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Platt Nera International Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1949)

CONNECTED TRANSACTION FORMATION OF JOINT VENTURE

On 1 June 2021, PN, an indirectly owned subsidiary of the Company, entered into the Joint Venture Agreement with Mr. Asvaplungprohm and CMC, pursuant to which the parties agreed to (a) form the Joint Venture for the purposes of the investment and development of the CDM Project in Thailand; and (b) regulate their respective rights and obligations in the Joint Venture.

As at the date of this announcement, Mr. Asvaplungprohm is an executive Director, the Chairman of the Board, Chief Executive Officer and one of the Controlling Shareholders of the Company. Hence, Mr. Asvaplungprohm is a connected person of the Company. Accordingly, the Transaction constitutes a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios under the Listing Rules in respect of the Transaction are more than 0.1% but less than 5%, the Transaction is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

On 1 June 2021, PN, Mr. Asvaplungprohm and CMC entered into the Joint Venture Agreement, pursuant to which the parties agreed to (a) form the Joint Venture for the purposes of the investment and development of the CDM Project in Thailand; and (b) regulate their respective rights and obligations in the Joint Venture.

JOINT VENTURE AGREEMENT

Date

1 June 2021

Parties

- (a) Platt Nera Co., Ltd, an indirect subsidiary of the Company;
- (b) Mr. Prapan Asvaplunghrohm, an executive Director, the Chairman of the Board, Chief Executive Officer and one of the Controlling Shareholders of the Company; and
- (c) Cash Machine Capital Co., Ltd..

Formation of Joint Venture

Upon the formation of Joint Venture, PN, Mr. Asvaplunghrohm and CMC shall directly hold 44%, 9% and 47% equity interests in the Joint Venture respectively.

Registered Capital of the Joint Venture and Total Capital Commitment for the CDM Project

The registered capital of the Joint Venture shall be THB50,000,000 (equivalent to approximately HK\$12.5 million*), which shall be contributed by the shareholders of the Joint Venture in proportion to their respective equity interests in the Joint Venture as follows:

Shareholder of the Joint Venture	Capital Contribution (THB)	Shareholding Percentage
PN	22,000,000	44%
Mr. Asvaplunghrohm	4,500,000	9%
CMC	23,500,000	47%
Total	50,000,000	100%

The amount of the registered capital of the Joint Venture was determined after arm’s length negotiations among the parties, taking into account various factors, including the nature of the business, the demand for working capital and future development plans of the Joint Venture. PN will finance its capital contribution to the Joint Venture from internal resources.

Other than the capital contribution as set out above, the shareholders of the Joint Venture do not have any other capital commitment and CMC shall be responsible for fund raising from banks, investors and other financial institutions to support the CDM Project, as and when required.

Composition of Board of Directors of the Joint Venture

The board of directors of the Joint Venture shall comprise three directors, two of whom shall be appointed by CMC and the remaining one shall be appointed by PN.

CMC shall be entitled to appoint the managing director and the chief financial officer of the Joint Venture.

Voting Rights

CMC shall have 5 voting rights for 1 ordinary share in the Joint Venture. PN and Mr. Asvaplunghrohm shall have 1 voting right for 1 ordinary share in the Joint Venture.

INFORMATION ABOUT THE PARTIES, THE JOINT VENTURE AND CDM PROJECT

The Company is incorporated in Cayman Islands as an exempted company with limited liability which Shares have been listed on the Main Board of the Stock Exchange since 16 July 2019. The Group mainly provides IT solutions to Thai financial institutions, government departments and agencies predominantly in administrative, telecommunications and utilities sectors, and the sale of equipment in Thailand.

Mr. Asvaplunghrohm is an executive Director, the Chairman of the Board, Chief Executive Officer and one of the Controlling Shareholders of the Company.

CMC is a company incorporated in Thailand and is owned as to 99% equity interest by Mr. Pathompong Viriyapatr who has extensive experience in construction and infrastructure business and is a seasoned investor, and 1% equity interest by Mr. Asvaplunghrohm. Save as disclosed herein and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Pathompong Viriyapatr is third party independent of the Company and its connected persons.

The Joint Venture is a company to be incorporated in Thailand, which shall be owned as to 44%, 9% and 47% equity interest by PN, Mr. Asvaplunghrohm and CMC respectively and shall engage in the investment and development of the CDM Project.

CDM Project is a project relating to the acquisition and installation of CDMs at convenience stores in Thailand, development of software and switches to run such CDMs and the operation and maintenance of such CDMs.

REASON FOR AND BENEFITS OF THE JOINT VENTURE AGREEMENT

Under the Joint Venture, the Group will benefit from a service contract that the Joint Venture will sign with the Group to, *inter alia*, install, develop software and switches for, and operate and maintain the CDM machines. Furthermore, CMC shall be responsible for the management of the Joint Venture and to secure further financing and/or investors for the Joint Venture, thus minimizing the utilisation of the Group's management and financing resources towards the CDM Project. As a result thereof, the parties agreed that each ordinary share held by CMC in the Joint Venture shall have more voting rights than the ordinary shares held by the other shareholders of the Joint Venture. This Joint Venture structure will further allow the Group to participate in and benefit from the CDM Project with a lower outlay of financial and management resources, and therefore lower risks, representing a prudent approach adopted by the Group given the economic uncertainty in Thailand during the COVID-19 pandemic as well to reserve such resources for its current and future projects.

The Board (including the independent non-executive Directors) consider that the Transaction is in the ordinary and usual course of business of the Group, on normal commercial terms after arm's length negotiations between the parties, and the terms of the Transaction are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Asvaplungprohm, an executive Director, the Chairman of the Board, Chief Executive Officer and one of the Controlling Shareholders of the Company, is materially interested in the Transaction. As such, Mr. Asvaplungprohm has abstained from voting on the relevant Board resolution in respect of the Joint Venture Agreement. Save for Mr. Asvaplungprohm, none of the other Directors has any material interest in the Joint Venture Agreement and was required to abstain from voting on the relevant Board resolution.

IMPLICATION UNDER THE LISTING RULES

As at the date of this announcement, Mr. Asvaplungprohm is an executive Director, the Chairman of the Board, Chief Executive Officer and one of the Controlling Shareholders of the Company. Hence, Mr. Asvaplungprohm is a connected person of the Company. As such, the Transaction constitutes a connected transaction of the Company under the Listing Rules.

As the applicable percentage ratios (as defined in the Listing Rules) for the Transaction exceed 0.1% but are less than 5%, the Transaction is subject to the reporting and announcement requirements, but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“CDM”	Cash Deposit Machine
“CDM Project”	a project relating to acquisition and installation of CDMs at the convenience stores in Thailand, details of which are set out in the section headed “Information about the Parties, the Joint Venture and CDM Project” in this announcement
“CMC”	Cash Machine Capital Co., Ltd., a company registered under the laws of Thailand
“Company”	Platt Nera International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong Special Administrative Region of the People’s Republic of China
“Joint Venture”	Platt FinServe Company Limited, a company to be registered under the laws of Thailand and a joint venture company to be formed pursuant to the Joint Venture Agreement
“Joint Venture Agreement”	the joint venture agreement entered into on 1 June 2021 among PN, Mr Asvaplungprohm and CMC with respect of the proposed formation of the Joint Venture, details of which are disclosed in this announcement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Asvaplungprohm”	Mr. Prapan Asvaplungprohm
“PN”	Platt Nera Co., Ltd, an indirect subsidiary of the Company
“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“Thailand”	the Kingdom of Thailand
“THB”	Thai baht, the lawful currency of Thailand
“Transaction”	the formation of the Joint Venture, the entering into the Joint Venture Agreement and the transactions contemplated thereunder

**Based on exchange rate of THB1 to HK\$0.25 and for illustrative purposes only.*

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

Hong Kong, 1 June 2021

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