.30	38.82	282.56	42.94
Other revenues	9.94	1.34	7.99	1.09	10.12	1.54
Total revenue	738.96	100.00	734.97	100.00	658.11	100.00

Sales Revenue

From 2018-2020, the Company had sales revenues of 477.85 million baht, 441.68 million baht and 365.43 million baht, respectively, representing a declining growth rate of 7.57% and 17.26% in 2019-2020. Sales of the Company consist of revenue from software sales and revenue from sales of 3D design products (hardware), the details are as follows

Type	2018		2019			2020		
	Million Baht	%	Million Baht	%	Growth (%)	Million Baht	%	Growth (%)
Sales revenue from software	319.34	66.83	287.40	65.07	(10.01)	278.20	76.10	(3.21)
Sales revenue from hardware	158.51	33.17	154.28	34.93	(2.66)	87.23	23.90	(43.46)
Total sales revenue	477.85	100.00	441.68	100.00	(7.57)	365.43	100.00	(17.26)

(1) Sales revenue from software

Sales revenue from software has been the main revenue of the Company calculated as the ratio of 60–80% of the total sales revenue. It could be separated into the mechanical design solutions as the ratio of 65% of sales revenue from software and architecture engineering & construction design solutions as the ratio of 35% of sales revenue from software. The Company had the sales revenue from software as 319.34 million baht in 2018 and decreased to 287.40 million baht in 2019 or 10.01% of the declining growth rate as the result of sales revenue growth of software in the mechanical design solutions of 10.67% in accordance with the growth of manufacturing sector shrinkage as 2.93% with the main factor of the expansion of manufacturing in export industries such as computer, component and automotive and so on. Meanwhile, the sales revenue from architecture engineering & construction design solutions increased only 0.69% from last year because of the impact of the recession in the domestic construction industry as 1.0% in 2017. Many customers has postponed the order of architecture engineering & construction design solutions. In 2018, the Company had the sales revenue from software as 287.40 million baht decreased by 10.01% from previous year. The sales revenue from software of mechanical design solutions decreased by 15.02%, declining almost at the same ratio of 2018 in accordance with the recession of manufacturing sector and automotive industry. Moreover, the sales revenue from software of architecture engineering & construction design solutions decreased by 1.21%

For 2020, the Company had the sales revenue from software as 278.20 million baht decreasing from the same period of last year by 3.21% with the declining sales revenue from software of mechanical design solutions of 5.14% and the sales revenue from software of architecture engineering & construction design solutions was similar to the previous year due to the recession in the industrial

production, especially in export production, which has been affected by the global economic recession and trading barriers along with the recession in the construction sector and government investments. However, EEC project has been in the planning stages and there have been concerns over COVID-19, causing operations in some projects to be postponed, but likely to be positive after the government of vaccination is in the range of 1-2 that would take some time for the overall economic recovery.

(2) Sales revenue from hardware

Sales revenue from 3D design products has mainly derived from 3D printing technologies, such as 3D printer for industrial use as well as related consumables. Products in this group are expensive, therefore the decision-making process might take time. In some cases, it is a high value project and the sales revenue of products in the group is very volatile. In 2018, the Company had the sales revenue from 3D design products as 158.51 million baht separated into sales revenue from 3D printer as 128.33 million baht and sales revenue from consumables as 30.18 million baht. In 2019, the Company had the sales revenue from 3D design products as 154.28 million baht separated into sales revenue from 3D printer as 121.92 million baht and sales revenue from consumables as 32.36 million baht. The sales revenue from 3D design products in 2019 reduced by 2.66% from 2018.

In 2020, the Company had the sales revenue from 3D design products as 87.23 million baht separated into the sales revenue from 3D printer as 56.43 baht and sales revenue from consumables as 30.89 million baht. The sales revenue from 3D design products decreased by 43.46% the same period of last year due to the recession in the construction sector and government investments. However, EEC project has been in the planning stages and spreading

of COVID-19, causing operations in some projects to be postponed.

Sales revenue from Services

The sales revenue from services has been calculated as 30-45% from the total of sales revenue of the Company. From 2018 to 2020, the Company had the sales revenue from services as 251.17 million baht, 285.30 million baht and 282.56 million baht respectively. The Company has the main service known as Subscription Service which is the software upgrade, or/and maintenance service of 3D printers as the Subscription Service package. This sales revenue will be gradually recognized throughout the period in the contract. Since 2017 onwards, the Company also has had the policy to focus on the Subscription Service customer of SOLIDWORKS, mainly because more than 80% of sales revenue from Subscription Service has derived from SOLIDWORKS. Therefore, the Company has set a team of Customer Service Engineering (CSE) to take care of new customers throughout the first-year period under the contract. As a result, the customers purchasing SOLIDWORKS in the first year have increasingly renewed the Subscription Service and also focus on the group of customers purchasing SOLIDWORKS and did not renew the Subscription Service. After focusing on this group, it could make our previous customers renew the service contract. From that policy, the Company has more the Subscription Service contracts which are still active as 3,073 contracts as at the end of 2018 and 3,121 contracts as at the end of 2019.

In 2020, the Company had the sales revenue from services as 282.56 million baht decreased by 0.96% from the same period of last year. At the end of 2020, the Company had the active Subscription Service of SOLIDWORKS as 3,298 contracts increased from the same period of last year which is 3,121 contracts.

Moreover, the Company has also provided other services to meet customer needs such as prototyping, low volume production, 3D design as the requirement from the customers (Customized Services) and training service. In 2018 to 2020, the Company had the sales revenue from other services as 64.39 million baht, 49.60 million baht and 41.78 million baht respectively. It could be calculated as the rate of 17.38 % and 14.79% of sales revenue from services. In 2020, the Company's revenue from training services decreased due to the effects of COVID-19, so that training cannot be held. However, in the middle of the year, there

has been the online services that could generate a certain level of revenue and to comply with the overall economic recession, the Company has focused on adding more value to our products and services such as the 3D design service, software development to meet the customers' needs and so on.

Other revenues

In 2018 to 2019, the Company had the other revenues as 9.94 million baht and 7.99 million baht or 1.34% and 1.09% from the total revenue. Other significant revenues were the shared commission and market funding from the product owners and the exchange gains. The Company has received the shared commission and market funding from the product owners as 5.29 million baht and 3.65 million baht. Moreover, the Company has also gained the exchange gains as 2.29 million baht and 1.58 million baht respectively. In 2020, the Company had the other revenues as 10.13 million baht or 1.54% from other significant revenues which are the shared commission and market funding from the product owners as 5.53 million baht and gain on sale of property 0.39 million baht.

2. Costs and expenses

The costs and expenses of the Company consist sales and service cost, distribution cost, administrative cost and financial cost. From 2018 to 2020, the Company had the total costs and expenses of 644.00 million baht, 662.77 million baht million baht and 601.05 million baht respectively which could be calculated as 87.15% and 90.18% of the total revenue as the following details;

Costs and expenses	2018		2019		2020	
	Million baht	%	Million baht	%	Million baht	%
sales and service cost	377.27	58.58	380.30	57.38	338.05	56.24
distribution cost	160.44	24.91	176.31	26.60	162.47	27.03
administrative cost	106.00	16.46	106.16	16.02	100.18	16.67
financial cost	0.29	0.05	0.00	0.00	0.35	0.06
total costs and expenses	644.00	100.00	662.77	100.00	601.05	100.00
% per total revenues		87.15		90.18		91.33

Cost of sales and service and gross profit

The cost of sales and service is the main expense of the Company. From 2018 to 2020, the Company had the cost of sales and service as 377.27 million baht, 380.30 million baht and 338.05 million baht which could be calculated as 58.58%, 57.38% and 56.24% of the total costs and expenses of 2018 to 2020. If comparing the costs and expenses of 2018 to 2020, the Company had such revenues calculated as 51.75%, 52.31% and 52.17% of revenue from sale and service respectively and it could be calculated as the gross profit of 48.25%, 47.69% and 47.89%. However, the cost of sales and service could be classified into 3 groups which are cost of software, cost of 3D design and cost of service as follows:

1. Cost of software

From 2018 to 2019, the Company had the cost of software as 171.48 million baht and 156.86 million baht which could be calculated as the gross profit of 46.30% and 47.69%. As a result, the gross profit margin of software in 2019 increased from 2018 due to the increasing of the share of software sales, as well as the recovery of the construction industry and launching new product known as THAIBIM made the sales and gross profit of AEC software better. In 2020, the Company had the cost of software as 151.20 million baht calculated as the gross profit margin of 45.65% which was similar to the gross profit margin of 2019. In terms of construction revenue, it has declined due to COVID-19, causing construction projects to slow down their investment,

which has been expected to recover when the situation returns to normal.

2. Cost of hardware

From 2018 to 2019, the Company had the cost of 3D design products as 98.28 million baht and 102.48 million baht calculated as the gross profit of 38.00% and 33.57% respectively. It has showed that the cost of 3D design products is quite volatile because the Company has begun to expand the business to the government and educational institutions, therefore, the price competition strategy has been used to build a customer base and expand the market for customers in this group. In addition, in 2018, the Company has organized the products to the large project for government and educational institutions which was the distribution of the Company's products alongside other products that the Company is not a reseller to make the cost of the product increase.

In 2020, the Company had the cost of selling 3D design products of 55.14 million baht calculated the gross margin of 36.80% increasing from the gross margin in 2019, which was 33.57% due to 3D printer sales incurred in 2020, mainly as sales to business partner customers, with lower margins than sales to general customers. Since the Company has been selling 3D design products (hardware) with the size required by customers; small, medium, large and

looking for new 3D (hardware) products.

3. Cost of service

The Company had the cost of service as 107.51 million baht in 2018, 120.96 million baht in 2019 calculated as 57.20% and 57.600% of gross margin respectively. Significant service costs included Subscription Service cost, which has been the cost stipulated by the Company to pay to the owner of the product accounted for 68.97%, 67.55% and 68.88% of service costs from 2018-2020 respectively. In addition, the other significant service cost has been the cost paid to technical staff, which is the job of providing service to customers both before sale and after sales. Such cost for technical staff has accounted for 14.31% and 14.27% of service cost from 2018 to 2019, respectively.

In 2020, the Company had the service cost of 131.72 million baht or 53.38% of gross margin decreased by 4.22% comparing to the gross margin in 2019, due to the adjustment of Subscription Service cost by approximately 2-3% and the Company had the lower training service revenue as the spread of COVID-19 that cannot hold the training alongside the employee expenses accounted for 68.68% and 14.87% of service costs, respectively.

Gross profit and margin

From the mentioned above cost impact in 2018 to 2019, the Company had the gross profit as 357.75 million baht and 346.69 million baht calculated as 48.25% and 47.69% respectively of gross margin. The reason that margins have decreased during 2018 to 2019 is because of the decrease of gross margin from software sales while the cost of some main software has been increased, as well as the software with a lower gross margin that the Company is not a dealer, had the growing proportion, including 3D printer sales made in 2019, mainly sold to business partner customers, which have lower margins than sales to regular customers, resulting the Company had the lower gross margin. In 2020, the Company had the gross profit as 309.94 million baht calculated as the gross margin of 47.83% which is similar to the gross margin in 2019.

Cost of distribution

The Company had the cost of distribution of 160.40 million baht in 2018, 176.31 million baht in 2019 and 162.47 million baht in 2020 calculated as 21.71%, 23.99% and 24.69% of sales and service revenue, respectively. The

proportion has been consistently decreasing due to the increase of the Company's revenue every year, while the cost of distribution is largely non-volatile based on income, such as salesperson salary, marketing expenses and travel expenses, etc. Significant distribution costs of the Company have included the employee expenses and marketing expenses as follows:

The employee expenses which mostly is the compensation paid to salesperson as a monthly salary, commission and remuneration based on the sales performance. In 2018, the Company had the employee expenses of 123.25 million baht and 129.77 million baht in 2019 calculated as 76.82% and 57.60% of the total cost of sales in 2018 to 2019, respectively.

The marketing expenses have included the costs of public relations and promotion involved in annual events and seminars such as SOLIDWORKS Innovation Day, Metalex and ARCHICAD THAI BIM Conference, as well as online marketing such as Facebook and Google, including the souvenir expenses and reward for customers. In 2018 to 2019, the marketing expenses had the amount of 15.51 million baht and 18.02 million baht, respectively calculated as 9.67% and 10.22% of total distribution costs.

In 2020, the Company had the cost of distribution of 162.47 million baht or 22.68% of sales and service revenue. The significant distribution costs have included the employee expenses of 125.08 million baht and marketing expenses of 13.08 million baht calculated as 76.99% and 8.05% of distribution costs, respectively.

Cost of administration

From 2018 to 2019, the Company had the administrative cost of 106.00 million baht and 106.16 million baht calculated as 14.34% and 14.44% of total revenue, respectively. It can be seen that the Company has tightened control over administrative expenses. As a result, the proportion of administrative expenses of the Company has been steadily decreasing.

The significant administrative expenses have been the expenses associated with the executives and employees such as salary, bonus and other welfares which can be calculated as 65.85% and 67.76% of administrative expenses from 2018 to 2019 respectively and the expenses related to office buildings such as rental, utility, depreciation, etc., accounted for 14.07% and 13.13% of administrative expenses in 2018 to 2019 respectively. The expenses for the office have decreased since 2017 due to the investment of

the Company by purchasing land and building which is the office of the Company in June 2016 instead of rental, resulting in the decrease of rental of the Company. In addition, the Company had the professional fees such as audit fees, internal auditor fees and consultation fees accounted for 4.40%, 5.40% and 6.82% of administrative expenses in 2018 to 2020 respectively. In addition to the above costs, other administrative expenses have been the consumables, bank fees and travel expenses, etc.

In 2020, the administrative expenses of the Company amounted to 100.18 million baht or 15.23% of total revenue, with the significant administrative expenses such as administrative expenses and employees of 67.25 million baht or 67.13% and office expenses amounted to 14.66 million baht or 13.26% of administrative expenses respectively.

Financial expenses

The Company had the financial expenses of 0.29 million baht in 2018 and 0.01 million baht in 2019, arose from bank overdrafts and short-term loans from financial institutions and 0.35 million baht in 2020 which was current limits for use in the Company's business operations.

3. Net profit

From the Company's operation above, from 2018 to 2020, the Company had the net profit of 75.24 million baht, 57.63 million baht and 44.98 million baht respectively, representing a net profit margin of 10.18 %, 7.84% and 6.83% respectively. The reason was that

the rate of increase in net profit in 2018 as a result of the revenue from sales and services of the Company increased, while the cost of distribution and the cost of administration have been largely fixed expenses that did not vary according to revenue resulting in economies of scale and in the increase of the Company's net profit rather than any year.

In 2020, the Company had more effectiveness in administration cost, decrease of marketing activity expense because of the measures to cure and reduce the effects of COVID-19 from the government employed by the Company such as remittance of Social Security Contribution, temporary suspension of delivery of provident funds of employer and the record of research and development expenses as intangible assets during development of 3.35 million baht, resulting in a decrease of 7.85% and 5.64% of distribution and administrative expenses compared to the previous year. As a result, in 2020, the Company has been able to generate a net profit of 44.98 million baht or profit margin of 6.83%.

Return on equity

When considering the return on equity, it is evident that the rate of return on equity adjusted in line with the growth rate of net profit. The Company had the return on equity of 115.89% in 2018, 27.69% in 2019, and 13.54% in 2020. Moreover, the Company has continuously paid dividend to shareholders as 67.02 million baht in 2018, the interim dividend payment on net profit for the year ended 31 December 2019 amounted to 28 million baht in 2020.

4.3.1 Financial Position

1. Asset

At the end of 2018 to 2020, the Company had total assets of 379.39 million baht, 615.45 million baht and 660.44 million baht respectively. The significant assets of the Company included trade receivables, prepaid service costs, inventories, land and plant and equipment. At the end of 2018, the proportion of such significant assets per total assets was 18.77%, 16.56%, 7.41% and 19.90% respectively. In 2019, the proportion of such significant assets per asset was 8.83%, 10.50%, 4.22% and 14.56% respectively. And in 2020, the proportion of such significant assets per asset was 9.45%, 10.98%, 5.67% and 14.03% respectively.

Total assets have increased by 44.99 million baht or 7.31% compared to 31 December 2019 due to the increase in cash and cash equivalents by 8.67 million baht or 2.4%, trade and other receivables have increased by 6.20 million baht, account receivable - prepaid service costs have increased by 7.96 million baht or 12.32%, inventories have increased 10.23 million baht or 43.4%, property, plant and equipment for investment have increased 3.01 million baht or 3.35% of assets, intangible during development - net has increased 2.77 million baht or 108.11%. As details of the Company's important assets can be summarized as follows:

Account Receivables

The Company had the account receivables before deducting the allowance for doubtful accounts of 71.19 million baht at the end of 2018, 54.37 million baht at the end of 2019 and 62.44 million baht at the end of 2020, accounted for 18.77%, 8.84% and 9.45% respectively of the total assets. The Company has the credit term policy from 30 to 60 days. At the end of 2018 to 2020, the Company had the period of debt collection averaged to 34.71 days, 31.09 days and 32.26 days respectively.

Overdue period	As of 31 Dec 2018		As of 31 Dec 2019		As of 31 Dec 2020	
	Million baht	%	Million baht	%	Million baht	%
Not due	47.86	67.23	44.26	81.41	46.57	74.58
Overdue						
Not over 3 months	22.16	31.12	8.24	15.16	15.23	24.39
3 - 6 months	0.86	1.20	1.87	3.44	0.32	0.51
6 - 12 months	0.32	0.45	-	-	0.11	0.18
More than 12 months	-	-	-	-	0.21	0.34
Total account receivables	71.19	100.00	54.37	100.00	62.44	100.00
Deduction: allowance for doubtful accounts	(0.32)		(0.20)		(1.83)	
Account receivables - Net	70.87		54.17		60.61	

From the above table, it is evident that most of account receivables of the Company was not due and overdue not over 3 months. At the end of 2018 to 2020, the Company had the receivables who were not overdue accounted to 67.23%, 81.41% and 74.58% respectively of the total account receivables before the deduction of allowance for doubtful accounts and the receivables who were overdue not over 3 months accounted to 31.12%, 15.16% and 24.39% respectively of the total account receivables before the deduction of allowance for doubtful accounts. Most of receivables who were overdue not over 3 months because the Company could not collect the money as during the waiting for the period of billing and payment of the customers. Moreover, the receivables overdue for more than 3 months accounted for 1.65%, 3.44% and 1.03% of total trade accounts receivable before allowance for doubtful accounts at the end of 2018 to 2020 which are the receivables during the negotiations and track for settle outstanding debts. So that, from 2018 to 2019, the Company amortized bad debts for receivables owed more than 1 year as the amount of 0.36 million baht and 0.20 million baht and in 2020, the Company had no amortization of bad debts. The provision for the total allowance for doubtful debts was in accordance with the Financial Reporting Standard No.9 on Financial Instruments.

For policy to reserve allowances for doubtful accounts, the Company has considered from the experience of collecting debts and the age of outstanding debt of each receivable by considering setting up 50% allowances for doubtful accounts for the account receivables who are over 6 months and will consider setting up allowance for doubtful accounts of 50% for the remaining amount if the receivables are owed more than 12 months. From 2018 to 2020, the Company has set the allowance for doubtful accounts in the amount of 0.32 million baht, 0.20 million baht and 1.83 million baht, respectively.

Prepaid service cost

Prepaid service cost is the cost of Subscription Service that the Company shall pay to the product owners and is pending amortization of the period of the service contract which is mostly a one-year contract. As of the end of 2018 to 2020, the Company had the prepaid service cost of 62.81 million baht, 64.59 million baht and 72.55 million baht, respectively accounted to 16.56%, 10.50% and 10.98% of total assets, respectively. Prepaid service costs will be increased according to the number of Subscription Service contracts under service.

Inventor

	As of 31 Dec 2018		As of 31 Dec 2019		As of 31 Dec 2020	
	Million baht	%	Million baht	%	Million baht	%
Finished goods	14.72	52.38	11.05	42.53	10.90	29.07
Spare parts and consumables	8.24	29.33	10.45	40.22	18.59	49.59
Raw materials	0.68	2.41	1.50	5.77	1.59	4.24
Work in Process	0.30	1.08	0.10	0.38	0.68	1.82
Goods in transit	4.16	14.81	2.88	11.09	5.73	15.28
Total inventories	28.11	100.00	25.98	100.00	37.49	100.00
Deduction: allowance for inventory impairment	(1.57)	(5.58)	(2.45)	(9.43)	(3.71)	(9.90)
Inventories - net	26.54		23.53		33.78	

Inventories of the Company include finished goods which mostly are the software, machinery and equipment pending to be installed and delivered to customers. The Company has no software stocking policy because the purchase of software from the product owner has a short Lead Time. In the 3D printer section, which is directly appointed as a dealer from the product owner, the Company will only order and import from overseas manufacturers when receiving orders from customers only. Therefore, the Company has only the remaining items in the spare parts and consumables with the allowance for decline in value of inventory that is reserved to serve customers who purchase 3D printers with the order every month based on the minimum stock as defined.

As of the end of 2018 to 2020, the Company had inventories before deducting allowance for decline in value of inventory of 28.11 million baht, 25.98 million baht and 37.49 million baht, respectively. As of the end of 2020, the inventories have significantly increased from the previous year because the Company had 3D design products, which are high-value machines waiting to be delivered to government and educational institution customers. In addition, the Company has ordered and paid a deposit on 3D design products (hardware) as of the end of 2020 to effectively manage distribution costs and deliver them to customers in the following year.

In addition, the Company has the policy to consider the settle of allowance for decline in value of inventory of spare parts and consumables based on the useful life of each product category. As of the end of 2018 to 2020, the

Company had inventory of spare parts and consumables as the amount of 8.24 million baht, 10.45 million baht and 18.59 million baht, respectively. As a result, in 2018, the Company had the allowance for decline in value of inventory as the amount of 1.57 million baht accounted to 5.58% of the total value of inventories. In 2019, the Company had the allowance for decline in value of inventory as the amount of 2.45 million baht accounted to 9.43% of the total value of inventories. Therefore, the Company had the increase in the allowance for decline in value of inventory by 0.88 million baht, resulting from the slow moving of parts and consumables.

In 2020, the Company increased the allowance for decline in value of inventory by 1.26 million baht which affected the amount of allowance for decline in value of inventory at the end of 2020 as 3.71 million baht accounted to 9.90% of the total value of inventories. As a result, as of the end of 2020, the allowance for decline in value of inventory increased at the similar rate to the previous year due to slow-moving spare parts and supplies. In addition, the Company has increased its online distribution channels and E-Market system, resulting in additional stock to meet the needs of customers. As a result, there has been an increase in the allowance for decline in value of inventory.

Property, plant and equipment

The Company had the net value of property, plant and equipment of 75.50 million baht as at the end of 2018, 89.64 million baht as at the end of 2019 and 92.44 million baht as at the end of 2020 accounted to 19.90%, 14.56%

and 14.03% respectively of the total assets.

In 2018, the Company has invested in buying property and office building from the lessor as the amount of 27.32 million baht and has invested in construction, decoration and buying office equipment as the amount of 5.30 million baht. In addition, the Company has also invested in machine for manufacturing service of parts and equipment for the demonstration to customers and additional on vehicle as the amount of 0.78 million baht, while the amortization of office equipment and equipment had the net book value of 0.15 million baht and the depreciation was 10.00 million baht, resulting as of the end of 2018, the Company had the net value of property, plant and equipment of 75.50 million baht. As at the end of 2019, the Company had the net value of property, plant and equipment of 89.64 million baht by investing in machinery for production of workpieces and equipment used in the demonstration as 14.30 million baht, investment in the building renovation and purchase of office equipment as 15.39 million baht, while the amortization of office equipment and equipment had the net book value of 9.00 million baht and the depreciation was 12.27 million baht.

In 2020, the Company had the net value of property, plant and equipment of 92.44 million baht by investing in machinery for production of workpieces and equipment used in the demonstration as 8.68 million baht, investment in the building renovation and purchase of office equipment as 8.41 million baht, while the amortization of office equipment and equipment had the net book value of 7.70 million baht and the depreciation was 13.67 million baht.

4.3.2 Liquidity

Cash Flow

(unit : million baht)	2018	2019	2020
Net cash from (used in) operating activities	135.58	86.38	60.09
Net cash from (used in) investing activities	(30.05)	(26.59)	(19.72)
Net cash from (used in) financing activities	(38.77)	178.35	(31.46)
Cash and cash equivalents increase (decrease) in net	66.56	238.59	8.67

The Company had the net cash flow from the operation activities as the amount of 135.58 million baht in 2018 with pre-tax profit of 94.96 million baht and the decrease in inventories as 12.66 million baht, account receivables and other current receivables increased 25.27 million baht. Meanwhile the Company had account receivables and other current receivables increased 25.83 million baht. From 2019 to 2020, the Company had pre-tax profit of 72.20 million baht and 57.70 million baht, respectively and the decrease in inventories as 2.11 million baht in 2019 and the increase in inventories as 11.49 million baht in 2020.

In 2020, the Company had the trade and other current payables decreased by 5.71 million baht and increased by 16.96 million baht as the Company ordered and paid the deposits on 3D design products (hardware) at the end of 2020 to manage distribution costs efficiently and deliver them to customers in 2021. While there was the increase in trade and other receivables of 4.57 million baht and 15.21 million baht, resulting in the cash from operation activities of the Company of 86.38 million baht in 2019 and 60.09 million baht in 2020.

In 2018, the Company had the cash flow used in investing activities as the amount of 30.05 million baht. In 2018, the Company has invested in buying more ordinary shares of Rabbit Prototype Co., Ltd. from the existing shareholders as the amount of 0.86 million baht, resulting in the increase the Company's stake in Rabbit Prototype Co., Ltd. to 99.99% of the total number of issued shares, as well as the investment in property, plant, equipment and intangible assets as the amount of 34.90 million baht. Meanwhile, the Company had cash received from the asset disposal of 0.10 million baht. In addition, the Company also had cash received from repayment of loan to related parties of 3.17 million baht and interest of 2.46 million baht. In 2018, the Company had the net cash flow used in financing activities as the amount of 38.78 million baht, the cash received from payment for new ordinary shares as the amount of 46.80 million baht while the repayment of long-term loan

from financial institution and finance lease with interest were 18.55 million baht and the dividend payment of 67.02 million baht. Therefore, the Company had cash flow used in financing activities as the amount of 38.77 million baht.

In 2019, the Company had the net cash from operating activities as the amount of 86.38 million baht with the pre-tax profit of 72.20 million baht, with the decrease of trade payables and other current payables as the amount of 5.71 million baht while the increase of account receivables and other current receivables as the amount of 4.57 million baht and the inventory decreased as the amount of 2.11 million baht. Moreover, the Company has invested in plant, equipment and intangible assets as the amount of 31.05 million baht and the cash received from the disposal of office equipment and other equipment of 3.80 million baht. The cash flow used in investing activities amounted to 26.59 billion baht, with net cash used in financing activities amounted to 8.38 million baht due to the repayment of loan and related interest of 0.74 million baht and paid the dividend of 24.84 million baht and the IPO of 40 million baht to the public.

In 2020, the Company had the net cash from operating activities as the amount of 60.09 million baht with the pre-tax profit of 57.70 million baht, the increase in trade payables and other current payables of 16.96 million baht and the inventory increased as the amount of 11.49 million baht because the Company has ordered and paid a deposit on 3D design products (hardware) at the end of 2020 to effectively manage distribution costs and deliver them to customers in the following year. Moreover, the Company has invested in plant and equipment as the amount of 17.09 million baht and intangible assets during development increased as the amount of 3.59 million baht. The Company has paid the liabilities under financial leases of 3.12 million baht and the interest payments on short-term loans for the Company's turnover of 0.34 million baht. The interim dividend payment from net profit for the year ended 31 December 2019 as the amount of 28 million baht.

Current Ratio

The Company's current ratio from 2018 to 2020 was 1.09 times, 1.99 times and 1.94 times, respectively, and a quick ratio of 0.75 times, 1.64 times and 1.55 times, respectively. The current ratio to the quick ratio varied since the Company had the proportion of the cost of inventories and prepaid services cost to the current assets accounted for 30.67 %, 17.34 % and 19.64%.

From 2018 to 2020, the Company had cash cycle of 20.95 days and 21.24 days due to the average collection period decreased to 34.71 days and 31.09 days and while the average repayment period to 46.63 days and 35.46 days.

In 2020, the Company had cash cycle of 22.09 days, the average debt collection period of 32.26 days, the average sales period of 33.80 days and the average repayment period of 43.97 days.

	2018	2019	2020
Current ratio (times)	1.09	1.99	1.94
Quick ratio (times)	0.75	1.64	1.55
Average collection period (days)	34.71	31.09	32.26
Average sales period (days)	32.86	25.61	33.80
Average repayment period (days)	46.63	35.46	43.97
Cash Cycle (days)	20.95	21.24	22.09

3. Sources of funding

Liabilities

As at the end of 2018 to 2020, the Company had total liabilities of 286.54 million baht and 292.02 million baht and 278.53 million baht, respectively. Liabilities mainly were from accounts payable and other payables and unearned revenue which is liabilities arising from business operations. The Company had account payables and other current payables of 94.21 million baht as at the end of 2018, 78.57 million baht as at the end of 2019 and 94.59 million baht as at the end of 2020 and unearned income arising from Subscription Service that will be recognized the revenue during contract of 165.52 million baht as at the end of 2018, 175.42 million baht as at the end of 2019 and 176.25 million baht as at the end of 2020.

In this regard, if considering the liabilities from financial institutions including loans from financial institutions and financial lease liabilities, from 2018 to 2020, the Company had no liabilities from financial institutions for both loans from financial institutions and financial lease liabilities. In 2020, the Company had short-term loans for use as working capital of the business and no liabilities from financial institutions, as well as no financial lease liabilities by gradually paying according to the terms of the contract as 3.12 million baht and interest of 0.34 million baht. The interim dividend payment from net profit for the year ended 31 December 2019 as the amount of 28 million baht.

Shareholder

For shareholders as at the end of 2018 amounted to 92.86 million baht, increased from as at the end of 2017 amounted to 53.95 million baht due to the Company's capital increase of 46.80 million baht. As a result, the Company had issued and paid-up capital increased from 36 million baht to 82.80 million baht by issuing 468,000 new issued ordinary shares with a par value of 100 baht, as well as cumulative profit increased from operating results in 2018 of 75.24 million baht and paid dividend of 67.02 million baht. The Company has paid the interim dividend payment from the net profit of the Company's as at the end of 31 December 2019 as the amount of 28 million baht. For the shareholders' equity was 323.43 million baht or 52.55% from the proportion of total assets. Shareholders' equity as of 31 December 2020, the Company had shareholders' equity of 340.16 million baht, increased as the amount of 16.73 million baht or 51.50% from the total assets. Shareholders' equity has increased from the net profit of the parent company of 44.99 million baht.

Appropriateness of the capital structure

The Company had a debt-to-equity ratio of 3.09 times as at the end of 2018, 0.90 times as at the end of 2019 and 0.94 times as at the end of 2020 since most of the Company's liabilities are operating liabilities such as account payables and account payables received in advance. When considering, the debt with interest to equity ratio was 0.01% as at the end of 2018. As of the end of 2019 and 2020, the Company had no debt with interest because the debt-to-equity ratio has continued to decline as the increase in equity as described in the equity section.

4.2 Important financial information

4.2.1 The summary of Independent Auditor's Report

(a) The Financial Statement of 2018 (revised version) has been audited by Mr. Jadesada Hungsapruet as certified public accountant No. 3759 from Karin Audit Company Limited.

The auditor has audited the financial statements of Applicad Public Company Limited and its subsidiaries which comprise the consolidated and separate statements of financial position as at 31 December 2018, and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. The auditor has provided the opinion that the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2018, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(b) The Financial Statement of 2019 has been audited by Mr. Jadesada Hungsapruet as certified public accountant No. 3759 from Karin Audit Company Limited.

The auditor has audited the financial statements of Applicad Public Company Limited and its subsidiaries which comprise the consolidated and separate statements of financial position as at 31 December 2019, and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. The auditor has provided the opinion that the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

(c) The Financial Statement of 2020 has been audited by Mrs. Sumana Senivongse as certified public accountant No. 5897 from Karin Audit Company Limited.

The auditor has audited the financial statements of Applicad Public Company Limited and its subsidiaries which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. The auditor has provided the opinion that the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

4.2.2 Summary of financial position and performance

1. Separate financial statements

Financial Position	Separate financial statements					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million baht	%	Million baht	%	Million baht	%
ASSETS						
<i>Current assets</i>						
Cash and cash equivalents	111.11	29.85	340.57	56.75	349.98	54.24
Trade and current receivable	75.92	20.38	58.17	9.69	64.10	9.93
Other receivables-prepaid service costs	61.07	16.39	63.32	10.55	71.23	11.04
Short-term loans	10.82	2.90	12.87	2.15	15.43	2.39
Inventories	23.46	6.30	20.48	3.41	29.02	4.50
Other current assets	1.90	0.51	0.26	0.04	0.66	0.10
Total current assets	284.28	76.60	495.68	82.59	530.42	82.20
<i>Non-current assets</i>						
Investments in subsidiaries	6.12	1.64	6.12	1.02	6.12	0.95
Property, plant and equipment	67.00	17.98	78.04	13.00	81.70	12.66
Right of use assets					1.81	0.28
Intangible assets	1.81	0.49	2.53	0.42	5.31	0.82
Deferred tax assets	12.75	3.42	17.34	2.89	19.42	3.01
Other non-current assets	0.59	0.16	0.44	0.07	0.54	0.08
Total non-current assets	88.28	23.70	104.47	17.41	114.90	17.80
Total assets	372.56	100.00	600.15	100.00	645.32	100.00
Liabilities and shareholders' equity						
<i>Current liabilities</i>						
Overdrafts and short-term loans from financial institutions	-	-	-	-	-	-
Trade and current payables	89.49	24.02	71.06	11.84	85.71	13.28
Other payables-uneared revenues	161.38	43.32	172.06	28.67	172.62	26.75
Lease liabilities due within one year					1.46	0.23
Income tax payable	6.06	1.63	1.02	0.17	3.86	0.60
Long term liabilities due within one year	0.73	0.20	-	-	-	-
Current provisions for employee benefits	0.25	0.07	0.31	0.05	1.58	0.24
Other current financial liabilities	-	-	-	-	-	-
Total current liabilities	257.91	69.23	244.44	40.73	265.23	41.10

<i>Non-current liabilities</i>						
Long-term loans from financial institutions	-	-	-	-	-	-
Lease liabilities					0.40	0.06
Non-current provisions for employee benefits	16.22	4.35	31.11	5.18	33.09	5.13
Decommissioning funds obligations	-	-	-	-	-	-
Other non-current financial liabilities	-	-	-	-	-	-
Total non-current liabilities	16.22	4.35	31.11	5.18	33.49	5.19
Total liabilities	274.13	73.58	275.55	45.91	298.72	46.29

Financial Position	Separate financial statements					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million baht	%	Million baht	%	Million baht	%
<u>Shareholders' equity</u>						
Share capital						
Registered capital	82.80	22.22	140.00	23.33	140.00	21.69
Surplus (low) value of ordinary shares	-	-	146.73	24.45	146.73	22.74
Issued and paid share capital	82.80	22.22	140.00	23.33	140.00	21.69
Retained earnings						
Appropriated-Legal reserve	5.80	1.56	8.44	1.41	10.94	1.70
Unappropriated	9.83	2.64	29.43	4.90	48.93	7.58
Total shareholders' equity	98.43	26.42	324.59	54.09	346.60	53.71
Total liabilities and shareholders' equity	372.56	100.00	600.15	100.00	645.32	100.00

Financial Position	Separate financial statements					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million baht	%	Million baht	%	Million baht	%
<u>Revenue</u>						
Revenue from sales	452.74	65.69	406.27	60.95	340.39	56.64
Revenue from service	226.31	32.83	250.82	37.63	246.60	41.04
Other revenues	10.21	1.48	9.46	1.42	13.96	2.32
Total revenue	689.26	100.00	666.55	100.00	600.95	100.00
<u>Cost and Expense</u>						
Cost of sales	257.39	37.34	242.95	36.45	194.55	32.37
Cost of service	99.08	14.38	108.86	16.33	109.88	18.29
Cost of distribution	145.73	21.14	156.80	23.52	149.52	24.88
Administrative expense	89.00	12.91	90.30	13.55	84.79	14.11
Total expense	591.21	85.77	598.91	89.85	538.74	89.65
Profit (Loss) before financing expenses and income taxes	98.05	14.23	67.63	10.15	62.21	10.35

Financial cost	0.26	0.04	0.01	0.00	0.19	0.03
Profit (loss) before income tax	97.79	14.19	67.63	10.15	62.02	10.32
Income tax	19.92	2.89	14.68	2.20	12.02	2.00
Net profit (loss)	77.86	11.30	52.94	7.94	50.00	8.32
Other comprehensive income						
Profit (loss) on revaluation of employee benefits	-	-	-	-	-	-
Exchange rate difference	-	-	-	-	-	-
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income	77.86	11.30	47.08	7.06	50.00	8.32
Earnings per share (Fully Diluted) (baht)	0.47		0.19		0.18	
Earnings per share (Weighted Average) (baht)	1.04		0.26		0.18	
Par value (baht)	0.50		0.50		0.50	

Cash flow statement (Unit: million baht)	Separate financial statements		
	2018	2019	2020
<u>Cash flows from operating activities</u>			
Profit (loss) before income tax for the year	97.79	67.63	62.02
<i>Adjustment of profit (loss) on cash received (paid)</i>			
Financial cost	0.26	0.01	0.18
Trade and other current receivables	(24.92)	(6.42)	(19.07)
Inventories	13.84	2.12	(9.83)
Other assets	14.51	(1.78)	(0.50)
Trade and other current account payables	24.66	(7.72)	15.32
Other liabilities	(2.07)	-	-
Depreciation, Depletion and Amortization	7.76	10.07	13.34
Provision liabilities (Reverse)	3.60	7.87	3.96
Unrealized Loss (Gain) on exchange rate	(0.16)	0.05	0.01
Bad debts and allowance for doubtful accounts (Reverse)	0.15	1.86	1.87
Loss from product revaluation (Reverse)	(0.56)	0.86	1.29
Loss (Gain) from sales of non-current assets	(0.03)	(1.29)	(1.06)
Cash generated from investments or loans	1.67	(0.43)	(0.08)
Net cash flows derived from (used in) operating activities	136.49	72.83	67.45
Interest expense			-
Income tax paid out	2.69	(1.41)	(11.26)
Cash received (paid) from other activities - Provision for employee benefits	(0.37)	(0.24)	(0.72)

Net cash provided from (used in) operating activities	138.81	71.17	55.47
<u>Cash flows from investing activities</u>			
Cash received from sales of subsidiaries	-	0.43	-
Cash paid for purchase of subsidiaries	(0.86)	-	-
Cash received from sale of property, plant and equipment	0.10	3.49	1.37
Cash paid for purchase of property, plant and equipment	(32.71)	(22.70)	(14.65)
Cash received from sales of intangible assets	-	0.02	-
Cash paid for purchase of intangible assets	(1.25)	(1.35)	(3.55)
Advance payments and loans to other persons or related parties	(2.60)	(3.07)	(5.00)
Cash received from advance payment and loans to other persons or related parties	3.12	2.49	5.11
Interest income	1.45	0.63	0.83
Loss from impairment of investments in subsidiaries	-	-	-
Net cash flows provided from (used in) investing activities	(32.75)	(20.06)	(15.89)
<u>Cash flows from financing activities</u>			
Cash received from issue of ordinary share	46.80	203.93	-
Cash received from loans	-	-	-
Cash paid for loans	(17.38)	-	-
Cash paid for repayment finance lease payable	(0.04)	(0.73)	(1.98)
Dividend	(67.02)	(24.84)	(28.00)
Interest expense	(0.26)	(0.01)	(0.19)
Net cash flows provided from (used in) financing activities	(37.90)	178.35	(30.17)
Cash and cash equivalents increase (decrease) - net	68.17	229.46	9.41
Cash and cash equivalents - beginning balance	42.94	111.11	340.57
Cash and cash equivalents - ending balance	111.11	340.57	349.98

2. Consolidate financial statements

Financial Position	Consolidated financial statements					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million baht	%	Million baht	%	Million baht	%
<u>ASSETS</u>						
<i>Current assets</i>						
Cash and cash equivalents	115.08	30.33	353.67	57.47	362.33	54.86
Cash and cash equivalents	84.79	22.35	65.98	10.72	70.10	10.61
Trade and current receivable	62.81	16.56	64.59	10.50	72.55	10.99
Other receivables-prepaid service costs	-	-	0.00	0.00	-	-
Short-term loans	26.54	7.00	23.54	3.83	33.78	5.12
Income tax assets of the current period					2.00	0.30
Other current assets	2.08	0.55	0.29	0.05	0.73	0.11
Total current assets	291.29	76.78	508.07	82.55	541.49	81.99

<i>Non-current assets</i>						
Property, plant and equipment	75.50	19.90	89.64	14.56	92.64	14.03
Right of use assets					3.61	0.55
Intangible assets	1.88	0.49	2.56	0.42	5.34	0.81
Deferred tax assets	9.40	2.48	14.22	2.31	16.29	2.46
Other non-current assets	1.32	0.35	0.95	0.15	1.07	0.16
Total non-current assets	88.10	23.22	107.38	17.45	118.95	18.01
Total assets	379.39	100.00	615.45	100.00	660.44	100.00
<u>Liabilities and shareholders' equity</u>						
<i>Current liabilities</i>						
Overdrafts and short-term loans from financial institutions	-	-	-	-	-	-
Trade and current payables	94.21	24.83	78.57	12.77	94.59	14.33
Other payables-unearned revenues	165.52	43.63	175.42	28.50	176.25	26.69
Lease liabilities due within one year					2.08	0.31
Income tax payable	6.06	1.60	1.02	0.17	3.86	0.58
Long term liabilities due within one year	0.73	0.19	-	-	-	-
Current provisions for employee benefits	0.29	0.08	0.35	0.06	1.75	0.27
Provision other current liabilities	-	-	-	-	-	-
Other current financial liabilities	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
Total current liabilities	266.81	70.72	255.36	41.49	278.53	42.18
<i>Non-current liabilities</i>						
Long-term loans from financial institutions	-	-	-	-	-	-
Lease liabilities					1.64	0.25
Non-current provisions for employee benefits	19.52	5.15	36.45	5.92	39.90	6.04
Decommissioning funds obligations	0.21	0.06	0.22	0.04	0.21	0.03
Other non-current financial liabilities	-	-	-	-	-	-
Total non-current liabilities	19.73	5.20	36.67	5.96	41.75	6.32
Total liabilities	286.54	75.53	292.02	47.45	320.28	48.50

Financial Position	Consolidated financial statements					
	31 Dec 2018		31 Dec 2019		31 Dec 2020	
	Million baht	%	Million baht	%	Million baht	%
<u>Shareholders' equity</u>						
Share capital						
Registered capital	82.80	21.82	140.00	22.75	140.00	21.20
Issued and paid-up capital	82.80	21.82	140.00	22.75	140.00	21.20
Surplus (low) value of ordinary shares	0.00	0.00	146.73	23.84	146.73	22.21
Surplus (low) from business combinations under common control	0.95	0.25	0.96	0.16	0.95	0.14
Retained earnings						
Appropriated-Legal reserve	5.80	1.53	8.44	1.37	10.94	1.66
Unappropriated	2.89	0.76	25.87	4.20	40.37	6.11
Other components of equity	0.41	0.11	1.94	0.32	1.69	0.26
Total equity of the parent company	92.86	24.47	323.93	52.63	340.68	51.58
Non-controlling interests	-	-	-0.50	-0.08	-0.52	-0.08
Total shareholders' equity	92.86	24.47	323.43	52.55	340.16	51.50
Total liabilities and shareholders' equity	379.39	100.00	615.45	100.00	660.44	100.00

Financial Position	Consolidated financial statements					
	2018		2019		2020	
	Million baht	%	Million baht	%	Million baht	%
<u>Revenue</u>						
Revenue from sales	477.85	64.67	441.68	60.09	365.43	55.53
Revenue from service	251.17	33.99	285.30	38.82	282.56	42.93
Other revenues	9.94	1.34	7.99	1.09	10.13	1.54
Total revenue	738.96	100.00	734.97	100.00	658.12	100.00
<u>Cost and Expense</u>						
Cost of sales	269.76	36.51	259.34	35.29	206.34	31.35
Cost of service	107.51	14.55	120.96	16.46	131.72	20.02
Cost of distribution	160.44	21.71	176.31	23.99	162.47	24.69
Administrative expense	106.00	14.34	106.16	14.44	100.18	15.22
Total expense	643.70	87.11	662.77	90.18	600.71	91.28
Profit (Loss) before financing expenses and income taxes	95.26	12.89	72.21	9.82	57.41	8.72
Financial cost	0.29	0.04	-0.01	-0.00	-0.34	-0.05
Profit (loss) before income tax	94.96	12.85	72.20	9.82	57.07	8.67
Income tax	19.73	2.67	-14.58	-1.98	-12.09	-1.84
Net profit (loss)	75.24	10.18	57.63	7.84	44.98	6.83

Other comprehensive income						
Exchange rate variance from the conversion of the financial statement	-0.20	-0.03	0.22	0.03	-0.25	-0.03
Profit (loss) on revaluation of defined employee benefits	-	-	-6.59	-0.90	-	-
Total comprehensive income	75.04	10.15	51.25	6.97	44.73	6.80
Profit sharing						
Portion of the parent company	75.52		57.48		45.00	
Non-controlling interests	-0.28		0.14		-0.02	
Total	75.24		57.63		44.98	
Total comprehensive income sharing						
Portion of the parent company	75.32		51.11		44.75	
Non-controlling interests	-0.28		0.14		-0.02	
Total	75.04		51.25		44.73	
Earnings per share (Fully Diluted) (baht)	0.46		0.21		0.16	
Earnings per share (Weighted Average) (baht)	1.01		0.28		0.16	
Par value (baht)	0.50		0.50		0.50	

Cash flow statement (Unit: million baht)	Consolidated financial statements		
	2018	2019	2020
Cash flows from operating activities			
Profit (loss) before income tax	94.96	72.20	57.07
<i>Adjustment of profit (loss) on cash received (paid)</i>			
Financial cost	0.29	0.01	0.34
Trade and other current receivables	-25.83	-4.57	-15.21
Inventories	12.66	2.11	-11.49
Other assets	15.44	2.21	-0.67
Trade and other current account payables	25.27	-5.71	16.96
Other liabilities	-2.13	-	-
Depreciation, Depletion and Amortization	10.36	12.91	17.71
Provision liabilities (Reverse)	4.78	9.15	5.54
Unrealized Loss (Gain) on exchange rate	-0.17	0.05	0.01
Bad debts and allowance for doubtful accounts (Reverse)	0.01	-0.12	0.94
Loss from product revaluation (Reverse)	-0.47	0.88	1.26
Loss (Gain) from sales of non-current assets	0.05	-0.95	-
Other adjustments for non-cash items - Amortization of assets	0.00	0.40	-0.38
Cash generated from investments or loans	-1.53	-0.02	-0.09
Net cash flows provided from (used in) operating activities	133.71	88.57	71.99
Income tax refundable (paid out)	2.52	-1.95	-11.18
Other cash received (paid) from operating activities - Cash paid for employee benefits	-0.64	-0.24	-0.72
Net cash provided from (used in) operating activities	135.58	86.38	60.09

<u>Cash flows from investing activities</u>			
Cash paid for purchase of subsidiaries	-0.86	-	-
Cash received from sale of property, plant and equipment	0.10	3.78	0.70
Cash paid for purchase of property, plant and equipment	-33.56	-29.69	-17.09
Cash received from sales of intangible assets	-	0.02	-
Cash paid for purchase of intangible assets	-1.34	-1.35	-3.59
Advance payments and loans to other persons or related parties	-	-	-
Cash received from advance payment and loans to other persons or related parties	3.17	-	-
Interest income	2.45	0.65	0.27
Net cash flows provided from (used in) investing activities	-30.05	-26.59	-19.71
<u>Cash flows from financing activities</u>			
Cash paid from changes in ownership in non-in effect subsidiaries resulted in loss of control	-	-	-
Cash received from issue of ordinary share	46.80	203.93	-
Cash received from loans	-	-	-
Cash paid for loans	-17.38	-	-
Cash paid for repayment finance lease payable	-0.88	-0.73	-3.12
Dividend	-67.02	-24.84	-28.00
Interest expense	-0.29	-0.01	-0.34
Net cash flows provided from (used in) financing activities	-38.77	178.35	-31.46
Impact of exchange rates on cash and cash equivalents	-0.20	0.46	-0.25
Cash and cash equivalents increase (decrease) - net	66.56	238.59	8.67
Cash and cash equivalents - beginning balance	48.51	115.08	353.67
Cash and cash equivalents - ending balance	115.08	353.67	362.34

4.2.3 Summary table of important financial ratios from the consolidated financial statements

Financial ratios	2018	2019	2020
<u>Liquidity Ratio</u>			
Liquidity ratio (time)	1.09	1.99	1.94
Quick ratio (time)	0.75	1.64	1.55
Cash flow current ratio (time)	0.52	0.33	0.23 ^{1/}
Receivable current ratio (time)	10.37	11.58	11.16 ^{1/}
Average debt collection period (day)	34.71	31.09	32.26
Inventory turnover period (time)	10.96	14.06	10.65 ^{1/}
Average selling period (day)	32.86	25.61	33.80
Payable current ratio (time)	7.72	10.15	8.19 ^{1/}
Loan repayment period (day)	46.63	35.46	43.97
Cash Cycle (day)	20.95	21.24	22.09
<u>Profitability Ratios</u>			
Gross profit margin - selling (%)	43.55	41.28	43.54
Gross profit margin - service (%)	57.20	57.60	53.38
Gross profit margin (%)	48.25	47.69	47.83
Operating profit margin (%)	11.70	8.83	7.30
Other profit margin (%)	1.34	1.09	1.54
Cash to profit margin (%)	158.91	134.52	127.09
Net profit margin (%)	10.18	7.84	6.83
Return on equity (%)	115.89	27.58	13.54 ^{1/}
<u>Efficiency Ratios</u>			
Return on assets (%)	21.81	11.58	7.05 ^{1/}
Return on fixed assets (%)	133.54	84.64	64.35 ^{1/}
Asset turnover (time)	2.14	1.48	1.03 ^{1/}
<u>Financial Policy Ratios</u>			
Debt to equity ratio (time)	3.09	0.90	0.94
Interest bearing debt to equity ratio (time)	0.01	-	-
Interest coverage ratio (time)	453.21	12,619.71	210.14
Debt-service coverage ratio (time)	1.13	3.38	1.93
Dividend payout ratio (%)	98.68	52.89	-

note : 1/ Adjusted to full year numbers for comparison.

5. General and other Important Information

5.1 General Information, Name, Location, Telephone Number, Fax and Other References

1 Issuing Company

Company name :	AppliCAD Public Company Limited
Business type :	Distribution of the complete design solutions for Mechanical and Engineering software, Architectural Engineering and Construction software, 3D Printing Technology; 3D Printer and 3D Scanner as well as other related services
Head office :	69, Sukhumvit 68, Sukhumvit Road., Bangna Nuea, Bangna, Bangkok 10260
Company registration number :	0107561000471
Tel :	0-2744-9045
Fax :	0-2744-9049
Website :	www.applicadthai.com

2 Securities Registrar

Company name :	Thailand Securities Depository Company Limited
Head office :	93 Ratchadapisek Road, Din Daeng, Din Daeng, Bangkok, 10400
Tel :	0-2900-9000
Fax :	0-2900-9991
Website :	www.set.or.th/tsd

3 Auditor

Company name :	Karin Audit Company Limited
Head office :	72 CAT Telecom Tower, Floor24, Charoen Krung Road, Bangrak, Bangkok. 10500
Fax :	0-2105-4661
Website :	www.karinaudit.co.th

4 Internal Auditor

Company name :	P&L Internal Audit Company Limited
Head office :	281/157 The Fifth Avenue, B Building, 2nd floor, Bangkok - Nonhaburi Road, BangKhen, Muang, Nonhaburi, 11000
Fax :	0-2526-6100
Website :	www.plcorporation.com

5.2 Legal dispute

As of 31 December 2020, the Company and its subsidiaries are not the litigant or party in the following case;

1. Cases may have a negative impact on the assets of the Company and its subsidiaries with higher than 5% of shareholders' equity as at 31 December 2020.
2. Cases may have a negative impact on the operation of the Company and its subsidiaries significantly that is incalculable.
3. Case does not cause due to the normal business of the Company and its subsidiaries.

A close-up photograph of two people in business attire. One person's hand is pointing at a document held by another person. The background is blurred, showing what appears to be a meeting room with a framed picture on the wall.

Corporate Governance

6. The Corporate Governance Policy

6.1 Overview of The Corporate Governance Policy and Principles

The Company has recognized the importance of good Corporate Governance Policy that will support the operation of the Company to be more effective and transparent for the competitive in the market and the sustainable growth. This can lead to the confidence of all stakeholders who are involved in the Company's operations with the fair act and always consider the benefits of employees, investors, shareholders and other stakeholders. Therefore, the Company has defined the good Corporate Governance Policy complying with the Corporate Governance Policy and Principles for the listed company of 2017 made by the Securities and Exchange Commission and the Stock Exchange of Thailand to be the guideline for the organizational management to ensure the Company's operation with fairness and transparency and also consider the benefits of all stakeholders as follows;

Principle 1 : Establish clear leadership role and responsibilities of the Board of Directors as the leader of the organization

In order to make the understating of the roles and responsibilities as the leader of the organization for the Board of Directors, the Company has clearly defined the roles and responsibilities of the Board of Directors apart from the duties and responsibilities defined by the laws mentioned about the authorities and duties in the management of the Company in accordance with the laws, objectives, articles of association and resolutions of the Shareholders' Meeting with the responsibilities, prudence and honesty. The Company has also defined the authorities and responsibilities to the board of Directors to define the vision, mission, policy, direction, goal, strategies, plans, and the Company's annual budget, including the supervision and follow-up of the work in compliance with the laws, policy, plans and defined annual budget as well as evaluation and monitor performance report.

Furthermore, the Company has appointed the sub-committees to assist in supporting, checking and supervising the operation and management in accordance with laws, policy, and plans and defined annual budget, which consists of the Executives Committee, Audit Committee and Risk Management Committee. The Company has clearly defined the scope of authorities and responsibilities of the sub-committees and Risk Management Committee. In addition, the Company has prepared the charter for the Board of Directors and sub-committees and informed the information about that charter to the Board of Directors and sub-committees. Moreover, the Company has planned to annually review that charter in accordance with the direction of the Company.

The Board of Directors has created the business ethics and Corporate Governance Policy to be the guideline in the Corporate Governance practices for ethical business, respect the right and have the responsibility to shareholders

and stakeholders and conduct the business that benefits to the society, environment as well as the ability to adapt to the changing factors.

Principle 2 : Define objectives that promote sustainable value creation

The board of Directors has distinctly defined the obvious and suitable vision and mission of the Company to communicate to all stakeholders to understand the main objective and goal of the Company and to ensure that all employees in the Company adhere to as the main duty in order to achieve the defined objectives and goals.

The Company also has the policy to review and consider the strategic plan and budget every year to ensure that strategic plan and budget are consistent with the economic conditions and organizational potential including promoting the innovation and the application of innovation and technology.

Moreover, the Board of Directors is responsible for the supervision and monitoring of performance in accordance with the strategy and budget including the allocation of significant resources.

Principle 3 : Strengthen the Board of Directors' effectiveness

The Company has a policy to properly establish the Board of Directors' structure in accordance with the Company's business and size and as required by law. The composition of the Board of Directors shall have a proportion between executive Directors and non-executive Directors who reflect appropriately balanced power. The Chairman of the Board of Directors and chief executive officer of the Company shall not be the same person in order to clarify the responsibility between the policy of governance and routine management.

In order to ensure that the Board of Directors has

enough time to perform the duties of the Company, the Company requires each Director will be able to hold positions in other listed companies up to 5 companies and require attending the meetings not less than 75% of the Board of Directors' meeting will be held in that year and to arrange the Board of Directors' meeting at least 4 times a year.

The role of the Board of Directors is to find qualified people with the right knowledge, skills and experience that can serve as the advantage to the business of the Company to propose to the Shareholders' Meeting to consider the appointment of a Director of the Company after being the listed company on the Stock Market of Thailand.

The Company will disclose the information of Directors and executives such as age, education history, experience, stake shareholding, number of years being Director, number of times participating in the meeting, remuneration of the Board of Directors for both monetary and non-monetary, being Director in other listed companies, roles and responsibilities and performance report of the Audit Committee, Executive Committee and Risk Management Committees in the Company's annual report.

In addition, the Company has appointed Corporate Secretary to supervise and advise the Directors and management regarding compliance with laws, regulations, rules and regulations of the Company and also monitor the compliance with the practice correctly and consistently. Moreover, Corporate Secretary is responsible for arranging the Board of Directors' meeting and the Shareholders' Meeting including coordination for the implementation of the resolutions of the conference as well as any other duties as required by law.

To supervise subsidiaries and/or its affiliated, the Company will assign the qualified and experienced Directors or executives to conduct the business to represent the management of the subsidiaries and/or its affiliated to formulate important policies and control the business of such subsidiaries and/or its affiliated. In this regard, the Directors representing the Company shall act in supervising subsidiaries and/or affiliated to manage or perform various operations in accordance with the Company's policies as well as to exercise their discretion in accordance with the resolutions of the Board of Directors and/or shareholders of the Company approved in critical matters of subsidiaries and/or affiliated to maximize the benefit of the Company and to achieve sustainable growth of the Company.

Principle 4 : Recruitment and Development of Senior Executives and Personnel Management

The Company has clearly set up a successor plan for key executive positions including the position of chief executive officer in order to maintain business continuity. The Company will provide the appropriate remuneration as an incentive for the chief executive officer and key executive positions that are critical to the organization to maximize the interests of the Company and shareholders.

The Company has provided knowledge to the Directors and the key executives by allocating to each of them to participate in training organized by various agencies to enhance new knowledge and perspectives as well as to provide executive development projects for the benefit of determining succession plans.

The Board of Directors will provide an evaluation of the duties of the chief executive officer and key executives every year to consider and develop capacity to increase productivity.

Principle 5: Nurture innovation and responsible business

The Board of Directors has focused on creating corporate culture, promoting innovation that contributes to the Company's customers, partners and partners. The development of the quality of the service, human resource development, environmental and social responsibility has always been taken into account by the Company to create a balance between business profits and social returns.

The Board of Directors has focused on the rights of all stakeholders, whether internal stakeholders or external stakeholders in order to create better understanding and cooperation between companies and stakeholders. This will be beneficial to the business and confidence building as well as to enhance the competitiveness of the Company in the long term. Therefore, the Company has established policies and practices as follows;

Shareholders :

The Company is committed to conducting business to maximize the benefit of the Company and its shareholders as a whole with the knowledge and management skills effectively, honestly and fairly to major and minority shareholders by considering the good performance, stable growth and competitiveness

Employees :

The Company has recognized the importance of every employee in the Company which will be involved in driving the Company and developing the further business in the future. The Company has focused on the development of the potential and knowledge and skills of employees and cultivating good attitudes and consciousness as well as considering providing fair, appropriate returns based on the knowledge of each employee's ability and providing adequate welfare.

Customers :

The Company is responsible for the care to customers by focusing on sourcing and producing the quality products to meet customer needs as well as customer confidentiality, knowledge to customers to develop goods and services.

Business partners and creditors :

The Company has fairly, equally and honestly treated business partners and creditors in business operations, not taking advantage and maintains interest with business partners and creditors as well as strictly comply with trade conditions and/or mutually joint contractual agreements to develop business relations that contribute to the benefits of both parties.

Competitor :

The Company has behaved according to the good competition rules and laws set out and to maintain the norms of competitive practices and avoid dishonest ways to destroy competitors.

Community and Society: :

The Company has emphasized on cultivating the awareness to community and society in the Company as well as to support activities that contribute to the public and not to act contrary or illegal.

The Board of Directors will provide a framework for the governance and management of corporate information technology to meet the needs of the Company as well as to ensure that the technology used to increase the chance of business development and operations, risk management for the Company to achieve the objectives and goals of the organization.

Principle 6: Strengthen effective risk management and internal control

The Board of Directors will provide a framework of internal control system that covers all aspects of finance and operation in accordance with the law and to provide sufficient effective monitoring and balancing mechanisms to always protect the Company's assets, provide the process of approval and responsibility of the executives and employees who are monitored and balanced each other and define the procedure in written form. The Company has hired internal auditors from outside. Monitor the operations of all agencies in accordance with the regulations placed as well as assess the efficiency and adequacy of internal control of various agencies in the Company.

The Company has appointed the risk management team to consider and analyze potential risks with the Company and present risk management measures to prevent the impact on the Company's business and supervise risk management in accordance with the risk management policy prescribed.

The Board of Directors has emphasized on anti-corruption by defining a clear policy and communicating with relevant people to acknowledge and follow. The Board of Directors has also established the policy of whistleblowing and complaints as a mechanism for governance for those involved in compliance with the policies established with respect to the corporate governance.

The Company provides has measured to provide whistleblowing or complaints about wrongdoing, ethics and code of conduct or behavior that may be discussed with the corruption of Directors, executives and employees in the organization by providing a wide range of communication channels to enable employees and stakeholders to report complaints or complaints to the Company. The complainant shall provide a detailed notice, including name, address, telephone number, which can be contacted to the receipt channel as required by the Company.

Principle 7 : Ensure disclosure and financial integrity

The Board of Directors has determined to supervise the compliance with laws and regulations relating to the disclosure by the Company will focus on the disclosure of accurate, complete and transparent information of the Company as well as financial information, general information and non-financial information so that all relevant people are aware of the information equally.

The Board of Directors is responsible for the preparation of the Annual Report, Form 56-1, the Company's financial report and financial information that appears in the Annual Report. The preparation of financial reports is prepared in accordance with generally certified accounting standards, choosing the appropriate accounting policies and regular lists, and carefully exercises disinformation in preparation, as well as requiring adequate disclosure of important information in the notes to the financial statements. The Board of Directors assigned the Audit Committee to oversee the quality of financial reports and to comment on the Board of Directors.

In addition, the Board of Directors has placed importance on the financial liquidity of the Company and the company's debt repayment capabilities and report to the Board of Directors on a quarterly basis.

After being the listed company in the Stock Market of Thailand, the Company will publish the information of the Company to shareholders through channels and dissemination media of the Stock Exchange of Thailand and the Company's website and assigned Mr. Sorawat Nakmanee to contact and provide information to shareholders, investors, securities analysts or related entities, as well as any person with accurate, complete and true information.

Principle 8: Ensure engagement and communication with shareholders

The Board of Directors has emphasized on the rights of shareholders without any actions to violate or deprive shareholders' rights except the basic rights of shareholders such as the right to buy, sell or transfer shares they hold, the right to receive a share of profits from the Company, the right to attend the Shareholders' Meeting. The Company has focused on the rights of shareholders to obtain the Company's information properly, complete, adequately and equally in order to make decisions on all matters.

1. The Company shall arrange the Shareholders' Meeting to allow shareholders to consider important matters as required by law or that may affect the Company's business operations.
2. The Company will send the notice of the meeting with the accompanying information to shareholders prior to the meeting according to the meeting at the legal period. The Company will allow shareholders to complete the study of the information prior to the date of the Shareholders' Meeting, as well as the Company will allow shareholders

to submit questions in advance of the meeting, and will set out the criteria to submit questions and publish such guidelines on the Company's website and the Company will gather to bring important questions to inquiries at the meeting.

3. The Company will allow minority shareholders to nominate candidates to nominate as Directors or propose additional agendas before the Shareholders' Meeting which will be assigned as clear guidelines and disclose the criteria to shareholders in advance and will provide reasons not to bring the agenda proposal of shareholders as an agenda of the Company to the Shareholders' Meeting at that time.
4. In case that the shareholders are unable to attend the meeting on their own, the Company will facilitate shareholders who are not able to attend the meeting on their own to be able to proxy at least one individual or appoint at least one independent Director to attend the meeting and vote on behalf of such shareholders by informing the list with the information of such independent Directors in the notice of the Shareholders' Meeting.
5. In case that the Company has foreign shareholders, the Company will make a notice of the meeting with the accompanying information of the entire meeting in English and deliver it to foreign shareholders with the delivery of the Thai version.
6. Add channels to acknowledge shareholder news via the Company's website after the Company is registered as a listed company on the Stock Exchange of Thailand, the Company will continue to publish the notice of the Shareholders' Meeting at least 14 days prior to the date of the meeting so that shareholders can easily and complete the information of the agenda.
7. The Company will facilitate all shareholders equally to attend the meeting in both location and time.
8. At the Shareholders' Meeting, the meeting will be conducted in accordance with the laws and regulations of the Company. It will consider and vote on the agenda set out in the order. It cannot change the matter, or add the agenda unnecessarily and to allow shareholders to have the equal rights in question, leaving a comment and recommendations.
9. The Company will use ballots on important agendas and provide independent parties such as external auditors, legal advisers, as auditors of voting at the meeting.
10. The Company will encourage all Directors and

executives involved to attend the meeting to respond to questions from shareholders simultaneously.

11. Take note of the minutes of the meeting completely, accurately, transparently, and record the list of Directors and executives attending the meeting, how to vote and count votes resolutions of the meeting, the results of the vote, including important questions and comments in the minutes of the meeting so that shareholders can be completed within 14 days from the date of the Shareholders' Meeting. In addition, the Company will provide a video of the meeting to preserve the reference, and after the Company is registered as a listed company on the Stock Exchange of Thailand, the Company will send the minutes of the meeting to the Stock Exchange of Thailand or related entities within the specified time, as well as to bring the minutes of the Shareholders' Meeting published on the Company's website for shareholders to consider.

6.2 Code of Conduct

In order to operate the Company's business in accordance with the principles of good Corporate Governance, the Company has set the Code of Conduct which is a guideline for Directors, executives and employees at all levels as follows;

1. Integrity

Directors, executives and employees must demonstrate honesty, ethics, transparency, including obeying the law and regulations related to business operations, not doing any acts which are corrupt, corrupt, bribery by offering or promising to give money, property, things or benefits Including giving an advantage to others to motivate themselves or others from benefit they should not get, including must strictly adhere to anti-corruption measures.

In addition, Directors, executives or employees must not provide support or participate in any participations that will lead to bribery or various forms of corruption for the benefit of oneself, family, friends and acquaintances.

2. Objectivity

Executives and employees shall act with fairness, honesty, free from prejudice and prejudice, and maintain impartiality in the exercise of discretion in performance.

3. Independence

Directors, executives and employees must be independent in performing their duties and using comments and suggestions regardless of personal and family interests, as well as not being under the influence of a person or any group of people and without any situation that can force them not to comment as they should be.

4. Knowledge and competence

Directors, executives and employees should use the knowledge, abilities, skills and experience necessary to perform their jobs. They should not accept or perform work in which they do not have the knowledge and competence unless they have been advised or supported to have sufficient knowledge and competence in performing their work.

5. Confidentiality

Directors, executives and employees should keep the information they receive in their operations. And should not disclose information without the permission of authorized persons Except in the case of legal disclosure and it is forbidden to use confidential information obtained in the performance of duties for personal gain, friends and relatives.

6. Carefulness

Director, executives and employees should act with caution in the use of knowledge., competency, skills, judgment and conduct.

7. Political relevance

The Company is politically neutral without committing to or supporting any political party or anyone with political power, and the Company also respects the right to freedom of political rights of employees, such as voting or being membership of political parties.

Directors, executives and employees should avoid serving as committee of political parties or representing politicians in various activities or be a member of a local government organization and avoid making political opinions in the workplace and in the workplace and at work times that may cause conflicts. It also prohibits the use of company resources to support political activities, either directly or indirectly.

Details of Code of Conduct for stakeholders that Directors, executives and employees are responsible as the following:

1. Code of Conduct on responsibility to the Company

1.1 Perform duties responsibly, taking the Company's interests as a priority.

1.2 Do not conduct or take any competitive action or may cause competition with the Company's business.

1.3 Perform duties with integrity.

1.4 Responsible for making the most of the use and preservation of the Company's assets, including not for personal or other benefits other than the Company's business.

1.5 Work with the best knowledge and experience to fully benefit the Company.

1.6 Strictly follow the rules, regulations and articles of association of the Company.

1.7 Avoid exercising their authority or allowing others to rely on their authority, whether directly or indirectly, to exploit oneself or others.

1.8 Avoid adoption in a manner that exceeds normal relationships from other persons whose business is related to the Company's work.

1.9 Avoid commenting to third parties in matters that may affect the Company's reputation and operations.

1.10 Do not use the Company's sensitive information or news for profit or other benefits, directly or indirectly, and maintain the Company's confidentiality by taking care and being careful not to provide confidential documents or news of the Company that should not be disclosed to third parties in strictly accordance with the Company's Data Confidentiality, Policy and Disclosure Policy, which appears in Section 3 of this manual.

1.11 Whistleblowing or complaints when seeing clues

of illegal acts, ethics or behaviors that indicate corruption or misconduct of people in the organization both from employees and other stakeholders, including incorrect financial reports or the internal control system that is defective for the benefit of the Company in accordance with the complaints of the Company which is strictly shown in Section 5 of this manual.

2. Code of Conduct on responsibility to Shareholders

2.1 Perform duties with honesty within the legal framework and regulations of the Company by adhering to this code of conduct in conducting various transactions and in every decision-making activity, in order to operate the business in good faith, transparency and accountability.

2.2 Perform duties with full knowledge and capabilities as professional by using knowledge experience in performing their duties fully.

2.3 Commit to treating of shareholders' information by protecting confidentiality and maintaining trust as if they are treating their own information.

2.4 Disclosure of the Company's information accurately, adequately and timely in accordance with the rules of the Office of the Board of Directors, SEC and The Stock Exchange of Thailand.

3. Code of Conduct on responsibility to employees

3.1 Provide fair and suitable compensation and provide adequate welfare in accordance with situation for employees.

3.2 Maintain a safe working environment for life and property of its employees.

3.3 The appointment, relocation of employees, including awarding and punishing employees, must be done with equality, integrity and based on knowledge, competence and appropriateness.

3.4 Give importance to development, knowledge transfer of employees by giving employees thorough and consistent opportunities.

3.5 Provide training and seminars regularly to develop knowledge and working skills of employees.

3.6 Protect the privacy of employees. Do not disclose personal information such as salary, medical history, family history to third parties.

3.7 Listen to opinions and suggestions from employees of all levels equally and equitably. Employees are given opportunities to clarify or complain about wrongdoing, incidents or situations that affect their work or decisions of employees in accordance with the receipt of complaints of the Company in Section 5 of this manual.

4. Code of Conduct on responsibility to customers

4.1 Treat customers fairly in terms of products and services.

4.2 Disclose product information and services accurately and completely.

- 4.3 Maintain confidential information and customer information
- 4.4 Educate customers to develop products and services.
- 4.5 Provide a channel for customers to complain about products and services in accordance with the complaints of the Company in section 5 of this manual.
- 4.6 บริษัท ซึ่งปรากฏในส่วนที่ 5 ของคู่มือนี้

5. Code of Conduct on responsibility to business partners

- 5.1 Treat trade partners fairly, fairly and on the basis of fair compensation to both parties.
- 5.2 Strictly comply with the agreed contracts or conditions. In case of inability to comply with the conditions, we will immediately notify the partner to find a solution.

6. Code of Conduct on responsibility for competitors

- 6.1 Practice within the framework of good competition.
- 6.2 Do not seek confidential information of competitors through dishonest or inappropriate means.
- 6.3 Do not damage the reputation of competitors by making malicious accusations.

7. Code of Conduct on responsibility to Trade Creditors

- 7.1 Treat trade creditors equally, fairly and on the basis of fair returns to both parties.
- 7.2 Strictly comply with the agreed contracts or conditions. In case of inability to comply with the conditions, the creditors will be notified immediately to find a solution.

8. Code of Conduct on social responsibility and education

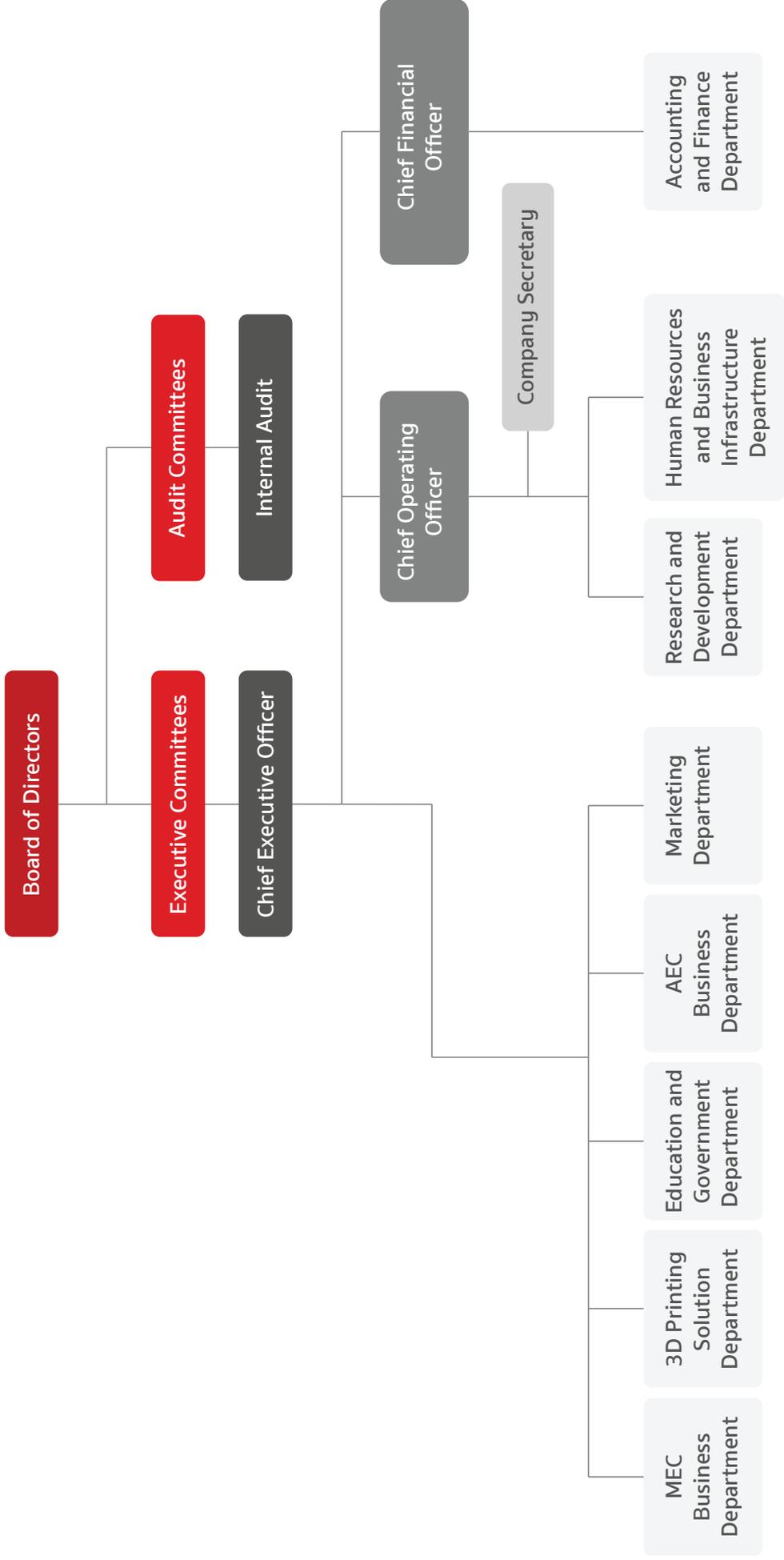
- 8.1 Do not take any action that will affect the damage to society.
- 8.2 Raise awareness of social responsibility to employees at all levels.
- 8.3 Promoting the development of social quality by focusing on education, knowledge development for employees.

6.3 Other actions according to the principles of good Corporate Governance

-None-

7. Corporate Governance Structure and Important Information about the Board of Directors, Sub-committees, executives, employees and others

7.1 Corporate Governance Structure



Remark: The Company employed P&L Internal Audit Public Company to check the internal control of the Company.

7.2 Board of Directors of the Company

Board of Directors consists of 8 directors as follows;

Name – Last name	Position
1. Asst. Prof. Dr. Prasert Kanthamanon	Chairman of the Board of Directors and Independent Director
2. Mr. Prapas Tangadulrat	Director and Chief Executive Officer
3. Mr. Somsak Worraraksa	Director
4. Miss Thitiporn Chartaisong	Director
5. Mr. Prakit Laobooncharoen	Director
6. Dr. Sunee Sornchaitanasuk	Chairman of the Audit Committee and Independent Director
7. Mr. Thanin Pomsiritivet	Audit Committee and Independent Director
8. Mr. Jeerawat Kulsapudom	Audit Committee and Independent Director

And Mr. Sorawat Nakmanee is a company secretary appointed from the resolutions of the Board of Directors' meeting no.6/2020 on 14 August 2020.

The authorized director of the Company

1. Mr. Prapas Tangadulrat signs together with Miss Thitiporn Chartaisong and the seal of the Company or
2. Mr. Prapas Tangadulrat or Miss Thitiporn Chartaisong signs together with Mr. Somsak Worraraksa or Mr. Prakit Laobooncharoen as two directors and the seal of the Company.

The Board of Directors' meeting

In 2019 and 2020, the Company held the Board of Directors' meeting for 8 times and 7 times respectively as the following details of each director;

Name – Last name	Position	No. of meeting attended/ total No. of meeting	
		2019	2020
1. Asst. Prof. Dr. Prasert Kanthamanon	Chairman of the Board of Directors and Independent Director	7/8	7/7
2. Mr. Prapas Tangadulrat	Director and Chief Executive Officer	8/8	7/7
3. Mr. Somsak Worraraksa	Director	8/8	7/7
4. Miss Thitiporn Chartaisong	Director	8/8	7/7
5. Mr. Prakit Laobooncharoen	Director	8/8	7/7
6. Dr. Sunee Sornchaitanasuk	Chairman of the Audit Committee and Independent Director	8/8	6/7
7. Mr. Thanin Pomsiritivet	Audit Committee and Independent Director	8/8	7/7
8. Mr. Jeerawat Kulsapudom	Audit Committee and Independent Director	7/8	7/7

7.3 Sub-Committee

Audit Committee

Audit Committee consists of 3 directors as follows;

Name – Last name	Position
1. Dr. Sunee Sornchaitanasuk	Chairman of the Audit Committee and Independent Director
2. Mr. Thanin Pornsiritivet	Audit Committee and Independent Director
3. Mr. Jeerawat Kulsapudom	Audit Committee and Independent Director

And Mr. Sorawat Nakmanee is a secretary of Audit Committee

The Audit Committee's meeting

In 2019 and 2020, the Company held the audit committee's meeting for 6 times and 4 times respectively as the following details of each director;

Name – Last name	Position	No. of meeting attended/ No. total meeting	
		2019	2020
1. Dr. Sunee Sornchaitanasuk	Chairman of the Audit Committee and Independent Director	6/6	4/4
2. Mr. Thanin Pornsiritivet	Audit Committee and Independent Director	6/6	4/4
3. Mr. Jeerawat Kulsapudom	Audit Committee and Independent Director	6/6	4/4

7.4 Executive Committee

The Company has 6 executive directors as follows;

Name – Last name	Position
1. Mr. Prapas Tangadulrat	Chief Executive Officer
2. Dr. Isra Akrapitak	Executive vice president
3. Mr. Somsak Worraraksa	Executive Director
4. Miss Thitiporn Chartaisong	Executive Director
5. Mr. Thussanai Paisiriyaunyong	Executive Director
6. Mr. Prakit Laobooncharoen	Executive Director

Scope of Responsibilities

The structure of the Board of Directors consists of 3 sets of committees; the Board of Directors, the Audit Committee and the Executive Committee which are fully qualified under Section 68 of the Public Limited Companies Act B.E. 2535 (1992) and as announced by the Relevant Capital Markets Commission. In this regard, the scope of the authority of the Board of Directors is as follows;

Scope of responsibilities of the Board of Directors

1. The Committee shall have the power, duties and responsibilities of the management and operations of the Company according to the laws, the Articles of Association of the Company as well as the resolutions of the Shareholders' Meeting with honesty and careful to maintain the Company's interests.
2. Arrange the board meeting at least 3 months at a time
3. Perform the appropriate and efficient accounting systems and provide reliable financial reporting and auditing, as well as provide adequate and appropriate internal control systems and internal audit systems.
4. Arrange the balance sheet and income statement of the Company as at the end of the accounting period of the company verified by the auditor and present to shareholders for consideration and approval.
5. Set goals, policies, plans business, the Company's budget as well as monitoring and supervision of administration and management of the Company and its subsidiaries in accordance with the policies, plans, budgets and compliance with applicable laws, as well as the notifications, regulations and relevant guidelines of the Capital Market Commission, the Securities and Exchange Commission, the Stock Exchange of Thailand such as the related party transaction, acquisition or disposal of major assets as far as non-conflicting or controversial to other laws.
6. Review and approve policy directions, strategies, business operations of the Company proposed by management.
7. Continuously monitor operations in accordance with roadmap and budget.
8. Consider and define the risk management policy to cover both the organization and supervise the system or process of risk management, with support measures and control methods to reduce the impact on the Company's business properly.
9. Consider and establish the management structure, the power to appoint the subcommittee, the chief executive officer and other subcommittees as appropriate including the scope of the authority of such persons.

In this regard, the delegation stipulated by the scope of the authority must not be as a delegation that makes the subcommittee, chief executive officer and other subcommittees can consider and approve potential conflicts of interest, interest or any other conflicts of interest with the Company or its subsidiaries, except

as an approval of items in accordance with the policies and guidelines already considered and approved by the Board of Directors.

10. Prepare the annual report and be responsible for the preparation and disclosure of financial statements to reflect the financial operating results in the past year and presented to the meeting of shareholders for consideration and approval.
11. The Board of Directors may authorize one or several directors or any other person to perform on behalf of the Board of Directors under the control of the Board of Directors or provide the authority to have such persons as the Board of Directors deemed appropriate within the period of time that the Board of Directors deems appropriate, which the Board of Directors may revoke, change or amend the authority when deemed appropriate.

In this regard, the authorization is not allowed for such people to consider and approve their projects or individuals that may be conflicts of interest, interest or any other conflicts of interest with the Company or its subsidiaries as such definition in notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand except as an approval of items in accordance with the policies and guidelines already considered and approved by the Board of Directors.

Scope of responsibilities of the Audit Committee

1. To review the financial reporting of the Company to be accurate and adequate.
2. To review the system of internal control (Internal Control) and internal audit (Internal Audit) of the Company to be appropriate and effective and consider the independence of the internal audit agency, as well as to approve the appointment, transfer, dismissal of the head of the internal audit agency or any other agency responsible for internal audit.
3. To review the management, practices and policies, risk management (Risk Management) as required.
4. To review the Company to comply with the Securities and Exchange Commission law, terms of the Stock Exchange and laws related to the Company's business.
5. Consider, select, propose, appoint an independent person to act as auditor of the Company and offer

the remuneration of such persons, as well as attend meetings with the auditor without management at least once a year.

6. Consider the related party transactions or transactions that may have a conflict of interest in accordance with the laws and requirements of the Stock Exchange in order to ensure that such transactions are reasonable and in the best interests of the Company.
7. Prepare the Report of the Audit Committee disclosed in the annual report of the Company. The report must be signed by the Chairman of the Audit Committee and must contain at least the following information;
 - a) Opinion on the accuracy, completeness and reliability of the Company's financial reports
 - b) Opinion on the adequacy of the Company's internal control system
 - c) Opinion on the terms of the Stock Exchange or the laws relating to the Company's business
 - d) Opinions about the appropriateness of the auditor
 - e) Opinion on transactions that may have a conflict of interest
 - f) Number of Audit Committee meetings and attendance of each audit committee
 - g) Overall opinion or observations received by the Audit Committee from charter
 - h) Other items that see that shareholders and investors should know under the scope of duties and responsibilities assigned by the Board of Directors.
8. Have the right to be independent of any professional consultant's fees as deemed necessary by the Company.
9. Perform other duties as the Board of Directors approved with the opinion of the Audit Committee.

Scope of responsibilities of the Executive Committee

1. To consider the proposal of the management and present the business plan, including the Company's annual budget to the Board of Directors to approve.
2. To supervise the Company's business operations in accordance with the policy, goals, business plans, and budgets that are defined and supervise quality and efficiency operations.
3. To consider and approve normal business operations such as investments in accordance with investment statements or budgets approved by the Board of Directors, order products, sales order and so on. The limit for each item is in accordance with the approval

table approved by the Board of Directors.

4. To establish the employment rate and consider adjusting the salary, employee bonus from the chief operating officer level, as well as to consider approving the capacity of people who are not in the annual budget in accordance with the approval table approved by the Board of Directors.
5. To consider the profits and losses of the Company, proposal of annual dividend or interim dividend payment to propose to the Board of the Company to approve.
6. To give the power to authorize any other person to one person or several people operating one under the control of the executive committee or may authorize the authority to grant such person the authority as deemed appropriate, and within the time of the executive committee deems appropriate. The executive committee may cancel, revoke, change or modify the person who has been authorized or authorized to be authorized as deemed appropriate.
7. Perform other duties according to the Board of Directors assigned from time to time

In this regard, the assignment of authority and responsibility of the executive committee shall not be as authorized or sub-authority that allows the authorized person stake from the executive committee to approve transactions of which they or the person may have conflicts (according to the definition of the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies), interests or may have any other conflict of interest with the Company or its subsidiaries and/or related companies. The executive committee does not have the authority to approve the operation of such matters. This must be proposed to the Board of Directors' Meeting and/or the meeting of shareholders (as a case) for further approval, except as an approval of transactions in accordance with normal business and regular trading conditions in accordance with the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies.

Scope of Authority, Duties and Responsibilities of the Chief Executive Officer

1. Supervise the operation and/or daily administration of the Company
2. Prepare the business plans as well as the Company's

business strategy and annual budget to propose to the Executive Committee and the Board of Directors of the Company for further approval.

3. To supervise the operation or performance of the Company according to the policies, plans and budgets approved by the Board of Directors of the Company and to monitor and evaluate the performance of the Company according to the policy and consistent with good governance as well. And report the performance of management including progress in the implementation to the executive committee, Audit Committee and the Board of Directors.
4. To consider and approve regular business operations in accordance with investment statements or budgets approved by the Board of Directors. The limit for each item is in accordance with the approval table approved by the Board of Directors. However, it shall not exceed the annual budget approved by the Board of Directors including the agreement relating to such matters.
5. Have the authority to consider and approve the Company's regular business operations in accordance with the budget approved by the Board of Directors and in accordance with the approval authority approved by the Board of Directors.
6. Have the authority to approve manpower, employment, packing employee, determining wages and bonuses, remuneration and appointment of employee as well as determining the duties and responsibilities of each department and position for the deputy director downward.
7. Have the power to issue orders, regulations, announcements and records for the operations of the Company according to the policies and interests of the Company and to maintain discipline within the organization.
8. Have the authority to appoint committee or other working groups for the benefit and efficiency of good management and transparency and have the power to authorize any other person to one person or several people operating one under the control of the Chief Executive Officer or may authorize the authority to grant such person the authority as deemed appropriate and within the appropriate time. The chief executive officer may cancel, revoke, change or modify the person who has been authorized or authorized to be authorized as deemed appropriate.
9. Perform other duties as assigned by the Executive Committee or the Board of Directors.

In this regard, the implementation of the chief operating officer or a person authorized by the chief executive officer, or a person who may have conflicts of interest (in accordance with the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies) interests or may have any other conflict of interest with the Company or its subsidiaries and/or related companies. The chief executive officer does not have the authority to approve the operation of such matters. This must be proposed to the Board of Directors' Meeting and/or the meeting of shareholders (as a case) for further approval, except as an approval of transactions in accordance with normal business and regular trading conditions in accordance with the notification of the Capital Market Commission and/or the Securities and Exchange Commission and/or the Stock Exchange of Thailand and/or related agencies.

The authority of approval

The company has approved the operations as follows;

List	Chief Executive Officer	Executive Committee	Board of Directors
1. Approval of the investment exceeded the investment budget approved	10% And report to the Board of Directors	20% And report to the Board of Directors	> 20%
2. Approval of the investment plan apart from budget plan	< 1 million baht And report to the Board of Directors	< 10 million baht And report to the Board of Directors	> 10 million baht
3. Approval of the order to sell	< 5 million baht	< 30 million baht	> 30 million baht
4. Approval of the non-product orders to sell	< 1 million baht	< 30 million baht	> 30 million baht
5. Sales approval	< 5 million baht	< 30 million baht	> 30 million baht

7.5 Executive

The Company has 9 executives as follows;

Name – Last name	Position
1. Mr. Prapas Tangadulrat	Chief Executive Officer
2. Mr. Isra Akrapitak	Chief Operating Officer
3. Miss Thitiporn Chartaisong	Chief Financial Officer
4. Mr. Somsak Worraraksa	Director of AEC Business Department
5. Mr. Thussanai Paisiriyaunyong	Executive Director
6. Mr. Kirikrit Jearnkamonchuen	Director of MEC Business Department and Director of 3D Printing Solution Department
7. Mr. Chayo Petcharat	Director of Research and Development Department
8. Mrs. Khwanchai Viriyasumon	Accounting manager - AppliCAD Public Company Limited
9. Miss Phiemzetha Zibhunyarnt	Accounting manager - Subsidiaries

7.6 Remuneration of Directors and Executives

1 Monetary Remuneration

From 2018 to 2020, the Company has provided the meeting allowance to the Board of Directors as follows;

Name – Last name	2018	2019	2020
1. Mr. Prasert Kanthamanon	120,000	210,000	240,000
2. Mr. Prapas Tangadulrat	-	35,000	40,000
3. Mr. Somsak Worraraksa	-	35,000	40,000
4. Miss Thitiporn Chartaisong	-	35,000	40,000
5. Mr. Prakit Laoboontharoen	70,000	140,000	140,000
6. Dr. Sunee Sornchaitanasuk	142,500	320,000	242,500
7. Mr. Thanin Pornsiritivet	87,500	245,000	210,000
8. Mr. Jeerawat Kulsapudom	140,000	210,000	210,000
Total	560,000	1,230,000	1,162,500

Remark: From the Annual General Meeting of Shareholders for the year 2020 on 3 July 2020 had the resolution to consider and approve the remuneration of Directors as follows;

(Unit: Baht)

Position	meeting allowance / person / one time
Board of Directors	
- Chairman of the Board of Directors	30,000
- Director who is not executive	17,500
- Director who is executive	5,000
Audit committee	
- Chairman of the Audit Committee	30,000
- Audit Committee	17,500

Remuneration of Executives

From 2018 to 2020, the Company has provided the remuneration to the executives as 20.51 million baht, 18.57 million baht and 20.68 million baht. This remuneration includes a salary, a bonus, a contribution to provident fund and a commission.

Year	No. of executive (Person)	Remuneration (Baht)
2018	9	20,507,550.52
2019	9	18,573,976.58
2020	9	20,681,291.04

2 Other remunerations

- None -

7.7 Personnel

Number of personnel

As of 31 December 2018 to 31 December 2020, the Company has the total employees of 343, 367 and 373 respectively classified as business unit as the following details;

Business unit	Number of employees		
	As of 31 Dec 2018	As of 31 Dec 2019	As of 31 Dec 2020
1. Executives	9	9	9
2. Management	3	3	4
3. 3D Printing Solution Department	19	24	32
4. Education and Government Department	11	11	10
5. AEC Business Department	67	62	64
6. Marketing Department	20	21	21
7. MEC Business Department	96	96	88
8. Accounting and Finance	19	21	22
9. Human Resources and Business Infrastructure	22	21	19
10. Research and Development Department	-	18	24
11. Subsidiaries' employee	77	81	80
Total	343	367	373

Employee remuneration

Monetary remuneration

Employee remuneration

From 2018 to 2020, the Company and its subsidiaries has paid the remuneration to the employees (excluding executives) as 175,286,466.27 baht, 197,337,480.90 baht and 191,465,243.41 baht respectively. This remuneration is a salary, a commission, overtime, a bonus, a contribution to social insurance funds and a contribution to the provident fund.

Other remuneration

- None -

Significant labor disputes in the past three years

- None -

Personnel development Policy

The Company has realized that the personnel are the significant resources in the organization. Therefore, the Company has emphasized and focused on the human resource management by defining the human resource management policy as the key principle as follows;

1. The Company will manage human resources to support and comply with and the vision, policy as well as the strategy of the Company.
2. The Company will establish a clear, transparent and fair human resource management system and can be adjusted in accordance with current circumstances.
3. The company will focus on recruitment by providing a fair and efficient recruitment and selection system to provide talented to be consistent with the organization's culture.
4. The Company will focus on the personnel development to be more knowledgeable and capable by arranging the training in various ways regularly.
5. The Company will manage the wages and benefits to the employees by considering the duties and responsibilities of each position, ability of each employee as well as the ability to compete in the market.
6. The Company will allocate welfare appropriately. In addition, the Company's Board of Directors is considering the benefits and necessities of the personnel in accordance with the Company's capabilities, the nature of the business by considering to be improved in line with the changes in the economic and social conditions.
7. The Company focuses on creating a welcoming atmosphere and creating a better understanding as well as arranging the environment to be safe to operate in order to make the relationship between the Company and employees and between employees and employees run smoothly and friendly including hearing problems, and resolve to cooperate with the employees like the family.

7.8 Other important information

Company Secretary

Name – Last name	Position
1. Mr. Sorawat Nakmanee	Company Secretary

In the Board of Directors' meeting no.6/2020 on 14 August 2020, Mr. Sorawat Nakmanee was appointed as a company secretary from the resolutions of the Board of Directors' meeting in accordance with the section 89/15 of the Securities and Exchange Act B.E. 2535, revised by the Securities and Exchange Act (No. 4), B.E. 2551 which defines the responsibilities of the company secretary as follows;

1. 1. To supervise and advise directors and executives regarding compliance, regulations, rules, articles of association as well as to monitor the right practices correctly and consistently.
2. 2. To be responsible for the board of directors' meetings and shareholders' meetings, as well as the coordination of such meetings as the rules of the meeting.
3. 3. To supervise the information disclosure and reporting in the responsible section in accordance with rules and regulations of the Stock Exchange of Thailand and Securities and Exchange Commission, as well as related laws.
4. To prepare and store the following document;
 - 4.1 Registration of Director
 - 4.2 Notice and report of the Board of Directors' meeting
 - 4.3 Notice and report of the Shareholders' meeting
 - 4.4 Annual Report
 - 4.5 Stakeholder report of executive directors

Investor Relations

Name – Last name	Position
1. Miss Wilaiphan Saneewong Na Ayutthaya	Investor Relations

If any investors require more information, please contact investor relations as following information;

Address : 69, Sukhumvit 68, Sukhumvit rd., Bangnaneua, Bangna, Bangkok, 10260
 Telephone Number : 0-2744-9045
 Email : ir@applicadthai.com

Audit Fee

In the fiscal year of 2020 ended 31 December 2020, the Company paid the audit fee to the Company's auditor, Karin Audit Co., Ltd. as the amount of 2,322,000 baht, which is the audit fee and the interim financial statements for the Company and its subsidiaries as well as the consolidated financial statements. In addition to such compensation, the Company also paid the non-audit fee as the amount of 366,000 baht, consisting of the expenses arising from 1. additional examination of transactions caused by changing the method of revenue recording as suggested by The Securities and Exchange Commission and 2. data collection and examination in accordance with Thai Financial Reporting Standards No. 9 and Financial Reporting Standards No. 16, which came into force on January 1, 2020.

8. Report on performance of important corporate governance

8.1 Nomination and appointment of directors and top-level executives

The selection of persons to be appointed as directors of the Company shall be done through the meeting of shareholders. The Board of Directors will consider from the experience, knowledge, competence and qualifications required by law. Since the Company does not have the Nomination Committee to select the person who will hold such position, then the meeting of shareholders will select in accordance with the criteria and procedures set in the Articles of Association of the Company.

1 The composition and appointment of the Board of Directors.

1. Shareholders shall consider and approve the appointment of the Board of Directors.
2. The Board of Directors consists of at least 5 directors and not less than half of the total number of directors must be resident in the Kingdom and must meet the required laws.
3. The Company has a policy that Chairman and chief operating officer shall not be the same person to achieve clarity on the responsibilities between policy making, governance and management.
4. The Board of Directors structure shall consist of independent directors in the right amount to supervise the activities which is not less than one-third of the total board of directors, but not less than 3 persons, in accordance with the requirements of the Securities and Exchange Commission.
5. The appointment of directors in accordance with the Articles of Association of the Company and related laws which must be transparent and clear in the nomination of directors and the consideration should require a person's history, education and experience, and the professional of the person with sufficient details for the purpose of decision-making of the Board of Directors and shareholders.
6. Directors who retired by rotation may be re-elected to such position.

2 The composition and appointment of Independent Directors.

The Board of Directors will jointly consider the qualifications of the person who will be Independent Directors based on the qualifications and characteristics of the Directors under the notification of the Capital Market Commission, the Securities and Exchange Commission, the Stock Exchange of Thailand including the announcement, regulations and/or related regulations. In addition, the Board of Directors will consider selecting independent directors from qualified people. It will then be presented to the meeting of shareholders to consider the appointment of the Company's directors. The Company has a policy to appoint at least one-third of the total director and must not be less than 3 persons.

Qualification of Independent Director

1. Holding not over 1% of the shares with voting rights of the Company, its subsidiaries, associated companies or juristic person of the person who may have conflict including shares held by the relevant person.
2. Not being or having been a director, an employee, staff, consultant with a salary or controlling authority of the Company, the parent company, its subsidiaries, associates, same subsidiaries or juristic persons who may conflict unless they have been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
3. Not a person with a bloodline relationship or by legal registration in a parent, spouse, brothers and children, including spouses of executives, major shareholders, control authorities or persons who will be offered as executives or control authorities of the Company or its subsidiaries.

4. Not being or have been a business relationship with the Company, the parent company, its subsidiaries, associates or potentially conflicting entities in a manner that may hinder the use of independent judgment including not being or as a major shareholder, directors who are not independent directors or executives of those with business ties with the Company, parent companies, subsidiaries, the company or juristic person who may have conflicts unless it has been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
5. Not being or have been an auditor of the Company, the parent company, its subsidiaries, associates or potentially conflicting entities in a manner that may hinder the use of independent judgment including not being or as a major shareholder, directors who are not independent directors, executive or managing partner of the Audit Office, which has the company's auditors, the parent company, its subsidiaries, associates or juristic persons who may have conflicts unless they have been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
6. Not being or have been any professional service providers including providing legal advisors or financial advisors, which are charged more than 2 million baht per year from the Company, parent company, its subsidiaries, associates, or juristic person that may have conflict of interest. In the event that a professional service provider is a juristic person, including being a major shareholder, directors who are not independent directors, executive or the manager partner of the professional service provider, unless it has been removed from such characteristics for at least 2 years prior to the submission date of application to the Securities & Exchange Commission.
7. Not being a director appointed as a representative of the Board of Directors of the Company, its major shareholder or shareholders who are related to the major shareholders of the Company.
8. Do not operate in the same nature and be a significant competition with the affairs of the applicant or its subsidiaries, or not as an implied partner in the partnership or as an executive director, employees, staff, consultants who receive regular salaries or hold more than 1% of the total voting rights of third parties, which operate in the same nature and are significant competition with the Company's business or its subsidiaries.
9. Not having any characteristics which make it impossible to comment freely about the operations of the Company.

3 The composition and appointment of the Audit Committee.

1. The Board of Directors shall appoint the audit committee of at least three persons and each director must be independent directors.
2. The Board of Directors or the audit committee shall select 1 member of the audit committee to serve as chairman of the audit committee.
3. The audit committee shall have at least one person with knowledge or experience in accounting or finance and knowledgeable about the reason for the change of financial reporting.

In this regard, each audit committee shall have the term of office for 3 years or equal to the term of director of the Company.

4 Selection of the Chief Executive Officer, Chief Operating Officer or equivalent level position.

When the position of chief executive officer, chief operating officer or equivalent level position is vacant or who is not in a position to perform the duties, the Company will manage the duties to a nearby level or secondary level to act in that position until the recruitment and selection of qualified person will be done in accordance with the Company's criteria. In this regard, such person shall have a vision, knowledge and experience appropriate to the organizational cultural. The executive committee considers the nomination to present to the Board of Directors for the approval of the appointment of a suitable replacement for the position further.

8.2 Supervision of the operation of subsidiaries and affiliates.

The Company will invest in companies with the same business objectives as the Company's core business or similar business or business supporting the Company's business which will increase its turnover or profitability or invest in synergy businesses for the Company by supporting the Company's core business operations to increase the Company's competitiveness. The Board of Directors may consider investing in other businesses than the Company's core business. If the Board of Directors sees such business as a potential business and such investment is beneficial to the Company and its shareholders.

To supervise the subsidiaries and associates, the Company will send directors or executives with the right qualifications and experience to conduct business to represent the management of the subsidiary and its associates to formulate important policies and control the business of such subsidiaries and/or associates. Directors representing the Company shall act in supervising subsidiaries and/or associates to manage or perform various operations in accordance with the Company's policies as well as to exercise their discretion in accordance with the resolutions of the Board of Directors and/or the meeting of shareholders of the Company to approve the critical matters of subsidiaries and/or associates to maximize the benefit of the Company and to achieve sustainable growth of the Company.

8.3 Control of Internal Information

The Company and its subsidiaries recognize and appreciate the importance of the implementation of the Principles of Corporate Governance (Good Corporate Governance) to strengthen the confidence of shareholders, investors and those involved in the ongoing operation. In addition, the Board of Directors is aware of the importance of using the Company's internal information for its personality. Therefore, the Board of Directors and executives of the Company should consider the company's internal data control measures to ensure that the Company has transparent operations in accordance with good corporate governance principles as follows;

1. Directors and employees must maintain the confidentiality/data within the Company and subsidiaries and shall not disclose such information, or to seek benefits for such information or for the benefit of another person, whether direct or indirect, and whether they receive compensation or not.
2. The Company shall arrange to collect the important information that has not been disclosed as confidential and limit to know only the management and disclose to the employee of the Company as necessary.
3. In a case, the Company has to disclose the internal information to the employee of the Company, the Company shall inform the employee as the confidential and limit to use.
4. Prohibit the directors, executives, employees and staff of the Company and its subsidiaries, including spouses or those who live together, my husband, wife and underage child to use the Company's internal information and its subsidiaries, which may have or may have an impact on changes in the price of the Company's securities, which have not been made public to purchase, sell, buy or offer the Company's securities directly or indirectly before it is disclosed publicly. Whether such actions are done for the benefit of themselves or others, or to allow others to do so without their benefit, anyone who violates the breach will be punished in accordance with the disciplinary measures of the Company and its subsidiaries.
5. The Company prohibits directors, executives and employees of the Company and its subsidiaries to receive the internal information in order to disclose such information to third parties or the personnel involved and prohibits directors and executives of the Company including their spouses or those living together as husband and wife, children and underage person in the purchase - sale of shares of the Company during the period of 1 month before the Company shall publish financial statements or publish information that is essential to the public.
6. The Company shall educate the directors and executives of the Company to acknowledge the duty on reporting their holding of securities including their spouses or those living together as husband and wife, children and underage person according to Section 59 of the Securities Exchange Act of 2535, including the amendment ("Securities Act") and the notification of the Securities and Exchange Commission No. SorChor. 12/2552 Re: preparation and disclosure of shareholding of directors, executives and auditors and the punishments under Section 275 of the Securities and Exchange Act BE 2535.

7. The Company requires the directors and executives of the Company to report any changes in the shareholding of the Company to the Securities and Exchange Commission according to Section 59 of the Securities Exchange Act of 2535, including the amendment ("Securities Act") and the notification of the Securities and Exchange Commission No. SorChor. 12/2552 Re: preparation and disclosure of shareholding of directors, executives and auditors and send a copy of this report to the Company on the same day the report is submitted to the Securities and Exchange Commission.

8.4 Report of the Audit Committee

To Shareholders

The Audit Committee of AppliCAD Public Company Limited ("the Company") comprises of three Independent Directors who are expert in financial accounting, law and business. All audit committees are qualified as defined in the regulations of the Securities and Exchange Commission of Thailand and the Stock Exchange of Thailand, namely Dr. Sunee Sornchaithanasuk, Mr. Thanin Pornsirithivej and Mr. Jeerawat Kulsapudom. The Audit Committee has been appointed by the Board of Directors' meeting to operate to a certain extent, duties and responsibilities as specified in the Charter of the Audit Committee, which is reviewed at least once a year and complies with the best practices of the Audit Committee, regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2020, the Audit Committee held 4 meetings with 100% of attendance from all Audit Committee members, to discussion with management, internal auditors, auditors and also present to the Board of Directors for regular sessions. The Audit Committee has performed the duties which are summarized as follows:

1. Review of Financial Reports

The Audit Committee has reviewed quarterly and annually the Financial Statements for the year 2020 of the Company with the Management and External Auditor by discussing with the External Auditor on the accuracy and completeness of financial information and such Financial Statements, significant adjustment which affected to the Financial Statements and Key Audit Matters in the Audit Report. The Audit Committee concluded that such Financial Statements, including the disclosure of information in the notes to the Financial Statements of the Company has been conducted accurately, completely, timely and reliably in accordance with Financial Reporting Standards to benefit users of such Financial Statements. The auditor has reported with an unconditional opinion and the result of the control assessment are appropriate, concealment was not found and was able to work independently. In addition, the Audit Committee has arranged the meeting with the Auditor without the Company's management one time to determine the scope and inquire about the risks of irregular transactions that may or may occur during the audit.

2. Review of Related transactions or transactions that may lead to conflicts of interest

The Audit Committee has considered the disclosure of the Company's information in the event of related transactions or transactions that may lead to conflicts of

interest by adhering to the principles of fairness, normal business, transparency, adequate information disclosure as done to the general public and concluded that the disclosure of the Company's information is sufficient and in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand.

3. Review of Risk Management

The Audit Committee has reviewed the Company's risk management of 2020, covering the situation of COVID-19 by reviewing the management of potential economic risks, such as financial liquidity, Receivables management and payments to assess the impairment of assets, etc. and to regularly consider and review the suitability and effectiveness of risk management procedures and also provide suggestions to improve the management process appropriately.

4. Review of Internal Control

The Audit Committee has reviewed the adequacy of the Company's internal control system in conjunction with the independent internal audit and management by having internal audit reports directly to the Audit Committee and to monitor the revised work according to the recommendations in the audit report and comments of the Audit Committee continuously, as well as to revise the internal control system in accordance with the changing situation. The Audit Committee

has concluded that the Company has an adequate and effective internal control system in accordance with the Principles of Good Internal Control of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

5. Review of Good Corporate Governance

The Audit Committee has reviewed the Code of Conduct in order to ensure systematic good Corporate Governance and regularly review whistleblowing policies and procedures to report complaints for non-compliance with securities laws and laws relating to the Company's business operations, as well as tracking changes in regulations to ensure that the Company strictly complies with the regulations in order to ensure transparency and ethics, ensuring confidence among all stakeholders.

6. Consider the appointment of auditors and audit fees

The Audit Committee has considered the selection of auditors by considering their readiness, scope of service, independence and appropriateness of the audit fee rates and has provided opinions to the Board of Directors to be presented to the Annual General Meeting of Shareholders for the year 2021 by considering the appointment of auditors from Karin Audit Co., Ltd. with Ms. Kannika Wipanurat and/or Mr. Jirote Sirirorote and/or Mrs. Sumana Senivongse Na Ayutthaya and/or Mr. Komin Linprachaya and/or Ms. Kochamon Soonhuan to be the Company's auditors for the year 2021. Such auditors are auditors according to the list of auditors approved by the Securities and Exchange Commission.

In summary, the Audit Committee believes that the Company's Financial Report has been prepared in accordance with the Financial Reporting Standards, the related transactions have been made in accordance with the principles of arm's length with normal business conditions, transparency, adequate disclosure of information, as done with other third parties and Risk management and internal control systems are adequate and efficient, and relevant regulations are fully complied.



Dr. Sunee Sornchaithanasuk
Chairman of Audit Committees

9. Internal control and Related parties transection

9.1 The opinion of Borad of Directors on the Internal control of the Company

According to the resolution of the meeting of Board of Directors No./2020 on 21 February 2020 with 3 Audit Committees attended the meeting, the Board of Directors has evaluated the adequacy of the internal control of the Company by requesting information from the management which can be concluded that the assessment of internal controls of the Company consists of 5 parts in various fields as follows;

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information & Communication
5. Monitoring Activities

The Board of Directors has agreed that the Company has the adequate and appropriate internal contral system. The Company has provided sufficient personnel to operate the system effectively. The Company's business operations are in line with good corporate governance and transparency. In addition, the Company has provided a monitoring system to oversee the Company's operations to ensure that it can protect the Company's assets from the misuse or without authority of director or executive as well as adequate control system for transactions with conflict-related persons or related parties.

Head of Internal Audit of the Company

The Company has employed P&L International Audit Co., Ltd., an external unit to monitor the Company's internal control system from 2014 to the present. P&L International Audit Co., Ltd., has assigned Miss Sukanya Manolert, Assistant Vice President to be the head of internal audit.

The Board of Directors has considered the quality of Miss Sukanya Manolert and agreed that she has the sufficient quality to perform such duties due to independence. Knowledge, competence and experience in internal audit operations.

Therefore, the consideration and approval of appointment, transfer, dismissal of the head of internal audit of the company must obtain the approval or the agreement of the Audit Committee.

9.2 Details of transaction

In 2020, the Company and its subsidiaries have transactions with people who may have conflicted with the details of the transaction as follows;

Persons who may have conflict	transaction	Transaction Value (Million Baht)			Necessity and rationality of transaction	Opinion of Audit Committee
		2020	2019	2018		
Mr. Prapas Tangadulrat - Chief Executive Officer of the Company, holding 57.15% of the issued shares.	Rental of land and building	0.60	0.60	0.60	The Company has leased land and buildings from Mr. Prapas Tangadulrat to be used as a storage of facility and parking lot of the Company with a 3-year lease period starting 1 July 2019 to 30 June 2022 at the rental rate of 50,000 baht (area 1,504 sqm. as 33.24 baht per one sqm.) such rental rate when compared with the area value of the Company, rental of parking spaces in similar areas from third parties which are 1. Mr. Tongdee Busaratepkul with the monthly rental of 25,473.68 baht (area 1,196 sqm. as 21.30 baht per one sqm.), 2. Mrs. Sritong Busaratepkul with the monthly rental of 31,578.95 baht (area 1,196 sqm. as 26.40 baht per one sqm.). the rental which the Company has paid to Mr. Prapas is higher than both persons above due to the rental of showroom with parking and it is located next to the office building of the Company.	
	Guarantee of the Company's credit limit - Guarantee of credit limit in the contract - Debt balance at the end of period	83.00 [6.04]	83.00 [5.13]	87.24 [9.98]	The Company has had the agreement of credit limit with Siam Commercial Bank as the working capital in the business. Such credit limit has been guaranteed by Mr. Prapas Tangadulrat in the accordance with the terms and conditions of the commercial bank without the guarantee fee charged from the company's financial leasing. The Company was approved the additional credit limit on 4 April 2018 and terminated the guarantee of credit limit by Mr. Prapas Tangadulrat on 26 August 2019.	

Persons who may have conflict	transaction	Transaction Value (Million Baht)			Necessity and rationality of transaction	Opinion of Audit Committee
		2020	2019	2018		
Mr.Prakit Laoboontharoen - as the Company executive	Consultation fee	0.44	0.48	0.48	RP has employed Mr. Prakit Laoboontharoen to provide the consultation service of sales. Mr. Prakit has good experience and professional in sales, marketing and product of 3D as well as the good relationship with industrial entrepreneurs. Such consultation is used for the benefits of the Company's operation in the monthly employment rate in the contract of 40,000 baht by considering from the remuneration paid to executives in similar levels with the 2 working days (8 days) which are 36,690.91 baht and 39,709.09 baht. In this regard, the Company has used such remuneration because the Company could not find any external consultant in the same responsibilities, although Mr.Prakit Laoboontharoen has the engineering technical position with Prime Design Solutions Company Limited without monthly salary that could not be comparable. The contract between the Company and Mr. Prakit Laoboontharoen has ended on 30 November 2020.	

Measures and procedures to approve the Related Parties Transaction

The Company has imposed measures to enter transactions between the Company and its subsidiaries and related parties, and the Audit Committee shall comment on the necessity, reasonableness and price suitability of the transaction, based on conditions in accordance with the normal trading practices at the market price. This can be compared to the price incurred to third parties. In the event that the Audit Committee does not have the expertise to consider the transactions of the following transactions. The Company shall provide individuals with special knowledge, such as auditors, property appraisals, law firms, etc. which is independent of the Company and those who may have conflicts to comment on such transactions to make the decision of the Audit Committee to allow the Audit Committee to present to the Board of Directors or shareholders as a case.

In addition, the Company and its subsidiaries have imposed measures not to allow executives or stakeholders to participate in the approval of transactions they have directly and indirectly. The Board of Directors shall ensure that the Company shall comply with the Securities and Exchange Commission and the Articles of Association, announcements, orders or requirements of the Capital Market And the Stock Exchange Of Thailand as well as to comply with the disclosure of transactions in the notice of the relevant transaction and the acquisition of significant assets of the Company and its subsidiaries. Moreover, it shall comply with the accounting standards set by the Federation of Accounting Professions under the Royal Patronage and will disclose the transactions between each other in the notes to the financial statements reviewed by the Company's auditors.

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Policies and trends in future Related Parties Transaction

The Company and/or its subsidiaries may continue to make transactions with each other in the future, which will be in accordance with the nature of the general trade business and clearly establish the transaction policy which will be the usual price and trading terms of the business which is similar to the appointment of unrelated individuals and/or companies, such as buying or selling, providing or receiving rental services, guarantees by major shareholders and/or directors, etc. The transactions between the upcoming parties are necessary to conduct the Company's business and/or its subsidiaries and to the benefit of the Company and/or its subsidiaries. The Audit Committee will consider reviewing the compliance and commenting on the reasonableness of the transactions that occur every quarter.

For transactions that do not comply with normal business that may occur in the future, the Company shall conduct an audit committee to review the compliance with the guidelines and show the reasons for such transactions before the Company or its subsidiaries enter such transaction by taking the following measures and procedures to approve the transaction as specified above. However, related parties transactions that may cause a potential conflict of interest in the future. The Board of Directors shall comply with the laws of the Securities and Exchange Commission and the Articles of Association, announcements, orders or requirements of the Capital Market And the Stock Exchange Of Thailand as well as to comply with the disclosure of transactions in the notice of the relevant transaction and the acquisition of significant assets of the Company and its subsidiaries. Moreover, it shall comply with the accounting standards set by the Federation of Accounting Professions under the Royal Patronage.

A close-up photograph of a vibrant green basil plant growing out of a clear glass jar. The jar is filled with various coins, including a prominent 50-cent coin in the foreground. The background is a soft, out-of-focus green, suggesting a natural setting. The overall image conveys a sense of financial growth and investment.

| Financial Statements

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
DECEMBER 31, 2020
AND INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report**To the Shareholders of Applicad Public Company Limited****Opinion**

I have audited the financial statements of Applicad Public Company Limited and its subsidiaries which comprise the consolidated and separate statements of financial position and as at December 31, 2020, and the consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated and separate financial statements referred to above present fairly, in all material respects, the financial position of Applicad Public Company Limited and its subsidiaries as at December 31, 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I have conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the consolidated financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Allowance for doubtful account**Risk**

Refer to Note 7. The Group's trade and other current receivable amount of baht 70.10 million from the Consolidated Financial Statement as at December 31, 2020 an accounts receivable consisted of group of small and medium enterprises, state enterprises, government agencies, and educational institutions. Trade receivables has been stated at an expected net realizable value. The Group has set up the allowance for doubtful accounts for estimated losses at non-collection by considering the separation of debtors with different risks. I have valued the setting of the allowance for double accounts due to the classification of debtors with different risks required by management to exercise the discretion.

Risk Response of Auditor

My audit procedures responded to the risk referred to the above are as follows:

- I have tested the system to evaluate the effectiveness of the internal control on providing credit limit to customers, sales, tracking payment, approval of transactions and systems used, as well as other important controls that affect the risks of each debtors, resulting in different risks.
- I have considered the management's discretion to segment debtors who are vulnerable to different payments.
- I have considered the information used by management for the ratio of collection that would not be collected from the average data in the past which is the basis for calculating the doubtful debt rate of each group of debtors whether the debtor is reasonable.
- I have sampled to test the suitability of the aging report of trade receivables.
- I have considered the information of payments made during the reporting period, including information on receiving payments after the reporting period to review the suitability of the final debt collection ratio, and
- I have repeatedly tested the calculation to confirm the correctness of the calculation of the amount recorded as the allowance for doubtful accounts at the end of the period that it is appropriate.

Intangible assets**Risk**

Refer to Note 12, other intangible assets during the year 2020 from the Consolidated and Separate Financial Statements. There is an increase amount of 3.59 million baht and 3.55 million baht respective, which was intangible assets during the development as the amount of 3.35 million baht, because the Group has developed platform to connect the product selling and its services, as well as new service in the future. Such record of the intangible assets during the development must be taken into the consideration from management to anticipate such development of platform would benefit to the Group and make the Group earn more in the future. The management has estimated the development period and the period that is expected to begin generating revenue for the Group requiring a lot of effort to evaluate the success of such platform and record the costs incurred to acquire the platform as the asset. Therefore, I believe that the record of intangible assets during the development is significant.

Risk Response of Auditor

My audit procedures responded to the risk referred to the above are as follows:

- I have read the minutes of the meeting, reviewed the approval of the platform development in accordance with the policy of the Group.
- I have reviewed the platform development plan from the feasibility study of the project, target customers expected by the Group, including the expected period of time for the development.
- I have followed up on the minutes of the meeting and reviewed the results of the progress reports of the platform development plan in each meeting period to confirm the success of the project.
- I have considered the possibility of the platform by inquiring the management, following up the platform development plan and regularly evaluating.
- In case of a postponement of the development timeframe, I have reviewed the reasonableness of the postponement and appropriately assessed the success of the project, as well as considered whether the costs incurred from the postponement until the end of the project to be recognized as the intangible assets during the development and also the record previously recognized as intangible assets during the development.
- I have considered the record of intangible assets during the development by separating each platform (phase separation) and the revenue-generating segment.
- I have reviewed the balance of intangible assets during the development that have been recorded in the past, including those added during the period which is still in the assumption of the successful project.

- I have considered the revenue-generating contribution and matching sub-platform developed to ensure the termination of recording the intangible assets during the development by appropriately classifying and amortizing on the date of the incurring income.

Emphasis of Matter

I draw attention to Note 2.1 to the interim financial statements. Due to the impact of the COVID-19 outbreak, in preparing the interim financial information for the year ended December 31, 2020, the Group has adopted the Accounting Guidance on Temporary Relief Measures for Accounting Alternatives Dealing with The Impact of COVID-19 Pandemic issued by the Federation of Accounting Professions. My conclusion is not modified in respect of this matter.

Other matters

The financial statements of Applicad Public Company Limited as at December 31, 2019 are shown as the comparative information audited by other auditors from the same office and also expressed the unconditional opinion according to the report dated February 21, 2020.

Other information

Management is responsible for the other information, including in the annual report but does not include the financial statements and the auditor's report contained in that annual report. I personally believe that the annual report is expected to be delivered to me after the date of this auditor's report.

My audit opinion on the financial statements does not cover other information and I do not make any certainty about any other information.

My responsibility in connection with the audit of the financial statements is to read and consider whether the other information materially conflicts with the financial statements or my knowledge gained from my audit or it appears that other information is a material misstatement.

When I have read the annual report and if I could conclude that there is a material misstatement, I must communicate the matter to those charged with governance so that those charged with governance would take corrective actions against misstatements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Sumana Senivongse.

(Mrs. Sumana Senivongse)

Certified Public Accountant (Thailand) No. 5897

Karin Audit Company Limited

Bangkok, Thailand

February 25, 2021

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

		(Unit : Baht)				
		Consolidated		Separate		
		As at	As at	As at	As at	
Notes		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	
ASSETS						
Current assets						
	Cash and cash equivalents	6	362,335,750	353,670,693	349,980,840	340,569,119
	Trade and other current receivable					
	Trade and current receivable	7, 23	70,100,369	63,897,418	64,097,483	58,173,055
	Other receivable-prepaid service costs	7	72,547,128	64,591,915	71,224,269	63,316,376
	Short-term loans	23	-	-	15,432,172	12,873,764
	Inventories	8	33,778,054	23,543,342	29,020,782	20,480,714
	Current tax assets		1,995,126	2,083,936	-	-
	Other current assets		734,706	286,593	661,414	263,166
	Total current assets		<u>541,491,133</u>	<u>508,073,897</u>	<u>530,416,960</u>	<u>495,676,194</u>
Non-current assets						
	Investments in subsidiaries	9	-	-	6,124,202	6,124,202
	Property, plant and equipment	10	92,644,871	89,639,865	81,699,717	78,043,485
	Right of use assets	11	3,613,119	-	1,808,570	-
	Other intangible assets	12	5,335,328	2,563,648	5,305,011	2,528,188
	Deferred tax assets	21	16,288,909	14,223,361	19,419,341	17,339,380
	Other non-current assets		1,068,801	951,187	541,329	434,642
	Total non-current assets		<u>118,951,028</u>	<u>107,378,061</u>	<u>114,898,170</u>	<u>104,469,897</u>
	Total assets		<u><u>660,442,161</u></u>	<u><u>615,451,958</u></u>	<u><u>645,315,130</u></u>	<u><u>600,146,091</u></u>

The accompanying notes are an integral part of the financial statements.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

		(Unit : Baht)				
		Consolidated		Separate		
		As at	As at	As at	As at	
Notes		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	
LIABILITIES AND SHAREHOLDERS' EQUITY						
Current liabilities						
Trade and other current payables						
	Trade and current payables	13	94,588,439	78,565,096	85,708,933	71,058,947
	Other payables-unearned revenues	13	176,250,833	175,419,347	172,626,783	172,056,330
	Current portion of lease liabilities	14	2,075,490	-	1,461,013	-
	Current income tax payable		3,857,249	1,015,905	3,857,249	1,015,905
	Current provisions for employee benefit	15	1,755,354	354,333	1,578,090	311,518
	Total current liabilities		278,527,365	255,354,681	265,232,068	244,442,700
Non-current liabilities						
	Lease liabilities	14	1,649,236	-	403,965	-
	Non-current provisions for employee benefit	15	39,895,587	36,446,076	33,086,480	31,109,794
	Decommissioning funds obligations		210,000	220,000	-	-
	Total non-current liabilities		41,754,823	36,666,076	33,490,445	31,109,794
	Total liabilities		320,282,188	292,020,757	298,722,513	275,552,494

The accompanying notes are an integral part of the financial statements.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2020

		(Unit : Baht)			
		Consolidated		Separate	
		As at	As at	As at	As at
Notes		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Shareholders' equity					
Share capital					
Authorized share capital					
	280,000,000 ordinary shares of Baht 0.50 each	16	140,000,000	140,000,000	140,000,000
Issued and paid share capital					
	280,000,000 ordinary shares of Baht 0.50 each		140,000,000	140,000,000	140,000,000
	Share Premium (discount) on ordinary shares		146,725,000	146,725,000	146,725,000
Surplus (Deficit) from business combinations					
	under common control		954,644	954,644	-
Retained earnings					
	Appropriated-Legal reserve		10,943,280	8,443,280	10,943,280
	Unappropriated		40,364,678	25,867,738	48,924,337
	Other components of shareholders' equity		1,689,704	1,942,455	-
Total equity attributable to owners of the company			340,677,306	323,933,117	346,592,617
	Non-controlling interests		(517,333)	(501,916)	-
Total shareholders' equity			340,159,973	323,431,201	346,592,617
Total liabilities and shareholders' equity			660,442,161	615,451,958	645,315,130
			600,146,091		

The accompanying notes are an integral part of the financial statements.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

		(Unit : Baht)			
		Consolidated		Separate	
Notes	2020	2019	2020	2019	
Revenue					
Revenue from sales	24	365,430,562	441,677,018	340,382,654	406,268,102
Revenue from services	24	282,559,087	285,303,212	246,603,628	250,821,719
Other income	24	10,132,187	7,993,309	13,960,998	9,454,736
Total revenue		658,121,836	734,973,539	600,947,280	666,544,557
Expenses					
Cost of sales	24	(206,335,822)	(259,340,355)	(194,550,870)	(242,950,040)
Costs of rendering of services	24	(131,717,364)	(120,954,738)	(109,885,061)	(108,861,866)
Selling expenses	24	(162,473,789)	(176,307,147)	(149,515,535)	(156,797,885)
Administrative expenses	24	(100,180,625)	(106,163,519)	(84,786,755)	(90,303,387)
Finance costs	24	(340,761)	(6,833)	(185,098)	(6,833)
Total expenses		(601,048,361)	(662,772,592)	(538,923,319)	(598,920,011)
Profit (loss) before income tax expenses		57,073,475	72,200,947	62,023,961	67,624,546
Tax income (expense)		(12,091,952)	(14,575,380)	(12,024,941)	(14,683,286)
Profit (loss) for the year		44,981,523	57,625,567	49,999,020	52,941,260
Other comprehensive income :					
Components of other comprehensive income that will be reclassified to profit or loss :					
Exchange differences on translating financial statement		(252,751)	456,600	-	-
Total components of other comprehensive income that will be reclassified to profit or loss		(252,751)	456,600	-	-
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains (losses) on remeasurement of defined employee benefit plans		-	(6,592,182)	-	(5,859,004)
Total components of other comprehensive income that will not be reclassified to profit or loss		-	(6,592,182)	-	(5,859,004)
Total comprehensive income (expense) for the year		44,728,772	51,489,985	49,999,020	47,082,256
Profit (loss) attributable to :					
Owners of parent		44,996,940	57,482,103	49,999,020	52,941,260
Non-controlling Interests		(15,417)	143,464		
		44,981,523	57,625,567		
Total comprehensive income (expense) attributable to :					
Owners of parent		44,744,189	51,346,521	49,999,020	47,082,256
Non-controlling Interests		(15,417)	143,464		
		44,728,772	51,489,985		
Basic earnings (loss) per share					
Profit (Loss) (Baht per share)	22	0.16	0.28	0.18	0.26

The accompanying notes are an integral part of the financial statements.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Bah)

Consolidated													
Equity attributable to owners of the Company's shareholders													
Notes	Issued and paid share capital	Share Premium (discount) on ordinary shares	Deficit from business combinations under common control	Retained earnings		Financial statement conversion	Gains (losses) on remeasurements of defined employee benefit plans		Surplus from change in shareholding percentage in subsidiaries	Total other components of shareholders' equity	Total shareholders' equity of parent company	Non-controlling Interests	Total shareholders' equity
				Appropriated	Unappropriated		of defined employee benefit plans	in subsidiaries					
	82,800,000	-	954,644	5,796,280	2,892,227	125,851	-	-	257,214	413,065	92,856,216	-	92,856,216
18	-	-	-	-	(24,840,000)	-	-	-	-	-	(24,840,000)	-	(24,840,000)
16	57,200,000	146,725,000	-	-	-	-	-	-	-	-	203,925,000	-	203,925,000
	-	-	-	-	57,482,103	456,600	(6,592,182)	-	-	(6,135,582)	51,346,521	143,464	51,489,985
9	-	-	-	-	(427,410)	-	-	1,072,790	-	1,072,790	645,380	(645,380)	-
	-	-	-	-	(6,592,182)	-	6,592,182	-	-	6,592,182	-	-	-
	-	-	-	2,647,000	(2,647,000)	-	-	-	-	-	-	-	-
	140,000,000	146,725,000	954,644	8,443,280	25,867,738	582,451	-	1,360,004	1,942,455	323,933,117	(501,916)	(501,916)	323,431,201
18	-	-	-	-	(28,000,000)	-	-	-	-	(28,000,000)	-	-	(28,000,000)
	-	-	-	-	44,996,940	(252,751)	-	-	(252,751)	44,744,189	(15,417)	(15,417)	44,728,772
	-	-	-	2,500,000	(2,500,000)	-	-	-	-	-	-	-	-
	140,000,000	146,725,000	954,644	10,943,280	40,364,678	329,700	-	1,360,004	1,689,704	340,677,306	(517,333)	(517,333)	340,159,973

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

Notes	Separate										(Unit : Baht)
	Issued and paid share capital	Share Premium (discount) on ordinary shares	Retained earnings		Other components of shareholders' equity			Total shareholders' equity	Total shareholders' equity	Total	
			Appropriated	Unappropriated	Gains (losses) on remeasurements of defined employee benefit plans	on remeasurements of defined employee benefit plans	other components of shareholders' equity				
	82,800,000	-	5,796,280	9,830,061	-	-	-	-	-	98,426,341	
18	-	-	-	(24,840,000)	-	-	-	-	-	(24,840,000)	
16	57,200,000	146,725,000	-	-	-	-	-	-	-	203,925,000	
	-	-	-	52,941,260	(5,859,004)	(5,859,004)	(5,859,004)	5,859,004	-	47,082,256	
	-	-	2,647,000	(2,647,000)	-	-	-	-	-	-	
	140,000,000	146,725,000	8,443,280	29,425,317	-	-	-	-	-	324,593,597	
18	-	-	-	(28,000,000)	-	-	-	-	-	(28,000,000)	
	-	-	-	49,999,020	-	-	-	-	-	49,999,020	
	-	-	2,500,000	(2,500,000)	-	-	-	-	-	-	
	140,000,000	146,725,000	10,943,280	48,924,337	-	-	-	-	-	346,592,617	

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2020

(Unit : Baht)					
	Notes	Consolidated		Separate	
		2020	2019	2020	2019
Cash flows from operating activities					
Profit (loss) before income tax for the year		57,073,475	72,200,947	62,023,961	67,624,546
Adjustment of profit (loss) on cash received (paid)					
Adjustment on Financial Cost		340,760	6,833	185,099	6,833
Adjustment on Trade and other current receivable (increase) decrease		(15,893,120)	(4,569,197)	(19,073,004)	(6,415,293)
Adjustment on Inventories (increase) decrease		(11,494,645)	2,113,629	(9,831,270)	2,118,409
Adjustment on Other assets (increase) decrease		(667,188)	2,214,144	(504,937)	(1,780,109)
Adjustment on Trade and other current account payable increase (decrease)		16,953,119	(5,710,591)	15,318,364	(7,720,705)
Depreciation Depletion and Amortization charge	10,11,12	17,711,742	12,914,452	13,340,441	10,069,380
Adjustment on Reduction of inventories to net realisable value (Reverse)	8	1,259,933	882,343	1,291,202	861,267
Adjustment on Provisions liabilities (Reverse)		5,536,401	9,151,720	3,964,472	7,868,888
Adjustment on Unrealized Loss (Gain) on exchange rate		12,138	51,162	12,504	52,175
Adjustment Bad debts and allowance for doubtful accounts (Reverse)	7,23	1,622,614	(116,520)	1,878,491	1,858,950
Adjustment on Loss (Gain) from sales of non-current assets					
- Property, plan and equipment	10	(381,094)	(944,182)	(1,063,761)	(1,286,537)
- Intangible assets	12	-	(3,871)	-	(3,871)
Other Adjustment on Cash generated from investments		(85,424)	(18,220)	(83,844)	(427,410)
Other Adjustment - Amortization assets	10	-	399,485	-	-
Cash provided from (used in) operating activities		71,988,711	88,572,134	67,457,718	72,826,523
Interest expense		-	(6,833)	-	(6,833)
Income tax recoverable (paid out)		(11,174,748)	(1,950,791)	(11,263,557)	(1,414,214)
Cash received (paid) from other activities - Provision for employee benefits	15	(721,214)	(240,300)	(721,214)	(240,300)
Net cash provided from (used in) operating activities		60,092,749	86,374,210	55,472,947	71,165,176
Cash flows from investing activities					
Cash received from sales of subsidiaries, net of cash paid		-	-	-	427,410
Cash received from the sale of property, plan and equipment	10	703,774	3,780,292	1,367,956	3,488,668
Cash paid for purchase of property, plan and equipment	10	(17,088,868)	(29,692,760)	(14,653,157)	(22,697,099)
Cash received from the sale of intangible assets		-	19,397	-	19,397
Cash paid for purchase of intangible assets	12	(3,587,216)	(1,352,285)	(3,554,382)	(1,353,436)
Advance payments and loans to other persons or related parties	23	-	-	(5,000,000)	(3,068,000)
Cash received from advance payment and loans to other persons or related parties	23	-	-	5,116,666	2,489,824
Interest income		257,338	651,740	830,534	633,520
Net cash flows provided from (used in) investing activities		(19,714,972)	(26,593,616)	(15,892,383)	(20,059,716)

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2020

		(Unit : Baht)			
		Consolidated		Separate	
Notes		2020	2019	2020	2019
Cash flows from financing activities					
	Cash receipt from issue of ordinary share	-	203,925,000	-	203,925,000
	Cash paid for loans	-	(728,443)	-	(728,443)
	Cash paid for repayment finance lease payable	(3,119,208)	-	(1,983,744)	-
	Interest expense	(340,761)	-	(185,099)	-
18	Dividend	(28,000,000)	(24,840,000)	(28,000,000)	(24,840,000)
Net cash flows provided from (used in) financing activities		(31,459,969)	178,356,557	(30,168,843)	178,356,557
Cash and cash equivalents increase (decrease) before exchange					
	rate effects	8,917,808	238,137,151	9,411,721	229,462,017
	Impact of exchange rate on cash and cash equivalents	(252,751)	456,600	-	-
Net increase (decrease) in cash and cash equivalents		8,665,057	238,593,751	9,411,721	229,462,017
Cash and cash equivalents - beginning balance (Notes 6)		353,670,693	115,076,942	340,569,119	111,107,102
Cash and cash equivalents - ending balance (Notes 6)		362,335,750	353,670,693	349,980,840	340,569,119

Additional information for cash flows

- For the purpose of preparing the statement of cash flows, cash and cash equivalents items include cash in hand and cash at banks and short-term investment in promissory notes which are due within 3 months.
- During the year 2020, the company has agreement land and building that was reclassified to leases liabilities on January 1, 2020. Which was a part of the process standard to the lease agreement for the first time which has financial lease in the consolidated financial statements in the amount of Baht 6.84 million and in the separate financial statements amount of Baht 3.84 million (Notes 3.2.2)

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020****1. GENERAL INFORMATION**

AppliCAD Public Company Limited, previously named ("AppliCAD Company Limited") The Company registered to be a public company limited on December 7, 2018, registration number 0107561000471. The company was established the Company Limited in Thailand. The Company's main business is sale of computer programs and maintenance services for computer programs, machines and equipment to design and develop other related products and services. By the registered address is 69 Soi Sukhumvit 68 Sukhumvit Road, Bangna -nuea, Bangna, Bangkok 10260.

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATED**2.1. EPIDEMIC OF COVID - 19**

The current situation of the covid - 19 epidemic has been continuously expanding. Causing the economic downturn and affecting most businesses and industries which may lead to instability and impact on the business environment. The Group's management has continuously monitored the progress of the above situation and assessed the financial impact of assets, provisions for liabilities and contingent liabilities. The management uses estimates and judgments on various matters when the situation changes.

2.2. Basis for financial statements preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

The financial statements in English language have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or interpretation in two different languages, the Thai version of the financial statements shall main.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

2.3. BASIS OF CONSOLIDATION

- A) The consolidated financial statements include the financial statements of ApplicAD Public Company Limited and the subsidiary has control or holds more than 50 percent of the shares with voting rights as follows:

Company's name	Nature of business	Country of incorporation	Nature of business shareholding (%)	
			As at December 31, 2020	As at December 31, 2019
Deti Co., Ltd	Training of computer program	Thailand	99.98	99.98
Rabbit Prototype Co., Ltd.	Hired the production of works pieces	Thailand	100.00	100.00
PT Indonesia Applicad Co.,Ltd.	Distribution of computer program	Indonesia	67.00	67.00

- B) The Company has combined the subsidiaries' financial statements in the consolidated financial statements since the date that the Company has the authority to control in the subsidiaries until the end of that authority.
- C) The subsidiaries' financial statements have been prepared by using the significant accounting policies which are the same as the Company's.
- D) The assets and liabilities of the subsidiaries' financial statements established in the foreign country has changed the currency into Baht at the end of the reporting period. Moreover, the revenues and expenses have changed into Baht as the monthly average which its difference of the exchange rate is shown as the difference from convention of the financial statements in foreign currencies in the statement of changes in shareholders' equity.
- E) The outstanding balances between the Company and its subsidiaries, the significant intercompany transactions have been eliminated from the consolidated financial statements.
- F) The equity of non-controlling stakeholder is the profit or loss and the net assets of the subsidiary that is not a part of the Company and it is shown separately in the consolidated profit or loss and the shareholders equity is shown in the consolidate financial statement.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

The Company has prepared the financial statements for the benefits of the public by showing the investment in its subsidiaries as the cost method.

The transactions with its subsidiaries that matter have already been deducted from the consolidated financial statement.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

The total assets of subsidiaries as at December 31, 2020 and December 31, 2019 and revenues for the year ended December 31, 2020 and 2019, as included in the consolidated financial statements presented in term of percentages are as follow:

	Percentage of subsidiary's total assets		Percentage of subsidiary's total revenues	
	to consolidated total assets		to consolidated total revenues	
	December 31, 2020	December 31, 2019	For the year ended December 31,	
			2020	2019
Deti Co., Ltd.	1.02	1.37	1.89	2.50
Rabbit Prototype Co., Ltd.	2.72	2.75	3.61	3.54
PT Indonesia Applicad Co., Ltd.	2.68	2.95	5.42	5.96

2.4. ACCOUNTING POLICIES

Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2018) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020****Financial Reporting Standards Financial Instrument Group**

Financial Reporting Standards, Financial Instrument Group consists of the standard and the interpretation of 5 standards.

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

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

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

TFRS 16 Leases

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

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

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at January 1, 2020 to be to increase the Group's assets by approximately Baht 5.16 million and the Company only approximately Baht 3.85 million, and the Group's liabilities by approximately Baht 5.16 million and the Company only approximately Baht 3.85 million.

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

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

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

The Company and its subsidiaries have elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company and its subsidiaries uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

Management is in the process of prepared estimate for the temporary relief the ending on December 31, 2020.

3. IMPACT OF FIRST-TIME ADOPTION OF NEW ACCOUNTING STANDARDS

The change in the disclosure of accounting policy explains the impact that the Group has adopted the International Financial Reporting Standards No.9:IFRS 9 on the financial instruments and the standard group related to financial instruments and No.16 on the lease agreement for the first time. Such new accounting policies adopted since 1 January, 2020 are described in Note 3.2

The Group has adopted these two standards since 1 January 2020 by using the method to recognize the cumulative effects of the adoption of the such financial reporting standards as the modified retrospective and did not retrospectively adjusted to the

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**

financial statements last year shown as the comparison. Therefore, the reclassification and adjustment arising from the changes in accounting policies are recognized in the statements of financial position as at 1 January 2020.

3.1. New accounting policies applied from 1 January 2020**3.1.1. The financial instruments**

- Item classification and measurement
 - Classification of items and measurement of financial assets of debt securities divided into 3 categories, which are amortized cost, fair value through profit or loss and fair value through other comprehensive income. It depends on the Company's business model of financial asset management and the contractual cash flow characteristics of such financial asset.
 - Classification of items and measurement of financial assets of equity securities must be measured at fair value through profit or loss. The Company can choose to recognize financial assets in the form of equity securities at fair value through other comprehensive income which cannot be subsequently transferred to profit or loss.
 - Financial liabilities are classified and measured by using the amortized cost method. The Company can choose to measure the value at fair value through profit or loss when certain conditions are met.
 - Derivatives are classified and measured by using the fair value through profit or loss method, except for derivative contracts used for hedging.
- Impairment requirements in accounting for the estimated credit losses for financial assets that are measured by using the amortized cost method or financial assets of bond measured at fair value through other comprehensive income, lease receivables and assets resulting from loan commitments and financial guarantees without having to wait for credit incidents to occur first, the Groups must consider changes in credit quality of financial assets into three levels. In each level, it will be considered the method for determining the allowance for loss and calculations of different actual interest methods with the exception for accounts receivable or assets resulting from contracts under Financial Reporting Standard No.15 that does not have significant financing components and the lease receivables will use the simplified approach for determining loss allowances.
- Hedging accounting has the purpose to show the effect of financial statements which is caused by the risk management activities of enterprises using financial instruments to manage the open position arising from such risks. It may affect profit or loss (or other comprehensive income in the case of investments in equity securities that the entity chooses to present changes in fair value in

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**

other comprehensive income). Such method aims to expose the context of hedging instruments under hedging accounting to understanding the purpose and effect.

- Disclosure of classification and measurement of financial assets and liabilities at the end of the reporting period.

3.1.2. LEASES

Where the Groups is the leases, leases are recognised as a right-of-use asset and a lease liability at the commencement date. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is measured at cost, which is initially measured at the present value of the lease payments. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term.

The lease liability is initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in the lease, if that can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

Payments associated with short-term leases or leases of low-value assets are recognised on a straight-line basis as expense in the statement of income.

3.2. IMPACT OF FINANCIAL STATEMENTS

In order to comply with accounting standard No. 16, the cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at January 1, 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings of 2020 from changes in accounting policies due to the adoption of these standards are presented as follows:

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

(Unit : Baht)

	CONSOLIDATED			
	DECEMBER			JANUARY
	31, 2019	TFRS 9	TFRS 16	1, 2020
Statement of financial position				
Current assets				
Trade receivables	130,573,269	(1,712,419)	-	128,860,850
Non-current assets				
Right of use assets	-	-	6,843,934	6,843,934
Total assets	130,573,269	(1,712,419)	6,843,934	135,704,784
Current liabilities				
Current portion of lease liabilities - net	-	-	3,119,209	3,119,209
Non-current liabilities				
Lease liabilities - net	-	-	3,724,725	3,724,725
Total liabilities	-	-	6,843,934	6,843,934

(Unit : Baht)

	SEPARATE			
	DECEMBER			JANUARY
	31, 2019	TFRS 9	TFRS 16	1, 2020
Statement of financial position				
Current assets				
Trade receivables	121,489,432	(3,682,650)	-	117,806,782
Non-current assets				
Right of use assets	-	-	3,848,722	3,848,722
Total assets	121,489,432	(3,682,650)	3,848,722	121,655,504
Current liabilities				
Current portion of lease liabilities - net	-	-	1,983,744	1,983,744
Non-current liabilities				
Lease liabilities - net	-	-	1,864,978	1,864,978
Total liabilities	-	-	3,848,722	3,848,722

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

3.2.1. Financial Instruments

Trade receivables

The Group has adopted a simplified approach to measure the value of credit losses that are expected to occur throughout the life of all trade receivables.

In measuring the expected credit loss, The Group has a group of trade accounts receivable in accordance with credit risk of a combination nature and an overdue period. The expected credit loss rate is based on past payments. Credit loss data based on past experience and future factors that may affect the rate of credit losses expected to occur.

With the above method allowance for loss on trade accounts receivable as at 1 January 2020 are as follows:

							(Unit : Baht)
Consolidated							
	Undue	No More than 3 months	More than 3 months to 6 months	More than 6 months to 12 months	More than 12 months	In the process of suing the receivable	Total
As at January 1, 2020							
Receivable	44,476,175	8,239,796	1,874,704	-	-	-	54,590,675
Allowance for loss	(903,014)	(99,878)	(710,527)	-	-	-	(1,713,419)
							(Unit : Baht)
Separate							
	Undue	No More than 3 months	More than 3 months to 6 months	More than 6 months to 12 months	More than 12 months	In the process of suing the receivable	Total
As at January 1, 2020							
Receivable	38,215,787	9,214,769	1,576,558	848,040	440,521	-	50,295,675
Allowance for loss	(931,195)	(690,894)	(800,774)	(819,266)	(440,521)	-	(3,682,650)

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**

3.2.2. Lease

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of TAS 17 Leases. It is to the right of use asset with the value equal to the liabilities under the lease agreement. Adjusted by the amount of payment required to be paid in advance or payable in accordance with the lease agreement recognized in the statement of financial position before the date of first use. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates. The incremental borrowing rate applied to the lease liabilities on January 1, 2020 rate 6.275%

	(Unit : Baht)	
	Consolidated	Separate
Operating lease commitments disclosed as at December 31, 2019	7,880,760	5,147,477
(Less) Short-term leases recognised on a straight-line basis as expense	(406,700)	(295,100)
<u>Add</u> Purchase or extension options reasonably certain to be exercised	1,978,644	-
(Less) Contracts reassessed as service agreements	(1,997,248)	(738,850)
	7,455,456	4,113,527
(Less) Deferred interest expenses	(611,522)	(265,805)
Additional lease liabilities from TFRS 16 adoption	6,843,934	3,847,722
Lease liabilities as at December 31, 2019	-	-
Lease liabilities as at January 1, 2020	6,843,934	3,848,722
Following as:		
Current lease liabilities	3,119,209	1,983,744
Non-current lease liabilities	3,724,725	1,864,978

The recognised right-of-use assets relate to the following types of assets:

	(Unit : Baht)	
	Consolidated	Separate
As at January 1, 2020		
The right-of-use land	2,094,323	2,094,323
The right-of-use building rental area	4,749,611	1,754,399
Total right-of-use assets	6,843,934	3,848,722

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020****4. SIGNIFICANT ACCOUNTING POLICIES****4.1. Revenue recognition****Revenue from sales**

Revenue from sales is recognised at the point in time when control of the asset is transferred to the customer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Revenue arrangements with multiple deliverables are allocated between the element in proportion to the delivered products and the obligations to be performed in providing services that are included in the contract using the basis of standalone selling prices of different products or services as obligated in the contract.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Contract asset” in the statement of financial position. The amounts reclassified to other receivables when the Company right to consideration is unconditional.

The obligation to provide to a customer have received from the customer is presented under the caption of “Contract liability” in the statement of financial position. Contract liabilities are recognised as revenue when the Company perform under the contract.

Revenue from service

Revenue from services is recognised when the company and its subsidiaries has provided the service, by consider the stage of completion which is calculated in accordance with the total cost of service incurred to the total estimated cost that will be used in providing in service under the contract.

4.2. Cash and cash equivalents

Cash and cash equivalents are cash and bank deposits and short-term investments with high liquidity which is due to be repaid within a period of not more than 3 months from the date of acquisition and there are no restrictions on withdrawal.

4.3. Financial instruments**Accounting policies adopted since 1 January 2020**

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020****Financial assets at amortised cost**

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4.4. Derivatives and hedge accounting

The Group uses interest rate swaps as a derivative to hedge its interest rate risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined.

A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in profit or loss.

Any adjustment to the carrying value of fair value hedges relating to items carried at amortised cost, is amortised through profit or loss over the remaining term of the hedge using the effective interest method. The amortisation may begin as soon as an adjustment exists or no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

4.5. Inventory

Inventories are stated at cost. (First in first out method) or net realizable value whichever is lower. The cost of purchase includes the purchase price and expenses directly related to the purchase of goods, such as import duties and transportation charges, less a discount of payment terms. And other discount Net realizable value is the estimate of the selling price in the ordinary course of business, less estimated costs to sell.

4.6. Investments

Investments in subsidiaries companies into the company separate financial statements shown the cost and less impairment. (if any)

4.7. Property, plant and Leasehold improvements and equipment and Depreciation

Leasehold improvements and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any)

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**

Buildings	24 - 28 years
Leasehold improvements	5, 10, 20 years
Furniture, fixtures and office equipment	3, 4, 5 years
Tools and Equipment	5, 10 years
Motor vehicles	5 years

Depreciation included in the calculation of performance.

No depreciation is provided on land and assets under installation

The Company and its subsidiaries, leasehold improvements and equipment are derecognised from the accounts upon disposal or when no expected future economic benefit from its use or disposal. Any gain or loss on disposal are recognized in profit or loss when the Company and its subsidiaries assets derecognised from the accounts.

4.8. Intangible assets and amortizations

Intangible assets which is computer software are shown the values as the costs deducted the accumulated amortizations and the allowance for impairment of assets (if any).

The Company and its subsidiaries amortized the computer softwares as the straight-line method throughout the useful life approximately about 4- 5 years. The amortization are including in the performance calculations.

4.9. Business transactions with related parties

The related parties with the Company means the people or the company has control or controlled the Company, either directly or indirectly, or under the same control as the Company.

In addition, the related parties include the associated companies and the people which have the rights to vote both directly or indirectly also have significant influence on the Company management, directors or employees of the Company has a power to plan and control the operations of the Company.

4.10. Foreign currencies

The Company has presented the consolidated and separate financial statements in Thai Baht, which is the currency used in the operation of the company. The transactions of each business included in the consolidated financial statements are measured by the currency used in the operation of each business.

The foreign currency transactions are converted into Thai Baht by using the exchange rate at the date of the transaction. The monetary assets and liabilities denominated in foreign currencies are converted into Thai Baht by using the exchange rate at the end of the period.

The profits and losses arising from the changes in exchange rate are included in the calculation of operating performance.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020****4.11. Impairment of assets**

At the end of the reporting period, the Company and its subsidiaries will evaluate the impairment of leasehold improvement and equipment or other intangible assets and investments of the Company. If there is any indication such of assets may be impaired, the Company and its subsidiaries recognize the impairment losses when the recoverable amount of the assets is lower than the book value of that asset. The recoverable amount is the fair value deducted costs to sell and the value of the assets, whichever is higher.

The Company and its subsidiaries will recognize the impairment losses in profit or loss.

4.12. Provision for employee benefits*Short-term employee benefits*

The Company and its subsidiaries record salaries, wages, bonus and contributions to the social security fund are recognised as expenses when incurred.

After employee benefits and long other employee benefits

Defined contribution plans

The Company and its subsidiaries and employee have set up a provident fund. The provident fund is funded by payments from employees and by the Company. The monthly payments, of which the assets are held in a separate trust fund. The Company contributions to the provident fund are charged to profit or loss in the years to which they relate.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss.

The Company have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiaries have other long-term employee benefits plan such as the term performance award program.

The Company and its subsidiaries calculate liabilities under employee post-employment benefit plan and other long-term employee benefits plan. By a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

The results of profits and losses arising from the actuarial science for the employee' benefits after leaving are recognized immediately in the other comprehensive income statements.

The results of profits and losses arising from the actuarial science for the other long-term benefit plans, employees are recognized immediately in the profit and losse statements.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**

The liabilities of employee benefit plans after leaving and the liabilities of the other long-term benefit plans comprise of the present value of obligations under the defined benefit plans which is deducted by the unperceived costs of service in the past and the unperceived actuarial profits or losses.

4.13. Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company assesses the lease term for the non-cancellable period as stipulated in lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e., the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use the underlying assets and lease liabilities based on lease payments.

A) Right of use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Depreciation of right-of-use assets are calculated by reference to their costs on a straight-line basis over the shorter of their estimated useful lives and the lease term, as follows:

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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The Right-of-used-land	2 - 3 years
The Right-of-used-building rental area	3 years

B) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

C) Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

4.14. Provisions

Provisions are recognised when the Company and its subsidiaries has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15. Income taxes

The income taxes comprise of the current income taxes and the deferred income taxes.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020****The current income taxes**

The Company and its subsidiaries record the the current income taxes as the expected amount to be paid to the tax authorities' government by calucating of the taxable income in accordance with the tax law.

The deferred income taxes

The Company and its subsidiaries record the the deferred income taxes of the temporary differences between the carrying amounts of assets and liabilities as the end of the reporting period the taxes based of the assets and the liabilities concerned.

The Company and its subsidiaries recognize the deferred income tax liabilities of the temporary differences of all taxable lists but recognize of the deferred tax assets for the deductible temporary tax differences including the tax losses which have not been used as the number of possibilities for the Company and its subsidiaries to receive the sufficient future taxable profits to take the advantages of the temporary differences between the taxes and the unused tax losses.

The Company and its subsidiaries will review the book value of the deferred tax assets at the end of the reporting period and will reduce the book value thereof. If there is the possibility of the Company and its subsidiaries have not the sufficient taxable profits for the deferred tax assets completely or partially for utilization.

The Company and its subsidiaries will record the deferred taxes directly to the shareholder's equity if the taxes relate to the transections that are recorded directly to shareholder's equity.

5. DISCRETION AND ESTIMATION OF SIGNIFICANT ACCOUNTING

In order to prepare the financial statements in accordance with the Financial Reporting Standards, the management has to inherently use the discretion and estimation about the uncertainties. The discretion and estimation above will affect the amounts shown in the financial statements and the information presented in the notes to the financial statements.

Lease agreements

In considering the type of lease agreements as the operating leases or the finance leases, the management has to use the discretion to determine the conditions and the details of the agreements to consider whether the Company and its subsidiaries have transferred or received the risks and the benefits of such the lease assets.

Allowances for doubtful receivable

In estimating the allowances for doubtful receivable, the management has to use the discretion to determine the losses that are expected to arise from the individual receivables by considering the collection experiences in the past, the age of the outstanding debts, the current economic situations and so on.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020****Allowances for impairment of products**

To provide the financial statements showing the real value of inventories and the Company's operating performances, the Company has reconsidered the policy guidelines for impairment of inventories to cover all types of products as the finished products, spare parts and consumables by considering the book value of the assets above which higher than the value of products that are expected to be returned including the impairment of such the assets according to the age of holding dept for a long time and no movement in some cases.

Leasehold improvements and equipment and depreciation

In calculating the depreciation of leasehold improvements and equipment, the management is required to estimate the useful life and the residual values after using of leasehold improvements and equipment and has to review the useful life and the residual value if the changes occur.

Moreover, the management is required to review the depreciation of the leasehold improvements and equipment in each period and they have to record the losses from the impairments that are expected to be lower than the book value of such the assets. In this case, the management is required to use the discretion related the forecast of the future incomes and expenses associated with the assets.

Allowance for impairment of investments in subsidiaries

In the estimation of allowance for impairment of investments in subsidiaries, management considers the information of losses from the previous operating and other factors. By using the principle of caution in determining such impairment.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

Deferred tax assets

The Company and its subsidiaries will perceive the deferred tax assets of the temporary differences for the tax deductions and the unused tax losses when there is the possibility that the Company and its subsidiaries will receive the sufficient future taxable profits to take the advantages of the temporary differences and the losses. In this case, the management is required to estimate how much of the deferred tax assets that the Company and its subsidiaries should perceive by considering the amount of the profit taxes that are expected to happen in the future in each period.

Post-employment benefits after leaving under defined benefit plans and other long-term benefits

The provisions under the defined benefit plans after the employees leave and the other long-term benefit plans are estimated as the actuarial science which requires the various assumptions such as the discount rates, the salary increase rates, the mortality rates and the future changes in the number of employees.

6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2020 and at December 31, 2019 comprise the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Cash	17,438	14,726	-	-
Deposits	362,318,312	353,655,967	349,980,840	340,569,119
Total Cash and Cash equivalents	362,335,750	353,670,693	349,980,840	340,569,119

As at December 31, 2020, cash at banks-saving accounts carry interest at the rates of 0.05-0.50 per annum (2019: 0.125% - 0.50% per annum)

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, 2020 and December 31, 2019 comprise the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates not yet due				
Undue	-	-	10,593	62,571
Overdue				
Less than 3 months	-	-	292,899	1,090,043
Over 3 months to 6 months	-	-	134,538	114,874
Over 6 months to 12 months	-	-	549,781	848,040
Over 12 months	-	-	1,603,261	440,521
Total	-	-	2,591,072	2,556,049
<u>Less</u> Allowance for doubtful debts	-	-	(2,414,158)	-
Total trade receivables-related parties	-	-	176,914	2,556,049
<u>Trade receivables - non related parties</u>				
Aged on the basis of due dates not yet due				
Undue	46,566,048	44,259,129	41,130,363	38,025,433
Overdue				
Less than 3 months	15,223,038	8,239,796	14,758,495	8,124,726
Over 3 months to 6 months	324,959	1,874,704	324,959	1,461,684
Over 6 months to 12 months	109,141	-	109,141	-
Over 12 months	213,771	-	213,771	-
Total	62,436,957	54,373,629	56,536,729	47,611,843
<u>Less</u> Allowance for doubtful debts	(1,829,365)	(206,751)	(1,147,535)	-
Total trade receivables – unrelated parties	60,607,592	54,166,878	55,389,194	47,611,843

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	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Other receivables - related parties	-	-	653,942	19,260
<u>Less</u> Allowance for doubtful debts	-	-	(433,464)	-
Other receivables - related parties	-	-	220,478	19,260
Other receivables - unrelated parties	9,492,777	9,731,540	8,310,897	7,985,903
Total trade and other current receivables	70,100,369	63,898,418	64,097,483	58,173,055
Other receivables - Prepaid service costs	72,547,128	64,591,915	71,224,269	63,316,376
Total trade and other current receivables	<u>142,647,497</u>	<u>128,490,333</u>	<u>135,321,752</u>	<u>121,489,431</u>

Allowance for doubtful accounts receivable have changed during years as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Beginning balance	(206,751)	(323,271)	-	(239,434)
Increase	(1,853,583)	(742,762)	(3,995,157)	(467,553)
Decrease	230,969	859,282	-	706,987
Ending balance	<u>(1,829,365)</u>	<u>(206,751)</u>	<u>(3,995,157)</u>	<u>-</u>

During in the year 2020 the allowance for doubtful decreased because the company's group has received debts.

During the year 2019, the allowance for doubtful decreased because the company's group has written off bad debts about 6 persons. Amount of Baht 0.64 million (the separate financial statements amount of Baht 0.64 million) because it's not worth the cost of litigation. The company has processed the claims by sending the dunning letters in accordance with the Revenue Department's write off method and the write off has been approved by the company's chief executive officer in accordance with the company's sales policy. And the consolidated financial statements received payment amount of Baht 0.22 million (the separate financial statements amount of Baht 0.07 million)

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

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8. INVENTORIES

Inventories as at December 31, 2020 and at December 31, 2019 comprise the following:

(Unit : Baht)

	Consolidated					
	Cost		Adjustment of cost deduction to net realizable value		Inventories-Net	
	As at	As at	As at	As at	As at	As at
	December	December	December	December	December	December
	31, 2020	31, 2019	31, 2020	31, 2019	31, 2020	31, 2019
Material	1,586,015	1,499,307	-	-	1,586,015	1,499,307
Work in process	680,551	103,059	-	-	680,551	103,059
Finished goods	29,488,592	21,505,582	(3,709,463)	(2,449,530)	25,779,129	19,056,052
Good in Transit	5,732,359	2,884,924	-	-	5,732,359	2,884,924
Total	<u>37,487,517</u>	<u>25,992,872</u>	<u>(3,709,463)</u>	<u>(2,449,530)</u>	<u>33,778,054</u>	<u>23,543,342</u>

(Unit : Baht)

	Separate					
	Cost		Adjustment of cost deduction to net realizable value		Inventories-Net	
	As at	As at	As at	As at	As at	As at
	December	December	December	December	December	December
	31, 2020	31, 2019	31, 2020	31, 2019	31, 2020	31, 2019
Finished goods	26,827,544	19,843,710	(3,539,121)	(2,247,920)	23,288,423	17,595,790
Good in Transit	5,732,359	2,884,924	-	-	5,732,359	2,884,924
Total	<u>32,559,903</u>	<u>22,728,634</u>	<u>(3,539,121)</u>	<u>(2,247,920)</u>	<u>29,020,782</u>	<u>20,480,714</u>

Allowance for impairment of consumables and inventories has been changed during the year as follows:

(Unit : Baht)

	Consolidated		Separate	
	As at	As at	As at	As at
	December 31,	December 31,	December 31,	December 31,
	2020	2019	2020	2019
Beginning balance	(2,449,530)	(1,567,187)	(2,247,920)	(1,386,653)
Increase	(1,291,201)	(934,566)	(1,291,201)	(861,267)
Decrease	31,268	52,223	-	-
Ending balance	<u>(3,709,463)</u>	<u>(2,449,530)</u>	<u>(3,539,121)</u>	<u>(2,247,920)</u>

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**Consolidated

During the year 2020, the Company recorded a decrease in cost of inventories to net realizable value of amount of Baht 1.29 million (as at December 31, 2019: amount of Baht 0.93 million) as part of cost of goods sold and reversed the allowance for diminution in value of inventories amount of Baht 0.03 million (as at December 31, 2019: amount of Baht 0.05 million), by deducting from the value of inventories recognized as cost of sales during the year.

Separate

During the year 2020, the Company recorded a decrease in cost of inventories to net realizable value of amount of Baht 1.29 million (as at December 31, 2019: amount of Baht 0.86 million) as part of cost of goods sold by deducting from the value of inventories recognized as cost of sales during the period.

9. INVESTMENTS IN SUBSIDIARIES

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Issued and paid share capital		Percentage of Shareholding		(Unit : Baht) Cost	
	As at	As at	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020 (%)	December 31, 2019 (%)	December 31, 2020	December 31, 2019
Deti Co., Ltd.	1,000	1,000	99.98	99.98	1,123,675	1,123,675
Rabbit Prototype Co., Ltd.	5,000	5,000	100.00	100.00	5,000,527	5,000,527
PT Indonesia AppliCAD Co., Ltd.	270,000 USD	270,000 USD	67.00*	67.00*	6,111,736	6,111,736
Total					12,235,938	12,235,938
Less Allowance for impairment loss on investment					(6,111,736)	(6,111,736)
Total Investment in subsidiaries - net					6,124,202	6,124,202

* The company has held 180,900 shares in Series B of PT. Indonesia AppliCAD, representing 67 percent of the total number of shares sold. (According to the Articles of Association APP Indo) the shares in Series B held by the Company are entitled to receive the dividends at the rate of 95 percent of the dividends announced by PT. Indonesia AppliCAD.

The board of director meeting No.4/2018 on August 7, 2018 approved change in shareholding proportion in PT. Applied Indonesia (APP Indo) from 99% to 67% to comply with the change of Alien law of Indonesia in the Distributor's sale not affiliated to production that allows non-resident alien shareholders not higher than 67% of issued and paid up capital. The company engaged legal advisor in this regard, to have suggestion to comply with the said law and regulation, and the company will have control and benefits from APP Indo accordingly.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

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The legal advisor suggested APP Indo reclassified APP Indo as follow:

Shareholder	Type	No. of Shares	%
Mr. Ibnu Afi Sena (Local Shareholder)	Series A Shares	89,100	33.00
Applicad Co., Ltd	Series B Shares	180,900	67.00
Total Shares		270,000	100.00

To determined that Series B shareholders have right to receive dividends before Series A shareholders, at 95% of APP Indo declared dividends. The adjustment of APP Indo shareholders structure has been proposed to the meeting to sell share of 89,100 shares or equivalent to 33% of issued and paid up capital of APP Indo of Series A shares which is entitled to 5% dividends to Indonesian resident to Mr. Ibnu Afi Sena at USD 13,500. This price is reflected right to receive dividends.

During the year in 2019, the company recognized gain and loss on selling investment in the separate financial statement of Baht 0.43 million. It was recorded in the statements of comprehensive income for the period and there was a gain from the change of proportion that has not lost control of the financial statements in the amount of Baht 1.07 million which has already been recorded in shareholders' equity in the period.

According to the minutes of Board of Directors' Meeting as No. 5/2018, they have approved to additionally purchase the common stocks of Rabbit Prototype Company Limited by purchasing the existing common stocks from Mr. Thussanai Paisiriyaunyong for 9,998 shares representing as 19.996 of all shares and costing as 86.51 baht per share (according to the book value) from the financial statements ended on September 30, 2018 as the total amount of baht 864,926.98. It made the profits from the changes of shareholding in subsidiaries amount of baht 287,214 which is recorded in other components of the shareholders equity. The Company received the transfer of shares and registered with the Department of Business Development on December 3, 2018.

During in the year 2020 and 2019 its subsidiary companies doesn't pay dividend.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	Consolidated							(Unit : Baht)
	Rent buildings		Office		Assets during		Total	
	Land	Property	improvement	Equipment	Equipment	vehicles		
Cost								
As at January 1, 2019	19,918,461	31,316,435	16,743,253	34,404,703	19,449,684	8,724,828	-	130,557,364
Additions	-	-	2,596,991	8,889,214	14,300,119	1,323,000	2,583,436	29,692,760
Distribution	-	-	(692,400)	(2,567,210)	(5,015,051)	(728,327)	-	(9,002,988)
Transfer in (out)	-	-	-	-	1,970,651	-	(2,370,136)	(399,485)
As at December 31, 2019	19,918,461	31,316,435	18,647,844	40,726,707	30,705,403	9,319,501	213,300	150,847,651
Accumulated Depreciation								
As at January 1, 2019	-	1,249,071	6,663,386	28,110,824	11,306,312	7,726,363	-	55,055,956
Depreciation for the year	-	1,223,644	1,763,138	5,052,492	3,584,150	641,664	-	12,265,088
Depreciation for distribution	-	-	(414,390)	(2,280,131)	(2,744,031)	(728,326)	-	(6,166,878)
As at December 31, 2019	-	2,472,715	8,012,134	30,883,185	12,146,431	7,639,701	-	61,154,166
Financial statement conversion								(53,620)
Book Value								
As at December 31, 2019	19,918,461	28,843,720	10,635,710	9,843,522	18,558,972	1,679,800	213,300	89,639,865
Depreciation for the year								
2019 (amount of baht 2.15 million included in the service costs. The rest is included in sales and management costs)								12,265,088

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	Separate							(Unit : Baht)
	Rent buildings							
	Land	Property	improvement	Office Equipment	Equipment	Vehicles	Total	
Cost								
As at January 1, 2020	19,918,461	31,316,435	16,864,026	29,744,979	17,268,735	8,763,060	123,875,696	
Additions	-	-	2,429,325	2,801,082	8,323,250	1,099,500	14,653,157	
Distribution	-	-	-	(413,522)	(3,711,101)	(907,449)	(5,032,072)	
Transfer in (out)	-	-	(302,560)	132,560	-	-	(170,000)	
As at December 31, 2020	19,918,461	31,316,435	18,990,791	32,265,099	21,880,884	8,955,111	133,326,781	
Accumulated Depreciation								
As at January 1, 2020	-	2,472,715	7,120,144	23,075,582	6,109,647	7,054,123	45,832,211	
Depreciation for the year	-	1,223,644	1,643,295	3,747,375	3,400,166	508,250	10,522,730	
Depreciation for distribution	-	-	-	(393,748)	(3,427,946)	(906,183)	(4,727,877)	
As at December 31, 2020	-	3,696,359	8,763,439	26,429,209	6,081,867	6,656,190	51,627,064	
Book Value								
As at December 31, 2020	19,918,461	27,620,076	10,227,352	5,835,890	15,799,017	2,298,921	81,699,717	
Depreciation for the year								
2020 (Amount of Baht 0.03 million included in the service costs. The rest is included in sales and management costs)							10,522,730	

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020

	Separate							(Unit : Baht)
	Rent buildings							
	Land	Property	improvement	Office Equipment	Equipment	Vehicles	Total	
Cost								
As at January 1, 2019	19,918,461	31,316,435	14,393,169	26,417,460	8,493,148	8,168,387	108,707,060	
Additions	-	-	2,470,857	5,573,954	13,329,288	1,323,000	22,697,099	
Distribution	-	-	-	(2,246,435)	(4,553,701)	(728,327)	(7,528,463)	
As at December 31, 2019	19,918,461	31,316,435	16,864,026	29,744,979	17,268,735	8,763,060	123,875,696	
Accumulated Depreciation								
As at January 1, 2019	-	1,249,071	5,581,312	21,214,364	6,518,426	7,147,817	41,710,990	
Depreciation for the year	-	1,223,644	1,538,832	3,905,688	2,144,757	634,632	9,447,553	
Depreciation for distribution	-	-	-	(2,044,470)	(2,553,536)	(728,326)	(5,326,332)	
As at December 31, 2019	-	2,472,715	7,120,144	23,075,582	6,109,647	7,054,123	45,832,211	
Book Value								
As at December 31, 2019	19,918,461	28,843,720	9,743,882	6,669,397	11,159,088	1,708,937	78,043,485	
Depreciation for the year								
2019 (Amount of Baht 0.26 million included in the service costs. The rest is included in sales and management costs)							9,447,553	

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**

During the year of 2020, the Group and the Company has distributed machines and equipment to other unrelated companies according to the book value of assets disposed as 0.30 million baht and 0.30 million baht respectively, with the profit from the disposal of assets as 0.32 million baht and 0.32 million baht respectively, which have been recorded in the statement of comprehensive income.

During the year of 2020, the Group and the Company has distributed machines and equipment to other related companies according to the book value of assets disposed as 0.02 million baht and 0.007million baht respectively, with the profit from the disposal of assets as 0.06 million baht and 0.74 million baht respectively, which have been recorded in the statement of comprehensive income.

As at December 31, 2020, the consolidated financial statements and separate financial statements has recorded the transfer of construction in progress to expenses in the amount of 0.17 million baht because it is a building improvement that benefits not over 1 year.

As at December 31, 2020, land and buildings are valued at cost in the consolidated financial statements in the amount of Baht 23.91 million and the separate financial statements in the amount of Baht 23.91 million which is the net value after accumulated depreciation in the consolidated financial statements amount of Baht 21.67 million and the separate financial statements amount of Baht 21.67 million. Which has been mortgaged as collateral for contingent liabilities. (Note 25.2, 25.3, 25.4)

As at Decemberr 31, 2020, the Company and its subsidiaries have certain equipment which has been fully depreciated but they are still in use. Book value before less accumulated depreciation of assets amount of Baht 37.79 million (as at December 31, 2019 amount of Baht 32.33 million) Specifically, The Company was amount of Baht 32.37 million. (as at December 31, 2019 amount of Baht 28.04 million.)

As at December 31, 2020, the fair value of the building using the appraisal report of the appraiser according to the market comparison method, by using the selling price of the comparable land in the vicinity which is the fair value in level 2 of the fair value.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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11. RIGHT OF USE ASSETS

The movement transactions for the year ended December 31, 2020 as follow:

	(Unit : Baht)		
	Consolidated		
	The right -of-use		
	The right -of-use land	building rental area	Total
As at January 1, 2020	2,094,323	4,749,611	6,843,934
<u>Less</u> Depreciation for the year	(1,116,705)	(2,114,110)	(3,230,815)
As at December 31, 2020	<u>977,618</u>	<u>2,635,501</u>	<u>3,613,119</u>

	(Unit : Baht)		
	Separate		
	The right -of-use		
	The right -of-use land	building rental area	Total
As at January 1, 2020	2,094,323	1,754,399	3,848,722
<u>Less</u> Depreciation for the year	(1,116,705)	(923,447)	(2,040,152)
As at December 31, 2020	<u>977,618</u>	<u>830,952</u>	<u>1,808,570</u>

As at January 1, 2020, the Company has contracts affecting to record right of use assets as follows:

The Group and the Company entered into land lease and building area lease agreements with unrelated companies for a period of 2-3 years, with a period of time from March 1, 2018 to March 31, 2022.

The Company has entered into a land lease agreement with the Company's director for a period of 3 years, with a period of which the agreement is from July 1, 2019 to June 30, 2022 (see note 23).

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020****12. OTHER INTANGIBLE ASSETS**

The movements of intangible assets for the year ended December 31, 2020 comprise the following:

	(Unit : Baht)	
	Consolidated	Separate
As at January 1, 2020		
Cost	5,329,441	5,243,366
<u>Less</u> Accumulated amortization	(2,765,793)	(2,715,178)
Net book value	<u>2,563,648</u>	<u>2,528,188</u>
For the year ended December 31, 2020		
Opening net book value	2,563,648	2,528,188
Acquisition of assets	3,587,216	3,554,382
<u>Less</u> Amortization charge	(815,536)	(777,559)
Ending net book value	<u>5,335,328</u>	<u>5,305,011</u>
As at December 31, 2020		
Cost	8,916,657	8,797,748
<u>Less</u> Accumulated amortization	(3,581,329)	(3,492,737)
Net book value	<u>5,335,328</u>	<u>5,305,011</u>

Amortization charge in the consolidated and separate financial statements are of Baht 0.82 million and 0.78 million is recorded in administrative expenses, respectively.

During the year of 2020, the company has been recorded expenses directly related to get Intangible Assets as following Salary Improvement Program amount of Baht 3.35 million.

13. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2020 and December 31, 2019 comprise the following:

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Trade				
- Related parties	-	-	748,893	2,298,121
- Unrelated parties	48,435,442	34,139,910	45,244,140	29,645,253

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	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Trade				
Other Trade payables	14,310,907	10,832,333	10,785,527	8,637,224
Accrued expenses	31,842,090	33,592,853	28,930,373	30,478,349
Total	94,558,439	78,565,096	85,708,933	71,058,947
Other Trade payables -				
Unearned income	176,250,833	175,419,347	172,626,783	172,056,330
Total Trade and other current payables	270,839,272	253,984,443	258,335,716	243,115,277

14. LEASE LIABILITIES

As at December 31, 2020, the Company has land and office leases which have been reclassified as liabilities under leases on January 1, 2020 which is part of the process of applying the standard of lease for the first time.

	(Unit : Baht)	
	Consolidated	Separate
Finance lease liabilities	3,995,487	1,945,684
<u>Less</u> Interest under financial contract	(270,761)	(80,706)
Total	3,724,726	1,864,978
<u>Less</u> Current portion due within one year	(2,075,490)	(1,461,013)
Finance lease liabilities - net of current portion due more than one year	1,649,236	403,965

The present value of liabilities financial lease agreements is as follows:

	(Unit : Baht)	
	Consolidated	Separate
Due within 1 year	2,075,490	1,461,013
Due over 1 year but not over 5 years	1,649,236	403,965
Total	3,724,726	1,864,978

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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15. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

(Unit : Baht)

	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
The benefit obligations at the beginning of the year	36,800,409	19,806,810	31,412,312	16,468,969
Current service costs	4,972,125	7,694,570	3,843,193	6,528,039
Interest costs	574,276	1,526,282	505,348	1,340,849
Transfer employees	-	-	(384,069)	-
Gains(losses) on re-measurement of defined benefit plans	-	8,092,179	-	7,323,755
Differences on translating Financial statement	25,345	(79,132)	-	-
Benefits paid during the year	(721,214)	(240,300)	(721,214)	(240,300)
The benefit obligations at the end of the year	<u>41,650,941</u>	<u>36,800,409</u>	<u>34,664,570</u>	<u>31,421,312</u>
The benefit obligations	41,650,941	36,800,409	34,664,570	31,421,312
<u>Less</u> Current portion of long-term	<u>(1,755,354)</u>	<u>(354,333)</u>	<u>(1,578,090)</u>	<u>(311,518)</u>
The benefit obligations - Net	<u>39,895,587</u>	<u>36,446,076</u>	<u>33,086,480</u>	<u>31,109,794</u>

Expenses relating to long-term employee benefits recognized in profit or loss.

(Unit : Baht)

	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Cost of Selling and Service Selling and Administrative expenses	467,985	1,144,157	159,543	268,686
	<u>5,078,416</u>	<u>8,076,695</u>	<u>4,188,998</u>	<u>7,600,202</u>
Total	<u>5,546,401</u>	<u>9,220,852</u>	<u>4,348,541</u>	<u>7,868,888</u>

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The Groups company and the company expect to pay the long-term benefits of employees within one year forward from the consolidated financial statements which are approximately amount of Baht 1.76 million Baht (2019 : amount of Baht 0.35 million) and the separate financial statements which are 1.58 million Baht (2019 : amount of Baht 0.31 million).

As at December 31, 2020, the weighted average duration to pay the long-term benefits of employees of the Company and its subsidiaries in the consolidated financial statements are approximately about 14.9 years (2019: 14.9 years)

The key assumptions for estimation as the actuarial science to calculate the provisions for employees' benefits are as follows:

	Consolidated	
	As at December 31, 2020	As at December 31, 2019
Discount rate (percent per year)	1.19 - 8.70	1.19 - 8.70
Average salary increase rate (percent per year)	6 - 8	6 - 8
Turnover rate	0 - 23	0 - 23
Retirement	55	55
	Separate	
	As at December 31, 2020	As at December 31, 2019
Discount rate (percent per year).	1.19 - 2.23	1.19 - 2.23
Average salary increase rate (percent per year)	6 - 8	6 - 8
Turnover rate	0 - 23	0 - 23
Retirement	55	55

The analysis of the sensitivity of the key assumptions as the actuarial science which affects the increases (decreases) of the employees' benefit obligations as at December 31, 2020 are as follows

	(Unit : Baht)			
	Changes in present value of employee benefit obligations increased (decreased)			
	Consolidated		Separate	
	Increase 1.00%	Decrease 1.00%	Increase 1.00%	Decrease 1.00%
Discount rate	(3,885,449)	4,504,141	(3,431,433)	3,982,722
Salary increase rate	4,878,087	(4,243,382)	4,310,965	(3,745,433)
	(Unit : Baht)			
	Changes in present value of employee benefit obligations increased (decreased)			
	Consolidated		Separate	
	Increase 20.00%	Decrease 20.00%	Increase 20.00%	Decrease 20.00%
Employee turnover rate	(4,561,207)	5,797,820	(4,087,197)	5,205,227

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The analysis of the sensitivity above might not show the actual changes in the employee's benefit obligations because it is difficult to change the various assumptions that arise separately from the other assumptions which may be relevant.

The analysis of the due of the amount of the benefit payables in the future before the discount as at December 31, 2020 are as follows

	(Unit : Baht)	
	Consolidated	Separate
Within 1 year	1,459,999	1,422,513
More than 1 year but not over 5 years	14,951,961	13,306,574
More than 5 years	91,912,670	79,447,771

On April 5, 2019, The Labor Protection Act (No.7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019 that the change is considered a project amendment for the post-employment benefits plan. The Company will record the effect of change by recognizing the past service cost immediately in the income statement in the period which the law is effective amount of Baht 4.50 million and 4.04 million as follow.

16. SHARE CAPITAL

According to the resolution of the Board of Directors as No. 1/2019 on March 8, 2019, they approved the resolutions as following:

- The Company has approved the payment of dividend from the retained earnings ended on December 31, 2018 to the shareholders listed on the book of shareholders' registration as at March 8, 2019 for the rate of 0.15 baht per share which is representing a total of 24,840,000 baht and the above payment of dividend will be paid to the shareholders within on March 20, 2019.
- The Company has the resolution to consider and approve the increase of the registered capital of the Company as 57,200,000 baht (fifty-seven million two hundred thousand baht) which can be separated into the common share as 114,400,000 shares (one hundred and forty-four million four hundred thousand shares) with a par value of 0.50 baht (fifty stang) from the existing registered capital of 82,800,000 baht (eighty-two million eight hundred thousand baht) which is the amount of registered capital of 140,000,000 baht (one hundred and forty million baht) and the common share as 280,000,000 shares (two hundred and eighty million shares) with a par value of 0.50 baht (fifty stang) and the paid-up capital from the original as 82,800,000 baht (eighty-two million eight hundred thousand baht) which is the paid-up capital of Baht 100,000,000 baht (one hundred million). The Company registered with the Department of Business Development on March 19, 2019.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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The details of capital increase are follows:

1. The 34,400,000 of new ordinary shares to be offered to sell at the same time or each time to the existing shareholders in proportion to the price of 0.50 baht per share, the company has received the payment of the new shares during the period and registered the increase in the paid-up capital with the Department of Business Development on March 19, 2019
2. The 72,000,000 of new ordinary shares are for the initial public offering.
3. The 8,000,000 of new ordinary shares to be offered to directors, executives and employees of company and subsidiaries in the offering period at the same time and at the offering price of the shares are equal to the offering price of the new ordinary shares to the public for the first time according to item 2 above.

The company registered the increase authorized paid share capital from amount of Baht 100,000,000 was authorized paid share capital amount of Baht 140,000,000 with the Ministry of Commerce on November 20, 2019.

17. LEGAL RESERVE

Under the Public Limited Companies Act, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward until the reserve is not less than 10 percent of the registered capital. The legal reserve is not distributable as a dividend.

18. DIVIDEND

(Unit : Million Baht)

Dividend	Approved by	Dividend	Dividend payment	Due date
		payment	per share	
Dividend from profit 2018	The General Shareholder's Meeting round No.1/2019 On March 8, 2019	24.84	*0.15	March 14, 2019
The interim dividend from profit 2019	The Board of Directors Meeting round No.3/2020 On April 3, 2020	28.00	**0.10	April 30, 2020

* Dividend paid per share 165,600,000 shares (par value of 0.50 baht per share)

**According to the resolution of the Board of Directors' Meeting No. 3/2020 on April 3, 2020, the meeting resolved to approve the interim dividend payment from the Company's profits for the year ended December 31, 2019 at the rate of 0.10 baht per share, total amount of baht 28,000,000. However, a resolution was passed to change the date on which the list of shareholders entitled to receive dividends (Record date) was originally scheduled on April 27, 2020, changed to April 17, 2020, and the dividend payment date was set. Previously scheduled on May 15, 2020, changed to April 30, 2020.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020****19. EXPENSES BY NATURE**

The following significant expenditure items, classified by nature are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Salaries and other benefits of employees	172,403,660	175,431,155	144,551,953	147,907,962
Commission	50,466,776	53,870,253	45,091,208	46,386,691
Depreciation and amortization	17,711,742	12,914,452	13,340,441	10,069,380
Goods and services	331,235,333	370,979,791	287,678,361	324,838,368
Changes in inventories	11,503,069	(2,113,630)	9,831,270	(2,118,408)

20. PROVIDENCE FUND

The Company and the employees of the Company have established the providence fund as the Provident Fund Act, B.E. 2530. The Company and the employees will monthly pay the contributions to the fund at the rate of 2-5 percent of salary. This providence fund is under the management of Kasikornthai Asset Management Company Limited and these contributions will be paid back to the employees when resigning as the regulations of the Company's fund. In during the year 2020, the Company and its subsidiaries acknowledge these contributions as the amount of Baht 0.34 million (2019: 3.35 million baht) and only the Company is 0.39 million baht (2019: 2.98 million baht).

21. INCOME TAX

Income tax for the year ended December 31, 2020 and 2019 are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Current income tax:				
Income tax for the year	14,104,901	16,567,123	14,104,901	16,460,581
Deferred income tax				
Deferred income tax from temporary differences and reversal of temporary differences	(2,012,949)	(1,991,743)	(2,079,960)	(1,777,295)
Income tax show in comprehensive profit and loss statement	12,091,952	14,575,380	12,024,941	14,683,286

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The amount of income taxes related to each component of the other comprehensive profit and loss statements for the year ended on December 31, 2020 and 2019 could be summarized as follows

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Income tax resulted from (profit) loss estimated based on actuarial science	-	1,281,777	-	1,171,801

The reconciliations between accounting profits and income tax expenses are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	2020	2019	2020	2019
Accounting profit before income tax	57,073,475	72,200,946	62,023,961	67,624,546
Division of accounting profit before income tax in each income tax's rate of the Company and its subsidiaries are as follows				
Exemption of income tax	-	(300,000)	-	-
Income tax rate of 10 percent	-	-	-	-
Income tax rate of 15 percent	-	-	-	-
Income tax rate of 20 percent	57,073,475	71,900,946	62,023,961	67,624,546
Income tax rate of 25 percent	-	-	-	-
Accounting profit before income tax multiplied by the tax rate	11,414,695	14,380,189	12,404,792	13,524,909
Effect on deferred income tax from changes in the tax rate	-	-	-	-
Tax impact for:				
Costs cannot be deducted as expenditure for tax	2,745,048	3,318,686	2,331,923	2,935,672
Tax loss of subsidiaries that has not been recorded as deferred assets	-	(185,891)	-	-
The expense account with more deductions	(878,021)	(34,003)	(631,814)	-
Total	13,281,722	17,478,981	14,104,901	16,460,581
Deferred tax arising from temporary differences and reversal of temporary differences	(2,012,949)	(1,991,743)	(2,079,960)	(1,777,295)
Income tax expense show in comprehensive profit and loss statement	11,268,773	15,487,238	12,024,941	14,683,286

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The components of deferred tax assets and the deferred tax liabilities comprise of the following:

(Unit : Baht)

	Statements of financial position			
	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Deferred tax assets				
Allowance for doubtful accounts				
- loans to subsidiaries	-	-	2,137,774	2,561,107
Allowance for doubtful accounts	229,507	43,380	799,031	-
Allowance for product impairment	733,376	489,906	707,825	449,584
Allowance for impairment of investment in subsidiaries	-	-	1,222,347	1,222,347
Reverse of long-term employee's benefits	7,706,576	6,899,168	6,932,914	6,315,435
Short-term provision	7,619,450	6,790,907	7,619,450	6,790,907
Total	16,228,909	14,223,361	19,419,341	17,339,380

As of December 31, 2020, the subsidiaries have the transactions of the temporary differences for tax deductions and the unused tax losses which will gradually end of the benefit period within 5 years as 0.87 million baht that the subsidiaries has not record the deferred tax assets because the Company already considered that the subsidiaries might not have the sufficient taxable profits to utilize the the temporary differences and the unused tax losses mentioned above.

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22. EARNING PER SHARE

Basic earnings per share are calculated by dividing profit for the years attributed to equity holders of the Company. (Excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

(Unit : Baht)

	Consolidated		Separate	
	2020	2019	2020	2019
For the year ended December 31,				
Profit (loss) attributable to equity holders of the Company (Baht)	44,996,940	57,482,103	49,999,020	52,941,260
Effect of dilutive potential ordinary shares (shares)	280,000,000	202,608,219	280,000,000	202,608,219
Basic earnings (loss) per shares	0.16	0.28	0.18	0.26

23. RELATED PARTY TRANSACTIONS

The Company and its subsidiaries have the number of accounting transactions occurred with the related parties, assets, liabilities, income and the number of expenses occurred from the transactions with the related parties above. These related parties are associated with the shareholders and/or the same group of committees. These financial statements include the results of such transactions as following criteria.

Relationship

Name of Company	Relationship
Deti Company Limited	Subsidiaries
Rabbit Prototype Company Limited	Subsidiaries
PT Indonesia AppliCAD Company Limited	Subsidiaries
Magnolia Quality Development Corporation Company Limited	Related companies with common directors
Siam City Cement Public Company Limited	Related companies with common directors
Iconsiam Signature Company Limited	Related companies with common directors
B.Grimm Power Public Company Limited	Related companies with common directors

Pricing policies

Related	Pricing criteria
Revenue from sale of finished goods	
Deti Company Limited	Cost plus margin
Rabbit Prototype Company Limited	Cost plus margin
PT Indonesia AppliCAD Company Limited	Cost plus margin
Magnolia Quality Development Corporation Company Limited	Cost plus margin

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Related	Pricing criteria
Siam City Cement Public Company Limited	Cost plus margin
B.Grimm Power Public Company Limited	Cost plus margin
Iconsiam Signature Company Limited	Cost plus margin
Revenue from services	
Deti Company Limited	Cost plus margin
Rabbit Prototype Company Limited	Cost plus margin
PT Indonesia AppliCAD Company Limited	Cost plus margin
Purchasing of finished goods	
Deti Company Limited	Cost plus margin
Rabbit Prototype Company Limited	Cost plus margin
PT Indonesia AppliCAD Company Limited	Cost plus margin
Purchasing of service	
Deti Company Limited	As agreed in the contract (one training right is 4,000 baht per right)
Rabbit Prototype Company Limited	Cost plus margin
Revenue from accounting services	
Deti Company Limited	As agreed in the contract (8,000 baht per month)
Rabbit Prototype Company Limited	As agreed in the contract (10,000 baht per month)
Short-term loans from related parties	Interest rate as 1.30% to 6.275% per year
Service income	
PT Indonesia AppliCAD Company Limited	As agreed in the agreement (Monthly rate of 2,656.25 USD)
Other income - interest receivable	Interest rate as 1.30% to 6.275% per year
Rental of land	
Mr. Prapas Tangadulrat (Director)	As agreed in the contract (50,000 baht per month)
Remuneration of directors	As approved in the annual shareholders meeting
The remunerations of executive are the meeting allowances, salaries and related benefits paid to the company executives.	

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During the year, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which were summarized below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	(Unit : Baht)			
	For the year ended December 31,			
	Consolidated		Separate	
	2020	2019	2020	2019
<u>Transactions with subsidiaries</u>				
(Eliminated from the consolidated financial statements)				
Revenue from sales	-	-	1,556,300	2,948,408
Revenue from services	-	-	1,020,356	-
Other income	-	-	216,000	216,000
Purchasing of finished goods	-	-	538,241	818,232
Purchasing of service	-	-	8,838,967	13,863,232
Other Expense	-	-	555,554	1,150,046
Interest received	-	-	576,912	403,368

The company has agreed to enter into a service contract with PT Indonesia ApplicAD Company Limited at amount of USD 2,656.25 per month. The contract is for a period of 1 year from January 1, 2020 to December 31, 2020. (Currently renewed the contract for another one year until December 31,2021)

The Company has entered land's committee agreement. The rental rate is Baht 50,000 per month. The agreement had a period of 3 years on July 1, 2019 to June 30, 2022.

During the year 2019, the Company sold products to Siam City Cement Public Company Limited, B.Grimm Power Public Company Limited, Magnolia Quality Development Corporation Company Limited, and Iconsiam Signature Limited. There is a director with the Company the total amount of Baht 0.14 million, 0.30 million, 0.06 million and 0.008 million respectively.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**

The balances of the accounts as at December 31, 2020 and at December 31, 2019 between the Company and those related parties are as follows:

	(Unit : Baht)			
	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
<u>Trade and other receivables - related parties</u>				
Subsidiaries	-	-	3,245,014	2,575,309
<u>Trade and other payables - related parties</u>				
Subsidiaries	-	-	748,893	2,298,121

Loans and accrued interest receivable from related parties

Outstanding of loans and accrued interest receivable among company and subsidiaries, related companies and directors as at December 31, 2020 and at December 31, 2019, the movements of loans and accrued interest receivable were as follows:

	(Unit : Baht)			
	Separate			
	Balance as at December 31, 2019	Increase	(Decrease)	Balance as at December 31, 2020
Loans				
Subsidiaries	24,930,221	5,000,000	(5,116,666)	24,813,555
Accrued interest receivables	749,078	558,408	-	1,307,486
<u>Less</u> Allowance for doubtful debts	(12,805,535)	-	2,116,666	(10,688,869)
Total	12,873,764	5,558,408	(3,000,000)	15,432,172

As at 31 December 2020, The Company has loans under agreements with relates companie amount to Baht 24.81 million, as follwers:

DETI Company Limited amount of baht 2.70 million, interest rate of 2.85 per year. The conditions received loan when the laoner asked.

Rabbit Prototype Company Limited amount of baht 8.93 million, interest rate 1.30 - 6.275 per year. The conditions received loan when the laoner asked.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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PT. Indonesia AppliCAD Company Limited amount of baht 13.18 million, interest rate 3.80 - 6.275 per year The conditions received loan when the laoner asked and the company recorded the allowance of PT. Indonesia AppliCAD Company Limited equal to 10.12 Million baht.

During the year 2020, The Company entered into a loan agreement with a subsidiary (Rabbit Prototype Company Limited) in the amount of Baht 2 million and Baht 3 million. The interest rate is 5.775 percent per annum and 5.375 percent per annum, respectively. The loan agreement of Baht 3 million has been repaid in this year.

During the year 2020, the Company received loan repayment to foreign subsidiaries (PT Indonesia AppliCAD Company Limited) in the amount of Baht 2.11 million, then the company has reverse allowance for doubtful accounts amount of Baht 2.11 million. Because the company recorded allowance in full amount.

During the year 2019, the Company considered the doubtful debt of the loan in PT Indonesia AppliCAD Company Limited in the amount of Baht 3.17 million because the management expects that the loan will not be received and reclassified an advance to the loan in the amount of 2.95 million baht due to entering into a loan agreement with interest rates at 4 percent per annum. Currently, all doubtful accounts have been considered and the Company received payment of loans and interest from DETI Company Limited and PT Indonesia AppliCAD Company Limited in the amount of Baht 0.95 million and Baht 1.07 million respectively. Amount of Baht 1.07 million for which the company has previously recorded an allowance for impairment and the Company has granted loans to PT Indonesia AppliCAD Company Limited in the amount of Baht 3.07 million with the interest rate of 3.8 percent per annum.

The significant transactions between the Group and the Company and significant related parties which has been included in the financial statements as of December 31, 2020 and December 31, 2019 as follows:

	(Unit : Baht)			
	Consolidated			
	As at January			As at December
	1, 2020	Increase	(Decrease)	31, 2020
<u>Lease liabilities</u>				
Mr. Prapas Tangadulrat (Director)				
Lease liabilities	1,500,000	-	(600,000)	900,000
Deferred interest expenses	(115,079)	-	71,887	(43,192)
Lease liabilities - net	1,384,921	-	(528,113)	856,808

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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Remuneration of directors and management

During the year ended December 31, 2020 and 2019, the Company and subsidiaries had employee benefit expenses paid to directors and management as follows:

	(Unit : Baht)			
	For the year ended December 31,			
	Consolidated		Separate	
	2020	2019	2020	2019
Short-term employee benefits	17,389,147	17,272,516	14,806,683	14,696,580
Post employment benefits	609,824	428,636	495,396	310,936
Total	<u>17,998,971</u>	<u>17,701,152</u>	<u>15,302,079</u>	<u>15,007,516</u>

	(Unit : Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Provision for employee benefits				
- Management	<u>6,603,918</u>	<u>5,736,223</u>	<u>4,655,740</u>	<u>3,931,658</u>

24. FINANCIAL INFORMATION BY SEGMENT

This operating segment information presented is consistent with internal report which the board of directors have been regularly reviewed. This is used to make decisions about allocating resources to the segment and evaluating the performance of the segment.

For administrative purposes, the Company and subsidiaries are structured as a business unit by type of products and services. The Company and subsidiaries report the following three segments:

1. Computer software sales division it is a sales division of computer programs for specific applications and peripherals.
2. Machinery sale and equipment, computer parts, spare parts, materials and other products.
3. Service division as part of computer maintenance services, design and manufacture of industrial parts and prototypes and other services.

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The top decision makers review the performance of each business unit separately for the purpose of decision making regarding resource allocation and performance appraisal. The Company evaluated the performance of the segment by considering from operating profit or loss and total assets measured by using the same criteria used to measure profit or loss from operations and total assets in the financial statements. However, the Company and subsidiaries have central management which manages finance (including financial expenses and financial income) and the income tax of the whole group. Such revenues and expenses are not allocated to each operating segment.

Accounting for transactions between reporting segments is the same as accounting for business transactions with outsiders.

Information of income, profit and total assets of the company and subsidiary for year ended December 31, 2020 and 2019 are as follows:

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	For the year ended December 31,						(Unit : Million Baht)		
	Sale department computer program		Sale department machine and other products		Service department			Consolidated	
	2020	2019	2020	2019	2020	2019		2020	2019
Revenue from sales and services	278	288	87	154	283	285	648	727	
Profit of segment	127	131	32	52	151	164	310	347	
Unallocated revenue and expenses :									
Other income							10	8	
Distribution costs							(163)	(176)	
Administrative expenses							(100)	(106)	
Finance costs							-	-	
Income tax expenses							(12)	(15)	
Profit (loss) for the year							45	58	
Total assets									
Trade and other current receivable	27	25	8	6	25	21	60	52	
Prepaid service costs	-	-	-	-	73	65	73	65	
Inventories	14	10	18	12	2	2	34	24	
Central assets							102	92	
Other assets							391	382	
Total assets							660	615	

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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	For the year ended December 31,						(Unit : Million Baht)	
	Sale department computer program		Sale department machine and other products		Service department			Separate
	2020	2019	2020	2019	2020	2019		
Revenue from sales and services	255	258	85	148	247	251	657	
Profit of segment	116	113	30	50	137	142	305	
Unallocated revenue and expenses :								
Other income							14	
Distribution costs							(150)	
Administrative expenses							(85)	
Finance costs							-	
Income tax expenses							(12)	
Profit for the year							53	
Total assets								
Trade and other current receivable	27	23	7	8	20	17	54	
Prepaid service costs	-	-	-	-	71	63	71	
Inventories	11	8	18	12	-	-	29	
Central assets							89	
Other assets							402	
Total assets							645	
							600	

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS****DECEMBER 31, 2020**

Revenue from external customers is based on locations of the customers.

	(Unit : Million Baht)	
	2020	2019
Revenue from external customers		
Thailand	612	683
Indonesia	36	44
Total	<u>648</u>	<u>727</u>

Major customers

In the year 2020 and 2019, the company has not revenue from one customer at there is earning more than 10 percent of total revenue.

25. COMMITMENTS AND CONTINGENT LIABILITIES**25.1. Capital commitments**

As at December 31, 2020 and December 31, 2019, the company and it's subsidiary has commitments in respect of the expenditure as are follow:

	(Unit : Million Baht)			
	Consolidated		Separate	
	As at	As at	As at	As at
	December	December	December	December
	31, 2020	31, 2019	31, 2020	31, 2019
Building improvements	-	1.29	-	1.29
Purchase fixed assets	-	0.46	-	-
Total	<u>-</u>	<u>1.75</u>	<u>-</u>	<u>1.29</u>

The Company and subsidiaries entered into operating lease agreements related to building lease and service contract. The term of the agreement is from 1 to 3 years.

As at December 31, 2020 and at December 31, 2019, the Company and subsidiaries have paid minimum amount in the future under operating leases and services are as follows:

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES
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(Unit : Million Baht)

	Consolidated		Separate	
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
Payment				
Due within one year	1.94	5.19	0.99	3.04
Due over 1 year but not over 3 years	0.32	2.69	0.32	2.11

The Obligation reduced from the end of the year. As a result of the adoption of the Thai Financial Reporting Standard No.16 Leases, the lease must be categorized as a financial lease out of the obligation. The remaining commitments are service contracts and operating lease agreements (note 3.2.2)

25.2. Guarantees

As at December 31, 2020, there were outstanding bank guarantees of approximately amount of Baht 20 million to performance guarantee of the contract. (2019: amount of Baht 20 million)

(Unit : Baht)

	Consolidated / Separate	
	As at December 31, 2020	As at December 31, 2019
Used credit to guarantee		
- Performance under contract	6,035,148	5,132,930

25.3. Letter of credit and trust receipts

The Company has credit facilities of letters of credit and trust receipts amounting to Baht 33 million. As at December 31, 2020, the Company has not used such credit lines.

25.4. Forward foreign currency exchange contracts

As at December 31, 2020 the settlement date on open forward contracts ranged 4 months foreign currency was USD and amounts to be received and contractual exchange rates of the outstanding contracts were:

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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(Unit : Baht)

Contract period	Consolidated / Separate					
	Foreign currency contract					
	amount		Contract rate			
	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019	As at December 31, 2020	As at December 31, 2019
11/12/2019 - 16/04/2020	-	258,755	-	30.35	-	7,853,214
5/11/2020 - 5/3/2021	200,000	-	31.25	-	6,250,000	-

Fair value

The net fair value of forward foreign exchange contracts as at December 31, 2020, is forward foreign exchange contracts as liabilities amount of Baht 0.24 million.

The fair value of forward foreign exchange contracts has been calculated using rate quoted by the counterpart bank to terminate the contract on December 31, 2020. The valuation is classified as level 2 of the fair value hierarchy.

26. FINANCIAL INSTRUMENTS**26.1. Risk Management Policy**

The Company's and its subsidiaries financial instruments, as defined under Thai Accounting Standard No. 107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade receivables and other receivables, term loans and accrued interest receivable to related parties, short - term borrowings from financial institutions, trade payables and other payables, short - term borrowings and accrued interest payable from related parties, Advances received from Directors and Liabilities under finance lease and hire purchase agreements. The Company and its subsidiaries have risk relevant financial instruments and have a risk management policy as follow:

Credit risk

The Company and its subsidiaries have credit risk relevant to trade receivables and other receivables and term loans. The management controls the risk by assign appropriate credit control policies and procedures, therefore the company and its subsidiaries do not expect to incur material losses from credit. In addition, the Company does not have high concentration of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and other receivables, term loan receivable and accrued interest receivables to related parties as stated in the statements of financial position.

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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Interest rate risk

The Company's and its subsidiaries have interest rate risk relates primarily to its deposits at financial institutions, short-term loans and accrued interest receivable to related parties, short - term borrowings from financial institutions and short - term borrowings and accrued interest payable from related parties, mostly financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate in the present. Significant financial assets and liabilities can be classified by interest rate for financial assets and liabilities that carry fixed interest rates can be classified by maturity date or the new interest rate date. (If there is a new interest rate date before) as follows:

(Unit : Million Baht)						
Consolidated						
As at December 31, 2020						
Fixed interest rate		Interest Rate		None Rate interest	Total	Real interest rate (%)
Within 1 year	Over 1 to 5 years	Up or Down depending on Market Price	None			
Financial assets						
Cash and cash equivalents	-	-	362.34	-	362.34	0.05 - 0.50
Trade and other current receivable	-	-	-	142.65	142.65	-
Financial liabilities						
Trade and other current payables	-	-	-	270.84	270.84	-
Lease liabilities	2.08	1.65	-	-	3.73	6.275

APPLICAD PUBLIC COMPANY LIMITED AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

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(Unit : Million Baht)

Consolidated						
As at December 31, 2019						
Fixed interest rate		Interest Rate		Total	Real interest rate (%)	
Within 1 year	Over 1 to 5 years	Up or Down depending on Market Price	None Rate interest			
Financial assets						
Cash and cash equivalents	-	-	353.67	-	353.67	0.125 - 0.5
Trade and other current receivable	-	-	-	128.49	128.49	-
Financial liabilities						
Trade and other current payables	-	-	-	253.98	253.98	-

Foreign exchange risk

As at December 31, 2020 and December 31, 2019, Group Company's exposure to foreign currency risk arises mainly from trading transactions and loans that are denominated in foreign currencies are as follow:

	Currency	As at December 31, 2020	As at December 31, 2019
Accounts receivable in foreign currencies	US Dollar	114,120	92,078
Accounts payable in foreign currencies	US Dollar	1,198,766	800,065
	EURO	800	2,761

26.2. Fair value of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in the statements of financial position.

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depend on the nature of the instrument.

Attachment 1 Information of Directors, executives, controlling persons and company secretary

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/63)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Asst. Prof. Dr. Prasert Kanthamanon Chairman of the Board of Directors and Independent Director	58	Bachelor of Engineering (Electrical Engineering), King Mongkut's University of Technology Thonburi Ph.D. Computer Engineering, School of Computer Science and Engineering, University of New South Wales, Australia Directors Certification Program (DCP), Class 151/2018	0.032	-	2015 - Present 2019 – Present 2015 – 2019 2015 – Present 2010 – Present	Chairman of the Board of Directors and Independent Director Vice Chairman Director Director Senior Vice Rector for Administrative Affairs and Chief Information Officer	AppliCAD Public Company Limited Innovation Development Foundation Innovation Development Foundation Nawawiat Company Limited King Mongkut's University of Technology Thonburi	Distribution of complete design solutions Promoting and developing university innovations Promoting and developing university innovations Promoting and developing university innovations Promoting and developing university innovations
Mr. Prapas Tangadulrat Director and Chief Executive Officer (Authorized Director)	51	Bachelor of Engineering (Computer Engineering), King Mongkut's University of Technology Thonburi Master of Business Administration, Bangkok University Directors Accreditation Program (DAP), Class SET/2012	57.15	-	2013 - Present 2012 - Present 2013 - Present 2013 - Present 2011 - Present	Chief Executive Officer Director Director Director Director	AppliCAD Public Company Limited AppliCAD Public Company Limited DETI Company Limited PT. Indonesia AppliCAD Ribbit Prototype Company Limited	Distribution of complete design solutions Distribution of complete design solutions Software training center Distribution of complete design solutions in Indonesia Prototype Production

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/63)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Mr. Somsak Woraraksa Director and Executive Director of AEC Business (Authorized Director)	51	Bachelor of Engineering (Computer Engineering), King Mongkut's University of Technology Thonburi Directors Accreditation Program (DAP), Class SET/2012	0.043	-	2012 - Present	Director	AppliCAD Public Company Limited	Distribution of complete design solutions
					2009 - Present	Executive Director of AEC Business Department	AppliCAD Public Company Limited	Distribution of complete design solutions
Miss Thitiporn Chartaisong Director and Chief Financial Officer (Authorized Director)	52	Bachelor of Accountancy (Accounting and Finance), Ramkhamhaeng University Directors Accreditation Program (DAP), Class SET/2012 Company Secretary Program (CSP), Class 48/2012 Driving Company Success with IT Governance (ITG), Class 1/2016 Training of Internal Audit, Class 2 from Federation of Accounting Professions	0.038	-	2012 - Present	Director	AppliCAD Public Company Limited	Distribution of complete design solutions
					2019 - Present	Chief Financial Officer	AppliCAD Public Company Limited	Distribution of complete design solutions
					2009 - 2019	Executive Director of Central Administration Department	AppliCAD Public Company Limited	Distribution of complete design solutions
					2013 - Present 2011 - Present	Director Director	DETI Company Limited Rabbit Prototype Company Limited	Software training center Prototype Production
Mr. Prakit Laobooncharoen Director (Authorized Director)	51	Bachelor of Engineering (Manufacturing Technology North Bangkok) Directors Accreditation Program (DAP), Class 150/2018	-	-	2016 - Present	Director	AppliCAD Public Company Limited	Distribution of complete design software
					2014 - Present	Director	Prime Design Solutions Company Limited	Engineering technical consulting
					2013 - 2015	Executive Director	AppliCAD Company Limited	Distribution of complete design software
					2000 - 2013	Director	Solid System Company Limited	Software Distribution & Systems Engineering Design

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/63)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Dr. Suneo Somchaitanasuk Chairman of the Audit Committee and Independent Director	59	Bachelor of Accountancy (Accounting), Thammasat University Master of Business Administration (Industrial Business), King Mongkut's University of Technology North Bangkok Doctor of Philosophy (Communication Management), Suan Dusit University Directors Certification Program (DCP), Class 53/2005 Directors Accreditation Program (DAP), Class 28/2004 Audit Committee Program (ACP), Class 5/2005 Role of Chairman Program (RCP), Class 18/2008	-	-	2018 - Present	Chairman of the Audit Committee and Independent Director	AppliCAD Public Company Limited	Distribution of complete design software
					2018 - Present	Chairman of the Audit Committee and Independent Director	B.Grimm Power Public Company Limited	Energy business
					2016 - Present	Chairman of the Audit Committee and Independent Director	Namyongterminal Public Company Limited	Provide service for export and import berths
					2015 - Present	Chairman of the Audit Committee and Independent Director	Siam City Cement Public Company Limited	Manufacture and sale of cement and building materials
					2015 - Present	Chief Executive Officer	AMC Medical Center (Thailand) Company Limited	Importer and distributor of medical equipment
					2013 - Present	Director	CPA Associate (Thailand) Company Limite	Auditor
					2003 - Present	Director	NFC Public Company Limited	Production and distribution of chemical fertilizers
					2012 - Present	Audit Committee and Independent Director	AppliCAD Public Company Limited	Distribution of complete design software
					2017 – Present	Director	Iconsiam Signature Company Limited	Retail
					2016 – Present	Director	Iconsiam Retails Company Limited	Advertising Media
Mr. Thanin Pornsiritivet Committee and Independent Director	51	Bachelor of Commerce and Accountancy, Chulalongkorn University Master of Business Administration, St. Louis University, USA Directors Certification Program (DCP), Class 243/2017	-	-	2015 – Present	Director	Real Estate Development	

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/63)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
					2011 – Present	Director	ICS Company Limited	Construction & Construction
					2010 - Present	Director	DPAC Corporation Company Limited Magnolia Quality Development Corporation Company Limited	Real Estate
					2015 – Present	Chief Financial Officer	DT Group of Companies Corporation Company Limited	Holding Company
					2016 - Present	Director	Corporation Company Limited	Restaurant Business
					2018 - Present	Director	Siam Rivea Company Limited The Chaopraya River Assets Holdings Company Limited	Real Estate
Mr. Jeerawat Kulsapudom Audit Committee and Independent Director	50	Bachelor of Engineering (Computer Engineering), King Mongkut's University of Technology Thonburi Master of Business Administration, Kasetsart University Directors Accreditation Program (DAP), Class 151/2018	0.018	-	2012 - Present	Audit Committee and Independent Director Head of Ecosystem Audience Evangelism Manager	AppliCAD Public Company Limited Siri Ventures Company Limited Microsoft (Thailand) Company Limited	Distribution of complete design software Corporate Venture Capital Software & Information Technology
Mr. Thussana Paisiyanuyong Executive Director	52	Bachelor of Engineering (Manufacturing Engineering), King Mongkut's University of Technology North Bangkok	-	-	2018 - Present 2011 - Present	Executive Director Director and General Manager	AppliCAD Public Company Limited Rabbit Prototype Company Limited	Distribution of complete design software Prototype Production

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/63)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Dr. Isa Akrapitak Executive Director and Chief Operating Officer	51	Bachelor of Business Administration, Assumption University Master of Management, Thames Business School Master of Business Administration, University of Portsmouth Doctorate in Business Administration, University VAN Amsterdam Directors Accreditation Program (DAP), Class 81/2009	-	-	2014 - Present 2014 - Present 2014 - Present 2009 - 2013 1992 - 2010	Chief Operating Officer Director Director Director and Chief Financial Officer Head of Global Network Operation	ApplicAD Public Company Limited PT. Indonesia ApplicAD DETI Company Limited GJ Steel Public Company Limited France Telecom	Distribution of complete design software Distribution of complete design software in Indonesia Software training center Manufacture of hot rolled steel sheets and related products Telecommunications
Mr. Krikrit Jeamkamonchuen Director of MEC business And Director of 3D Printer Solution business	41	Bachelor of Engineering Program in Production Engineering, King Mongkut's University of Technology Thonburi	0.024	-	2015 - Present 2012 - 2015	Director of MEC business and Director of 3D Printer Solution business Deputy Director of MEC business	ApplicAD Public Company Limited ApplicAD Public Company Limited	Distribution of complete design software Distribution of complete design software
Mr. Chayo Petcharat Director of Research and Development	43	Bachelor of Engineering Program in Industrial Engineering, Rajamangala University of Technology Master of Business Administration in Marketing, Ramkhamhaeng University	0.041	-	2014 - Present	Director of Research and Development	ApplicAD Public Company Limited	Distribution of complete design software
Mrs. Khwanchal Viriyasumon Accounting Manager	45	Bachelor of Business Administration, Accountancy, Ramkhamhaeng University	0.004	-	2013 - Present	Accounting Manager	ApplicAD Public Company Limited	Distribution of complete design software

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/63)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Miss Phiemzetha Zibhunyarnut Accounting Manager	39	Bachelor of Business Administration, Accountancy, Suan Dusit University	-	-	2013 - Present	Accounting Manager	AppliCAD Public Company Limited	Distribution of complete design software

2. Information of Company Secretary

Name – Last name & Position	Age	Education	Shareholding in the Company (30/12/63)	Family Relation with Executives	Working Experience in past 5 years			
					Period	Position	Company	Business type
Mr. Sorawat Nakmanee	34	Bachelor of Liberal Arts, English, Naresuan university Phayao campus. Master of Language and Communication (International Program), National Institute of Development Administration Company Secretary Program class 111/2020	0.0001	-	2020 - Present	Company Secretary	ApplicAD Public Company Limited	Distribution of complete design software
					2019 - 2020	Assistant Company Secretary	ApplicAD Public Company Limited	Distribution of complete design software
					2014 - 2018	International Coordinator	ApplicAD Public Company Limited	Distribution of complete design software

Company Secretary Responsibilities

1. Take care and advise Director and management on compliance with the law, the Company's terms, regulations and monitor it to be conducted correctly and regularly.
2. Responsible for the meeting of the Board of Directors and shareholders' meetings, as well as coordinating the compliance with the resolutions of the meeting.
3. Ensure that the disclosure of information and reports on the responsible part is in accordance with the regulations of the Stock Exchange of Thailand and the Office of The Securities Commission and other related laws.
4. Prepare and maintain the following documents:
 - 4.1 Director Registration
 - 4.2 Notice of the Board of Directors and Minutes of The Meeting of the Board of Directors
 - 4.3 Notice of shareholders' meeting and minutes of shareholders' meeting
 - 4.4 Annual Report of the Company
 - 4.5 Director and Executive Interest Report

3. Details of position of Directors, executives and controlling persons of the Company in related companies as of 30 December 2020

Name – last name	Position	Position in related companies																	
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Asst. Prof. Dr. Prasert Kanthamanon	C																		
Mr. Prapas Tangadulrat	/, //, M	/	/											/					
Mr. Somsak Worraraksa	/, //, M																		
Miss Thitiporn Chartaisong	/, //, M	/	/																
Mr. Prakrit Laoboontharoen	/, //																		/
Dr. Suneer Somchaitanasuk	/, AC				/										/, AC	/, AC	/, AC		
Mr. Thanin Pornsiritivet	/, AC			/		/	/	/	/	M	/	/	/						
Mr. Jeerawat Kulsapudom	/, AC																		
Mr. Thussanai Paisiriyayong	//		/, M																
Dr. Isra Akrapitak	//, M	/	/																
Mr. Kirikrit Jearnkamonchuen	M																		
Mr. Chayo Petcharat	M																		
Mrs. Khwanchai Viriyasumon	M																		
Miss Phiemzetha Zibhunyarut	M																		

Remark: C = Chairman of Board of Directors / = Director AC = Audit Committee

// = Executive Director M = Management

Related companies:

1. DETI Co.,Ltd.
2. Rabbit Prototype Co.,Ltd.
3. PT. Indonesia AppliCAD
4. Green Wealth Corporation Co.,Ltd.
5. CPA Associates (Thailand) Co.,Ltd.
6. The Estate (Thailand) Co.,Ltd>
7. The Aspen Tree Corporation Co.,Ltd.
8. The Icon VGI Co.,Ltd.
9. DT Group of Companies Corporation Co.,Ltd.
10. Dpec Corporation Co.,Ltd.
11. D Plans Co.,Ltd.
12. The Chaopraya Rivea Assets Holding Co.,Ltd.
13. The Standard Corporation Co.,Ltd.
14. Nawawiwat Co.,Ltd.
15. Namyong Terminal PCL
16. B.Grimm Power PCL
17. Siam City Cement PCL
18. Prime Design Solutions Co.,Ltd.

Name – last name	Position	Position in related companies																
		19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35
Asst. Prof. Dr. Prasert Kanthamanon	C																	
Mr. Prapas Tangadulrat	/, //, M																	
Mr. Somsak Worraraksa	/, //, M																	
Miss Thitiporn Chartaisong	/, //, M																	
Mr. Prakrit Laoboontharoen	/, //																	
Dr. Suneer Somchaitanasuk	/, AC																	
Mr. Thanin Pornsiritivet	/, AC	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Jeerawat Kulsapudom	/, AC																	
Mr. Thussanai Paisiriyayong	//																	
Dr. Isra Akrapitak	//, M																	
Mr. Kirikrit Jearnkamonchuen	M																	
Mr. Chayo Petcharat	M																	
Mrs. Khwanchai Viriyasumon	M																	
Miss Phiemzetha Zibhunyanut	M																	

Remark: C = Chairman of Board of Directors / = Director AC = Audit Committee

// = Executive Director M = Management

Related companies:

19. Mulberry Grove Corporation Co.,Ltd. 25. Magnolia International Corporation Co.,Ltd. 31. Whizdom Elegant Place Co.,Ltd
20. Mulberry Grove Sukhumvit Corporation Co.,Ltd. 26. Magnolia Hotel and Resort Co.,Ltd. 32. Whizdom Urban Corporation Co.,Ltd
21. Mabel Green Corporation Co.,Ltd. 27. Royal Aspen MQDC Town Co.,Ltd. 33. Whizdom Quality Development Corporation Co.,Ltd
22. Mabel Green Smart Living Corporation Co.,Ltd. 28. Whizdom Club Corporation Co.,Ltd. 34. Whizdom Health Club Co.,Ltd
23. Magnolia Quality Development Corporation Co.,Ltd. 29. Whizdom Pinnacle Corporation Co.,Ltd. 35. Stand Holding Corporation Co.,Ltd.
24. Magnolia Corporation Co.,Ltd. 30. Whizdom Wealth Development Corporation Co.,Ltd.

Name - last name	Position	Position in related companies																	
		36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	
Asst. Prof. Dr. Prasert Kanthamanon	C																		M
Mr. Prapas Tangadulrat	/, //, M																		
Mr. Somsak Woraraksa	/, //, M																		
Miss Thitiporn Chartaisong	/, //, M																		
Mr. Prakrit Laoboontharoen	/, //																		
Dr. Sunee Sornchaitanasuk	/, AC			/										M					
Mr. Thanin Pornsiritivet	/, AC	/			/	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Mr. Jeerawat Kulsapudom	/, AC		M																
Mr. Thussanai Paisiriyayong	//																		
Dr. Isra Akrapitak	//, M																		
Mr. Krirkrit Jearnkamonchuen	M																		
Mr. Chayo Petcharat	M																		
Mrs. Khwanchai Viriyasumon	M																		
Miss Phiemzetha Zibhunyarut	M																		

Remark: C = Chairman of Board of Directors / = Director AC = Audit Committee

// = Executive Director M = Management

Related companies:

- | | | | | | |
|-----|----------------------------------|-----|------------------------------------|-----|--------------------------------------------------|
| 36. | Siam Rivea Co.,Ltd. | 42. | MQDC Town Collection Co.,Ltd. | 48. | AMC Medical Center (Thailand) Co.,Ltd. |
| 37. | Siri Ventures Co.,Ltd. | 43. | MQDC Town Royal Place Co.,Ltd. | 49. | Iconsiam Signature Co.,Ltd. |
| 38. | NFC PCL | 44. | MQDC Town Royal Residence Co.,Ltd. | 50. | Iconsiam Retail Co.,Ltd |
| 39. | MQDC Corporation Co.,Ltd. | 45. | MQDC Town Royal Asset Co.,Ltd. | 51. | ICS Co.,Ltd. |
| 40. | MQDC Social Enterprises Co.,Ltd. | 46. | MQDC Town World Co.,Ltd. | 52. | King Mongkut's University of Technology Thonburi |
| 41. | MQDC Town Corporation Co.,Ltd. | 47. | MQDC Proud Estate Co.,Ltd. | | |

Attachment 2 Information of Subsidiaries' Directors

Name – Last name	DETI Co.,Ltd.	Rabbit Prototype Co., Ltd.	PT Indonesia AppliCAD
1. Mr. Prapas Tangadulrat	/, AD	/, AD	/, AD
2. Miss Thitiporn Chartaisong	/, AD	/, AD	
3. Dr. Isra Akrapitak	/, AD		/, AD
4. Mr. Thussanai Paisiriyanyong		/, AD	
5. Mr. Ibnu Afi Sena			/, AD, MD

Remark: / = Director AD = Authorized Director MD = Managing Director

Attachment 3 Information of Head of Internal Auditor and Supervisor to supervise the operations of the Company and subsidiaries

Topic	Details
Internal Auditor	P&L Internal Audit Co.,Ltd.
Head of Internal Auditor	Ms. Sukalaya Manolert Position: Assistant Vice President
Education Level	Bachelor of Accounting (B.B.A.) Dhurakij Pundit University
Working Experience	<p>2018 - Present Assistant Vice President P&L Internal Audit Co.,Ltd.</p> <p>2016 - 2017 Internal Audit Manager P&L Internal Audit Co.,Ltd.</p> <p>2010 - 2015 Senior Internal Audit P&L Internal Audit Co.,Ltd.</p> <p>2007 - 2009 Internal Audit P&L Internal Audit Co.,Ltd.</p> <p><u>Types of businesses that have been audited</u></p> <ul style="list-style-type: none"> - Transportation Business - Food & Non-Food - The business bought and sold it. - Hospital Business - Rental Space Management Business - Amusement Park Business - Debt Tracking Business - Restaurant Business - Fashion Business - Educational Institutions
Related Training	<ul style="list-style-type: none"> - Internal Auditors of Thailand (CPIAT), Internal Auditors Association of Thailand (NSTD) - CAC SME Executive Briefing Part1 – Corruption Association of Thai Institute of Directors (IOD) - Internal Control Thailand 4.0 Thai Institute of Directors Association (IOD) - Working paper for better corruption prevention, Thai Institute of Directors Association (IOD) - IPO Focus "Effective Internal Control for Success IPO" Thai Institute of Directors Association (IOD) - Corporate Risk Management Course Class 11, Chulalongkorn University
Responsibilities	<ul style="list-style-type: none"> - Prepare an annual audit plan to consider, propose and seek approval from the Audit Committee. - Review the audit program of each subject that is examined according to the annual audit plan. - Plan and organize a planned inspection team

	<ul style="list-style-type: none">- Assess the adequacy, reliability and accuracy of the Company's internal control system in accordance with the COSO principles.- Review the audit report and follow up on the recommendations.- Prepare audit report for management and audit committee
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