

**INFRASET PUBLIC COMPANY LIMITED**  
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2022

## **Independent Auditor's Report**

### **To the Shareholders and the Board of Directors of Infraset Public Company Limited**

#### **Opinion**

I have audited the financial statements of Infraset Public Company Limited, which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Infraset Public Company Limited as at December 31, 2022, and its financial performance and its cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

#### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 financial statements of the current year. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

#### **Revenue Recognition for Services**

##### *Risk*

The Company has disclosed its policies on recognition of revenue from construction of data center and information technology, infrastructure, telecommunications and transportation infrastructure, an estimation of services project costs and allowances for loss on construction projects in Note to Financial Statements No. 4 and 5. I identified the recognition of revenue from construction services and the estimated possible losses from service contracts as areas of significant risk in my audit because revenue amounts from construction of data center and information technology, infrastructure, telecommunications and transportation infrastructure that the Company recognizes over time from services in each period forms a significant portion of the Company's total revenue. In addition, the process of

measurement, the determination of appropriate timing of recognition, and the estimation of anticipated losses are areas that require that management exercise significant judgment in order to assess the percentage of completion, the probability of loss, and the measurement of anticipated loss. Therefore, risks exist with respect to amounts and timing of the recognition of revenue and provisions for anticipated losses on projects.

*Auditor's Response*

I assessed and tested the internal controls put in place by the Company with respect to entering into contracts, estimates of project costs and revisions thereto, recognition of revenue and estimation of percentage of completion and anticipated losses under contracts by interviewing responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

I also selected major contracts, randomly selected additional samples, and:

- Read the contracts to consider the conditions relating to revenue recognition.
- Inquired with the Company's engineers/project managers about the terms of and risks associated with these contracts in relation to revenue recognition and estimates of anticipated loss.
- Inquired with the Company's engineers/project managers to gain an understanding of the Company's process to assess the percentage of completion and cost estimates for projects, compared estimates of project costs to the project budgets approved by the authorized person, and on a sampling basis, examined relevant documents and considered the rationale for budget revisions, compared past estimates with actual project costs in order to evaluate the competency of project management to estimate project costs, checked actual costs to supporting documents and performed an analytical review to compare the percentage of completion estimated by the Company's engineers/project managers to the percentage of completion derived from the actual costs incurred.
- Evaluated the anticipated losses from projects assessed by the Company management through a comparative analysis of the actual cost incurred to the cost estimates for projects.
- Tested the calculation of the percentage of completion based on actual construction costs incurred.
- Examined the accounting transactions related to revenue recognition recorded through journal vouchers, in order to detect any irregularities.
- Reviewed disclosures made in the Notes to Financial Statements with respect to the basis of revenue recognition and the estimation of anticipated losses.

### **Other Information**

Management is responsible for the other information. The other information comprises the information include in Annual Report, but does not include the financial statements and my auditor's report thereon. The Annual Report for the year is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Annual Report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the 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 TSAs 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 financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. The auditor describes these matters in the 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.

(Kanittha Siripattanasomchai)

Certified Public Accountant

Registration Number 10837

ANS Audit Co., Ltd.

Bangkok, February 13, 2023

**INFRASET PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	Notes	Unit : Baht	
		2022	2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	49,124,910.96	139,243,603.28
Trade and other current receivables - net	8	448,199,304.56	252,963,000.41
Current portion of installment contract receivable	9	61,632,765.32	-
Current contract assets	10.1	387,506,494.39	384,867,903.86
Other current financial assets - net	11	70,286,392.77	270,816,879.77
<b>Total current assets</b>		<b>1,016,749,868.00</b>	<b>1,047,891,387.32</b>
<b>Non-current assets</b>			
Other non-current financial assets	30.2	55,802,522.25	51,376,488.19
Installment contract receivable - net	9	276,203,809.11	-
Non-current contract assets	10.1	225,000.00	7,177,131.14
Property, plant and equipment - net	12	77,610,584.90	80,254,738.05
Right-of-use assets - net	6, 13	9,011,830.87	12,035,623.42
Intangible assets - net	14	1,390,204.52	518,087.36
Deferred tax assets	15	2,098,878.14	2,655,279.06
Other non-current assets	6	15,250,417.80	14,255,417.80
<b>Total non-current assets</b>		<b>437,593,247.59</b>	<b>168,272,765.02</b>
<b>Total assets</b>		<b>1,454,343,115.59</b>	<b>1,216,164,152.34</b>

..... Director  
(Mr. Sakbaworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)

**INFRASET PUBLIC COMPANY LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	Notes	Unit : Baht	
		2022	2021
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Trade and other current payables	16	215,525,309.70	215,711,772.11
Contract liabilities	10.2	4,774,024.96	238,799.86
Current portion of long-term loan from a financial institution	17	-	3,831,522.90
Current portion of lease liabilities	6, 18	2,716,412.48	3,167,490.30
Income tax payables		817,390.47	-
<b>Total current liabilities</b>		<b>223,833,137.61</b>	<b>222,949,585.17</b>
<b>Non-current liabilities</b>			
Retention payables		6,627,292.42	7,479,923.30
Lease liabilities - net	6, 18	8,076,536.94	10,792,949.42
Non-current provisions for employee benefits	19	6,278,868.00	10,621,253.00
<b>Total non-current liabilities</b>		<b>20,982,697.36</b>	<b>28,894,125.72</b>
<b>Total liabilities</b>		<b>244,815,834.97</b>	<b>251,843,710.89</b>
<b>Shareholders' equity</b>			
Share capital	20		
Registered			
923,999,949 ordinary shares at Baht 0.50 each		461,999,974.50	461,999,974.50
Issued and fully paid-up			
750,166,311 ordinary shares at Baht 0.50 each		375,083,155.50	
615,999,966 ordinary shares at Baht 0.50 each			307,999,983.00
Premium on ordinary shares		571,846,249.12	370,596,731.62
Surplus on share-based payment transactions		6,430,993.00	6,430,993.00
Retained earnings			
Appropriated			
Legal reserve		41,803,423.35	36,526,940.00
Unappropriated		214,363,459.65	242,765,793.83
<b>Total shareholders' equity</b>		<b>1,209,527,280.62</b>	<b>964,320,441.45</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,454,343,115.59</b>	<b>1,216,164,152.34</b>

..... Director  
(Mr. Sakboworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)

**INFRASET PUBLIC COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Notes	Unit : Baht	
		2022	2021
	4, 6, 25, 26		
Revenues from services		1,310,653,321.56	1,315,252,426.82
Cost of services		(1,129,103,618.21)	(1,039,172,555.51)
<b>Gross profit</b>		181,549,703.35	276,079,871.31
Other income		4,863,177.11	1,189,786.18
Distribution costs		(5,587,968.28)	(9,039,397.30)
Administrative expenses		(48,147,633.82)	(54,229,418.55)
<b>Profit from operating activities</b>		132,677,278.36	214,000,841.64
Finance costs		(528,981.78)	(840,546.64)
<b>Profit before income tax</b>		132,148,296.58	213,160,295.00
Income tax expenses	15	(26,618,629.55)	(42,621,496.09)
<b>Profit for the year</b>		105,529,667.03	170,538,798.91
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Actuarial gains - net from income tax		5,285,152.00	-
<b>Total comprehensive income for the year</b>		110,814,819.03	170,538,798.91
<b>Earnings per share</b>	24		
Basic earnings per share		0.15	0.28
Diluted earnings per share		0.13	0.21

..... Director  
(Mr. Sakboworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)



**INFRASET PUBLIC COMPANY LIMITED**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

Unit : Baht

	Notes	Share capital		Surplus on share-based payment transactions	Retained earnings		Other comprehensive income	
		Issued and fully paid-up	Premiums on ordinary shares		Appropriated Legal reserve	Unappropriated	Actuarial gains	
							- net from income tax	Total
<b>Balance as at January 1, 2022</b>		307,999,983.00	370,596,731.62	6,430,993.00	36,526,940.00	242,765,793.83	-	964,320,441.45
Warrants	21	67,083,172.50	201,249,517.50	-	-	-	-	268,332,690.00
Legal reserve	22	-	-	-	5,276,483.35	(5,276,483.35)	-	-
Dividend paid	23.1, 23.2	-	-	-	-	(133,940,669.86)	-	(133,940,669.86)
Total comprehensive income for the year		-	-	-	-	105,529,667.03	5,285,152.00	110,814,819.03
Transferred to retained earnings		-	-	-	-	5,285,152.00	(5,285,152.00)	-
<b>Balance as at December 31, 2022</b>		<b>375,083,155.50</b>	<b>571,846,249.12</b>	<b>6,430,993.00</b>	<b>41,803,423.35</b>	<b>214,363,459.65</b>	<b>-</b>	<b>1,209,527,280.62</b>
<b>Balance as at January 1, 2021</b>		280,000,000.00	370,596,731.62	6,430,993.00	28,000,000.00	154,113,934.85	-	839,141,659.47
Legal reserve	22	-	-	-	8,526,940.00	(8,526,940.00)	-	-
Stock dividend	23.3.1	27,999,983.00	-	-	-	(27,999,983.00)	-	-
Dividend paid	23.3.2	-	-	-	-	(45,360,016.93)	-	(45,360,016.93)
Total comprehensive income for the year		-	-	-	-	170,538,798.91	-	170,538,798.91
<b>Balance as at December 31, 2021</b>		<b>307,999,983.00</b>	<b>370,596,731.62</b>	<b>6,430,993.00</b>	<b>36,526,940.00</b>	<b>242,765,793.83</b>	<b>-</b>	<b>964,320,441.45</b>

..... Director

(Mr. Sakbaworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

**INFRASET PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Unit : Baht	
	2022	2021
<b>Cash flows from operating activities:</b>		
Profit for the year	105,529,667.03	170,538,798.91
Adjustments to reconcile profit for the year to cash provided by (used in) operating activities:		
Depreciation and amortization	9,863,531.04	11,572,214.23
Allowance for expected credit losses of receivables	204,078.16	138,641.28
(Gain) Loss on disposal of assets	(663,090.84)	47,094.34
Gain on disposal of other current financial assets	(702,546.08)	(212,767.73)
Unrealized gain on other current financial assets revaluation	(176,935.39)	(530,025.50)
Non-current provisions for employee benefits	2,713,335.00	2,418,128.00
Interest income	(3,320,604.80)	(421,992.95)
Interest expenses	528,981.78	840,546.64
Income tax expenses	26,618,629.55	42,621,496.09
Profit from operating activities before changes in operating assets and liabilities	140,595,045.45	227,012,133.31
Operating assets (increase) decrease:		
Trade and other current receivables	(195,338,853.37)	232,069,004.55
Installment contract receivable	(335,267,589.49)	-
Current contract assets	(2,638,590.53)	113,017,655.36
Non-current contract assets	6,952,131.14	(6,324,228.44)
Other non-current assets	(992,000.00)	3,232,661.86
Operating liabilities increase (decrease):		
Trade and other current payables	(1,666,903.67)	(223,903,793.40)
Contract liabilities	4,535,225.10	(9,727,659.96)
Retention payables	(852,630.88)	(832,502.89)
Cash provided by (used in) operating activities	(384,674,166.25)	334,543,270.39
Employee benefit obligations paid	(449,280.00)	-
Interest income	650,090.92	294,981.00
Interest paid	(528,981.78)	(840,546.64)
Income tax paid	(26,569,126.16)	(57,404,678.81)
<b>Net cash from (used in) operating activities</b>	<b>(411,571,463.27)</b>	<b>276,593,025.94</b>

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

**INFRASET PUBLIC COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Unit : Baht	
	2022	2021
<b>Cash flows from investing activities:</b>		
Cash received from disposal of other current financial assets	351,409,968.47	80,000,000.00
Cash paid for acquisition of other current financial assets	(150,000,000.00)	(270,000,000.00)
Cash received from disposal of fixed assets	664,018.69	747.66
Cash paid for acquisition of fixed assets	(3,921,968.09)	(398,283.00)
Cash paid for acquisition of intangible assets	(1,166,221.00)	(246,580.00)
(Increase) Decrease in other non-current financial assets	(4,426,034.06)	30,578.45
<b>Net cash from (used in) investing activities</b>	<b>192,559,764.01</b>	<b>(190,613,536.89)</b>
<b>Cash flows from financing activities:</b>		
Cash paid for long-term loan from a financial institution	(3,831,522.90)	(9,020,012.44)
Cash paid for lease liabilities	(1,667,490.30)	(3,205,375.91)
Cash received from exercise of warrants	268,332,690.00	-
Cash paid for dividend	(133,940,669.86)	(45,360,016.93)
<b>Net cash from (used in) financing activities</b>	<b>128,893,006.94</b>	<b>(57,585,405.28)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(90,118,692.32)</b>	<b>28,394,083.77</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>139,243,603.28</b>	<b>110,849,519.51</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>49,124,910.96</b>	<b>139,243,603.28</b>

**Supplemental Disclosures of Cash Flows Information**

Non-cash flows items consist of:

Increase in installment contract receivable from contract assets	(335,267,589.49)	-
Increase (decrease) in accounts payables for purchase of fixed assets	(19,558.74)	81,859.12
Increase in right-of-use assets from lease liabilities	-	7,759,250.41
Decrease in right-of-use assets from change in condition of lease agreement	-	(1,656,455.86)
Stock dividend payment	-	27,999,983.00

..... Director  
(Mr. Sakboworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)

**INFRASET PUBLIC COMPANY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**1. GENERAL INFORMATION**

Infrasets Public Company Limited (the "Company") was incorporated in Thailand on May 8, 2006 in accordance with the Civil and Commercial Code and transformed the Company into a public company on March 22, 2019. The Company is principally engaged in the construction of data center and information technology, infrastructure and telecommunication network. The Company has its head office at 165/37-39 Ramintra Road, Anusawari, Bang Khen, Bangkok.

On October 8, 2019, the Stock Exchange of Thailand endorsed the listing of the Company's ordinary shares in the Market for Alternative Investments (MAI) and on March 11, 2022, the Stock Exchange of Thailand endorsed the listing of the Company's ordinary shares in the Stock Exchange of Thailand (SET).

**2. BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS**

The accompanying financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") including related interpretations and guidelines promulgated by the Federation of Accounting Professions ("FAP") and applicable rules and regulations of the Thai Securities and Exchange Commission.

Presentation of the financial statements complies with Notification of the Department of Business Development, dated December 26, 2019, issued under the Accounting Act B.E. 2543.

The accompanying financial statements have been prepared in Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided, translated based on the Thai version.

The financial statements have been prepared on a historical cost basis, except where otherwise disclosed in the accounting policies.

Preparation of the financial statements in conformity with Thai Financial Reporting Standards ("TFRS") requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying amounts of assets and liabilities that are not readily apparent from other sources. Subsequent actual results may differ from these estimates.

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, and in the period of the revision and future periods, if the revision affects both current and future periods.

**The coronavirus disease 2019 (“COVID-19”) pandemic**

The coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries as a whole. This situation may bring uncertainties and have an impact on the environment in which the Company operates. These uncertainties may have a financial impact on the valuation of assets, provisions and contingent liabilities.

**3. NEW FINANCIAL REPORTING STANDARDS**

**3.1 Financial reporting standards that became effective in the current year**

During the year 2022, the Company has adopted the revised and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after January 1, 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements.

**3.2 Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2023**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company believes that adoption of these amendments will not have any significant impact on the Company’s financial statements.

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Recognition of revenues and expenses**

Revenues and expenses are recognized on an accrual basis.

##### *Revenues from sale and service*

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax of goods supplied after deducting returns, discounts and allowances.

Revenue from repair and services are recognized when the services have been rendered.

Revenue from construction of data center and information technology, infrastructure, telecommunications and transportation infrastructure are recognized revenue over time when services in proportion to the stage of completion, by calculating the actual construction costs incurred up to the end of the period as compared to the total anticipated construction costs to be incurred to completion. This also considers the results of the evaluation by the Company's engineers. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable. The construction costs incurred during the periods are recognized as an expense. In the event there is a probability that total project costs exceed contract revenues, the Company immediately recognized estimated loss as an expense in the statement of profit or loss.

##### *Interest income*

Interest income is calculated using the effective interest method and recognized on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

##### *Penalties arising from delay*

Contingent liabilities from penalties are recognized as an expense in the accounting period in which they are incurred.

The amount of contract revenues maybe decreased as a result of penalties arising from delay caused by the contractor in the completion of the contract where there is no any impact on the financial statements in the past.

##### *Finance cost*

Interest expense from financial liabilities at amortized cost is calculated using the effective interest method and are recognized on an accrual basis.

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

### **Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and that are not subject to withdrawal restrictions.

### **Contract assets and liabilities**

Revenues which are not yet due as per contracts are presented as “Contract assets” in the statement of financial position. The instalment amounts due and received according to the contracts, but not yet recognized as revenue, are presented as “Contract liabilities” in the statement of financial position.

### **Property, plant and equipment and depreciation**

Land is stated at cost and no depreciation is provided.

Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any). Depreciations of building and equipment are calculated by reference to their costs on a straight-line basis over their estimated useful lives as follows:

Type of assets	Number of years
Buildings	30
Building improvement	10 - 20
Office equipment	5
Computer	5
Vehicles	5

Depreciation method, useful lives and the residual value will be reviewed at the end of the accounting period and adjusted if appropriate.

Borrowing costs directly attributable to the acquisition, construction or production of an asset in preparation for its intended use are capitalized as part of the cost of the respective assets.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is immediately written down to its recoverable amount. Estimated recoverable amount is the higher of the anticipated discounted cash flows from the continuing use of the asset and the amount obtainable from the sale of the asset less any costs of disposal.

### **Leases**

At inception of contract, the Company 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.

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

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 Company recognizes right-of-use assets representing the right to use the underlying assets and lease liabilities based on 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 recognized, 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:

Type of assets	Number of years
Buildings	5
Vehicles	3

*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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

..... Director  
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..... Director  
(Mr. Metha Chotiapisitkul)



In calculating the present value of lease payments, the Company 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 recognized as expenses on a straight-line basis over the lease term.

*The Company as a lessor*

*Finance leases*

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognized as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognized over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

*Operating leases*

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognized as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognized as an expense over the lease term on the same basis as the lease income.

**Intangible assets and amortization**

Computer software is stated at cost less accumulated amortization and allowance for impairment (if any). Amortization is calculated on the straight-line basis over their estimated useful lives of 3 years and 5 years.

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..... Director

(Mr. Metha Chotiapisitkul)

**Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset’s fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm’s length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognized in profit or loss.

**Income tax**

Income tax expenses comprise current tax and deferred tax.

*Current tax*

The Company’s current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

*Deferred tax*

The Company’s deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognized deferred tax liabilities for all taxable temporary differences while they recognize deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilized.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The Company recorded deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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..... Director

(Mr. Metha Chotiapisitkul)

## **Employee benefits**

### *Short-term benefits*

The Company's salaries, wages, bonuses and social security contributions are accounted as expenses on an accrual basis.

### *Post-employment benefits - defined contribution plan*

The Company operates a provident fund that is a defined contribution plan, the assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Company. Contributions to the provident fund are charged to the statement of comprehensive income in the period to which they relate.

### *Post-employment benefits - defined benefit plan*

Employee benefit obligations for severance payment, set-up according to labor law, are recognized as a charge to results of operations over the employee's service period. They calculated by estimating the amount of future benefit earned by employees in return for service provided to the Company in the current and future periods, with such benefit being discounted to determine the present value. The reference point for setting the discount rate is the yield rate of government bonds as at the reporting date. The calculation is performed by actuarial technique using the Projected Unit Credit Method.

When the actuarial assumptions are changed, the Company recognized actuarial gains or losses in other comprehensive income for the period in which they arise.

## **Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects reimbursement for a provision, the reimbursement is recognized as a separate asset, but only when there is virtually certainty of the reimbursement.

## **Share-based payment**

Share-based payments are recorded on the grant date based on the fair value of shares and the consideration payable and to recognized the related expense with corresponding increase in shareholders' equity.

## **Financial instruments**

The Company 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.

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..... Director

(Mr. Metha Chotiapisitkul)

*Classification and measurement of financial assets*

Financial assets are classified, at initial recognition, as to be subsequently measured at amortized cost, fair value through other comprehensive income (“FVOCI”), or fair value through profit or loss (“FVTPL”). The classification of financial assets at initial recognition is driven by the Company’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

*Financial assets at amortized cost*

The Company measures financial assets at amortized 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.

Financial assets at amortized cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

*Financial assets at FVTPL*

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

These financial assets include derivatives, security investments held for trading, equity investments which the Company has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognized as other income in profit or loss.

*Classification and measurement of financial liabilities*

At initial recognition the Company’s financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. In determining amortized cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in profit or loss.

*Derecognition of financial instruments*

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

..... Director

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..... Director

(Mr. Metha Chotiapisitkul)

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

*Impairment of financial assets*

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. For installment contract receivable, the Company applies a general approach in calculating ECLs, which is required to consider expected credit losses within 12 months or over the term life of assets, it depends on whether there is a significant increase in credit risk and recognize credit losses at the initial recognition of such financial assets.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Fair value measurement**

Fair value is the price that would be received to sell an asset or that paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies 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 where there no active market for an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation techniques appropriate in the circumstances and maximizes 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 categorized within the fair value hierarchy into three levels based on categories 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

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..... Director

(Mr. Metha Chotiapisitkul)

At the end of each reporting period, the Company determines whether transfers that have occurred between the levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period are measured at fair value on a recurring basis.

**Basic earnings per share and diluted earnings per share**

Basic earnings per share are calculated by dividing the profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the year.

Diluted earnings per share is calculated by dividing the profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issue.

**5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures and actual results could differ. Significant judgments and estimates are as follows:

**Revenue from contracts with customers**

*Identification of performance obligations*

In identifying performance obligations, the management is required to use judgment regarding whether each promise to deliver goods or services is considered distinct, taking into consideration terms and conditions of the arrangement. In other words, if a good or service is separately identifiable from other promises in the contract and if the customer can benefit from it, it is accounted for separately.

*Determination of timing of revenue recognition*

In determining the timing of revenue recognition, the management is required to use judgment regarding whether performance obligations are satisfied over time or at a point in time, taking into consideration terms and conditions of the arrangement. The entity recognizes revenue over time in the following circumstances:

- the customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs
- the entity’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

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..... Director

(Mr. Metha Chotiapisitkul)

Where the above criteria are not met, revenue is recognized at a point in time. Where revenue is recognized at a point in time, the management is required to determine when the performance obligation under the contract is satisfied.

In calculating the revenue recognized over time, the management is required to use judgment regarding measuring progress towards complete satisfaction of a performance obligation.

**Estimated services project costs**

The Company estimated costs of construction projects based on details of the construction work, taking into account the volume and value of construction materials to be used in the project, labor costs and other miscellaneous costs to be incurred to completion of service, and taking into account the direction of the movement in these costs. Estimates are reviewed regularly or whenever actual costs differ significantly from the figures used in the original estimates.

**Allowance for loss on construction projects**

The Company reviews its construction work-in-progress to determine whether there is any indication of foreseeable losses. Identified foreseeable losses are recognized immediately in the statement of profit or loss when it is probable that total contract costs will exceed total contract revenue as determined by the management.

**Depreciation of property, plant and equipment and right-of-use assets and amortization of intangible assets**

In determining depreciation of plant and equipment and right-of-use assets and amortization of intangible assets, the management is required to make estimates of the useful lives and residual values (if any) and to review useful lives and residual values when there are any changes.

In addition, the property, plant and equipment, right-of-use assets and intangibles assets are subject to impairment if there is an indication they may be impaired, and impairment losses are recorded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Indications include significant falls in the market value of assets or the future economic benefits of assets, significant changes in the overall business strategy impacting to the future utilization of assets, significant negative industry or economic trends, significant loss of market share, and significant unfavorable regulatory and court decisions that impact the business.

The impairment analysis of property, plant and equipment, right-of-use assets and intangible assets requires management to make subjective judgments concerning estimates of cash flows to be generated by the assets or the cash generating units and to choose a suitable discount rate in order to determine the present value of those cash flows. The cash flow estimates are based on currently available information about the operations and require management to make judgments regarding future market conditions and future revenues and expenses relevant to the assets or the cash generating units subject to the review. Events and factors that may

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significantly affect the estimates include, among others, competitive forces, changes in revenue growth trends, cost structures, changes in discount rates and specific industry or market sector conditions.

## **Leases**

### *Determining the lease term with extension and termination options - The Company as a lessee*

In determining the lease term, the management is required to exercise judgment in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease, considering all relevant factors and circumstances that create an economic incentive for the Company to exercise either the extension or termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

### *Lease classification - The Company as a lessor*

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to exercise judgment as to whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

## **Deferred tax assets**

Deferred tax assets are recognized in respect of temporary differences only to the extent that it is probable that taxable profit will be available against which these differences can be utilized. Significant judgment by management is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimate future profits.

## **Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rates, future salary increase rates, mortality rates and staff turnover rates.

## **Allowance for expected credit losses of trade receivables, installment contract receivable and contract assets**

In determining an allowance for expected credit losses of trade receivables, installment contract receivable and contract assets, the management needs to make judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Company's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

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## Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgment to assess of the results of the litigation and found that it is probable that loss will be incurred. Therefore, it recorded contingent liabilities with estimated future loss.

## 6. TRANSACTIONS WITH RELATED PARTIES

Related parties are defined as persons or companies that control other persons or companies or have significant influence over other persons or companies in making financial and/or operational decisions. This includes the companies that have common shareholders or executive management.

Transactions with related parties are conducted at agreed prices on market value or, where no market value exists, at contractually agreed prices.

The Company had significant business transactions with related parties for the years ended December 31, as follows:

	Unit : Baht	
	2022	2021
<b>Transactions between the Company and related parties</b>		
Right-of-use assets		
Depreciation	1,345,251.00	1,627,777.20
Interest expenses	368,988.06	262,392.51

Such transactions are on commercial terms and bases agreed upon price between the Company and those related parties in the normal course of business.

As at December 31 significant balances with related parties can be summarized as follows

	Unit : Baht	
	2022	2021
<b>Related parties</b>		
Right-of-use assets - at book value	6,726,255.31	8,071,506.31
Other non-current assets - deposit paid	540,000.00	540,000.00
Lease liabilities	8,416,190.76	9,907,202.70

..... Director

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..... Director

(Mr. Metha Chotiapisitkul)

## Management compensation

Management compensation for the years ended December 31, consisted of:

	Unit : Baht	
	2022	2021
Short-term benefits	15,554,647.10	22,098,000.00
Post-employment benefits	1,230,868.00	1,103,417.00
<b>Total management compensation</b>	<b>16,785,495.10</b>	<b>23,201,417.00</b>

Management comprises those persons who have authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly.

## 7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consisted of:

	Unit : Baht	
	2022	2021
Cash on hand	39,853.10	46,929.00
Cash at banks - savings accounts	49,082,249.89	139,189,994.99
Cash at banks - current accounts	2,807.97	6,679.29
<b>Total cash and cash equivalents</b>	<b>49,124,910.96</b>	<b>139,243,603.28</b>

## 8. TRADE AND OTHER CURRENT RECEIVABLES - NET

Trade and other current receivables as at December 31, consisted of:

	Unit : Baht	
	2022	2021
<b>Trade receivables</b>	395,174,876.20	234,802,494.39
<u>Less</u> allowance for expected credit loss	(342,719.44)	(138,641.28)
<b>Trade receivables - net</b>	<b>394,832,156.76</b>	<b>234,663,853.11</b>
<b>Other current receivables</b>		
Advance payment for goods and services	25,263,073.96	9,615,038.64
Prepaid other expenses	1,138,160.50	986,829.26
Revenue Department receivable	22,694,562.05	-
Undue input tax	2,411,728.53	5,981,303.95
Accrued interest income	253,672.59	152,143.65
Others	1,605,950.17	1,563,831.80
<b>Total other current receivables</b>	<b>53,367,147.80</b>	<b>18,299,147.30</b>
<b>Trade and other current receivables - net</b>	<b>448,199,304.56</b>	<b>252,963,000.41</b>

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

The Company has trade receivables classified by age analysis as follows:

	Unit : Baht	
	2022	2021
<b>Trade receivables</b>		
Current	97,525,041.82	43,371,630.14
Over due		
Not over 3 months	69,950,497.20	112,083,170.40
3 - 6 months	226,414,759.72	77,073,358.19
6 - 12 months	-	909,812.98
Over 12 months	1,284,577.46	1,364,522.68
<b>Total trade receivables</b>	<b>395,174,876.20</b>	<b>234,802,494.39</b>

#### 9. INSTALLMENT CONTRACT RECEIVABLE - NET

Installment contract receivable as at December 31, consisted of:

	Unit : Baht	
	2022	2021
<b>Installment contract receivable</b>		
Due within 1 year	81,490,363.07	-
Over 1 year but not over 5 years	313,473,224.07	-
<b>Total installment contract receivable</b>	<b>394,963,587.14</b>	
<u>Less</u> deferred interest income	(57,127,012.71)	-
<b>Present value of installment contract receivable</b>	<b>337,836,574.43</b>	
<u>Less</u> current portion	(61,632,765.32)	-
<b>Installment contract receivable - net</b>	<b>276,203,809.11</b>	

During the year 2022, the Company completed construction of the Data Center and received a letter of acceptance from the project owner. Therefore, the Company transferred the contract assets (Note 10) to installment contract receivable totaling of Baht 394.96 million. The term of repayments is 60 monthly installments from the last period of delivery of work. The 1<sup>st</sup> – 12<sup>nd</sup> installments are Baht 6.24 million each, while the 13<sup>rd</sup> – 60<sup>th</sup> installments are Baht 6.67 million each. These bear interest rates at 4.95% - 6.60% per annum. The project is constructed on the Company's land. The Company is obligated to register the transfer of land ownership to the customer after the last installment is paid in full.

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..... Director

(Mr. Metha Chotiapisitkul)

## 10. CONTRACT ASSETS/CONTRACT LIABILITIES

### 10.1 CONTRACT ASSETS

Contract assets as at December 31, consisted of:

	Unit : Baht	
	2022	2021
<b>Revenues recognition from the stage of completion method</b>	1,115,146,896.04	1,115,703,136.92
<b>Contract assets</b>		
Project value as per contract	3,563,775,442.79	3,089,828,524.73
Accumulated amount recognized as revenues under the stage of completion method	2,932,820,415.89	2,259,613,673.62
Less value of total billed	(2,230,713,698.83)	(1,900,568,087.58)
Unbilled receivables	702,106,717.06	359,045,586.04
Transferred to installment contract receivable	(320,067,589.49)	-
<b>Total unbilled receivables</b>	382,039,127.57	359,045,586.04
Retention receivables and other	20,892,366.82	32,999,448.96
Transferred to installment contract receivable	(15,200,000.00)	-
<b>Total retention receivables and other</b>	5,692,366.82	32,999,448.96
<b>Total contract assets</b>	387,731,494.39	392,045,035.00
<b>Non-current contract assets</b>		
Retention receivables and other	(225,000.00)	(7,177,131.14)
<b>Current contract assets</b>	387,506,494.39	384,867,903.86

As at December 31, 2022, a portion of contract assets was transferred to installment contract receivable (Note 9), according to the repayments under the contract which the Company has already completed the construction and received a letter of acceptance from the project owner.

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..... Director

(Mr. Metha Chotiapisitkul)

The Company has unbilled receivables classified by age analysis as follows:

	Unit : Baht	
	2022	2021
<b>Unbilled receivables</b>		
Not over 3 months	111,999,836.94	213,876,230.53
3 - 6 months	140,145,770.21	86,634,480.44
6 - 12 months	83,119,980.62	5,275,357.54
Over 12 months	46,773,539.80	53,259,517.53
<b>Total unbilled receivables</b>	<b>382,039,127.57</b>	<b>359,045,586.04</b>

Unbilled receivables are recognized when the Company records revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing as at the reporting date. From considering the aging of unbilled receivables, the long-outstanding balance of unbilled receivables came from long-term projects. Unbilled receivables are mostly from government, state-enterprise, and the private companies who the Company is subcontractors. Therefore, the Company's management was considered that the Company is exposed to low credit risk and opines that expected credit loss of unbilled receivables does not significantly impact the Company's financial statements.

## 10.2 CONTRACT LIABILITIES

Contract liabilities as at December 31, consisted of:

	Unit : Baht	
	2022	2021
<b>Contract liabilities</b>		
Project value as per contract	68,366,226.97	8,217,768.67
Value of total billed	62,466,595.39	7,872,928.20
<u>Less</u> accumulated amount recognized as revenues under the percentage of completion basis	(57,810,320.43)	(7,718,128.34)
Advances received from contract	4,656,274.96	154,799.86
Advances received from service	117,750.00	84,000.00
<b>Total</b>	<b>4,774,024.96</b>	<b>238,799.86</b>

..... Director

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(Mr. Metha Chotiapisitkul)

## 11. OTHER CURRENT FINANCIAL ASSETS - NET

Other current financial assets as at December 31, consisted of:

	Unit : Baht	
	2022	2021
<b>Financial assets at amortized cost</b>		
Investment in structured notes	50,000,000.00	-
(Minimum return rate of 1.20% per annum, maximum return rate of 1.30% per annum and maturity date on April 11, 2023)		
<b>Financial assets at FVTPL</b>		
Open-end funds - debt securities	20,286,392.77	270,816,879.77
<b>Total other current financial assets</b>	<b>70,286,392.77</b>	<b>270,816,879.77</b>

Fair value classified by level as at December 31, as following:

	Unit : Baht			
	2022		2021	
	At cost	Fair value Level 2	At cost	Fair value Level 2
Open-end funds - debt securities				
- at cost	20,109,457.38	20,109,457.38	270,212,767.73	270,212,767.73
<u>Add</u> unrealized gain on changes in values of other current financial assets	-	176,935.39	-	604,112.04
<b>Open-end funds - debt securities</b>	<b>20,109,457.38</b>	<b>20,286,392.77</b>	<b>270,212,767.73</b>	<b>270,816,879.77</b>

Movements in the other current financial assets for the years ended December 31, are as follows

	Unit : Baht	
	2022	2021
<b>Net book value as at January 1,</b>	270,816,879.77	80,074,086.54
Purchase during the year	150,000,000.00	270,000,000.00
Disposal during the year	(351,409,968.47)	(80,000,000.00)
Gain on disposal of other current financial assets to profit or loss	702,546.08	212,767.73
Change in fair value to profit or loss	176,935.39	530,025.50
<b>Net book value as at December 31,</b>	<b>70,286,392.77</b>	<b>270,816,879.77</b>

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

**12. PROPERTY, PLANT AND EQUIPMENT - NET**

Property, plant and equipment as at December 31, 2022, consisted of:

	Unit : Baht						
	Land	Building	Office equipment	Computer	Vehicles	Asset under installation	Total
<b>Cost:</b>							
<b>Balance as at January 1, 2022</b>	35,375,719.00	44,634,517.77	13,347,717.35	3,870,396.08	3,480,385.11	194,393.20	100,903,128.51
<u>Add</u> purchase during the year	-	-	619,348.27	56,369.49	2,090,691.59	1,136,000.00	3,902,409.35
<u>Less</u> disposal during the year	-	-	(8,500.00)	(72,000.00)	(2,151,385.11)	-	(2,232,085.11)
<b>Balance as at December 31, 2022</b>	<u>35,375,719.00</u>	<u>44,634,517.77</u>	<u>13,958,565.62</u>	<u>3,854,565.57</u>	<u>3,419,691.59</u>	<u>1,330,393.20</u>	<u>102,573,452.75</u>
<b>Accumulated depreciation:</b>							
<b>Balance as at January 1, 2022</b>	-	7,528,333.63	7,097,604.79	2,542,071.94	3,480,380.10	-	20,648,390.46
<u>Add</u> depreciation for the year	-	3,411,979.52	2,366,697.36	613,646.49	153,311.28	-	6,545,634.65
<u>Less</u> disposal during the year	-	-	(8,499.00)	(71,277.15)	(2,151,381.11)	-	(2,231,157.26)
<b>Balance as at December 31, 2022</b>	<u>-</u>	<u>10,940,313.15</u>	<u>9,455,803.15</u>	<u>3,084,441.28</u>	<u>1,482,310.27</u>	<u>-</u>	<u>24,962,867.85</u>
<b>Net book value:</b>							
<b>Net book value as at January 1, 2022</b>	<u>35,375,719.00</u>	<u>37,106,184.14</u>	<u>6,250,112.56</u>	<u>1,328,324.14</u>	<u>5.01</u>	<u>194,393.20</u>	<u>80,254,738.05</u>
<b>Net book value as at December 31, 2022</b>	<u>35,375,719.00</u>	<u>33,694,204.62</u>	<u>4,502,762.47</u>	<u>770,124.29</u>	<u>1,937,381.32</u>	<u>1,330,393.20</u>	<u>77,610,584.90</u>

..... Director  
(Mr. Sakboworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)

Depreciation for the years ended December 31, 2022 and 2021 amounted to Baht 6.55 million and Baht 6.47 million, respectively, were included in profit or loss.

As at December 31, 2022 and 2021, the Company has assets, which have been fully depreciated but are still in use, amounted to Baht 4.23 million and Baht 5.90 million, respectively.

As at December 31, 2022 and 2021, all of the Company's land and buildings have been mortgaged as collateral for loan from a financial institution (Note 17), and letters of guarantee for business of the Company.

### 13. RIGHT-OF-USE ASSETS - NET

Right-of-use assets as at December 31, 2022 consisted of:

	Unit : Baht		
	Building	Vehicles	Total
<b>Cost:</b>			
<b>Balance as at January 1, 2022</b>	11,741,174.63	9,396,933.95	21,138,108.58
<u>Less disposal during the year</u>	-	(4,826,326.29)	(4,826,326.29)
<b>Balance as at December 31, 2022</b>	<u>11,741,174.63</u>	<u>4,570,607.66</u>	<u>16,311,782.29</u>
<b>Accumulated depreciation:</b>			
<b>Balance as at January 1, 2022</b>	3,669,668.32	5,432,816.84	9,102,485.16
<u>Add depreciation for the year</u>	1,345,251.00	1,678,541.55	3,023,792.55
<u>Less disposal during the year</u>	-	(4,826,326.29)	(4,826,326.29)
<b>Balance as at December 31, 2022</b>	<u>5,014,919.32</u>	<u>2,285,032.10</u>	<u>7,299,951.42</u>
<b>Net book value:</b>			
<b>Net book value as at January 1, 2022</b>	<u>8,071,506.31</u>	<u>3,964,117.11</u>	<u>12,035,623.42</u>
<b>Net book value as at December 31, 2022</b>	<u>6,726,255.31</u>	<u>2,285,575.56</u>	<u>9,011,830.87</u>

Depreciation for the years ended December 31, 2022 and 2021, amounted to Baht 3.02 million and Baht 4.77 million, respectively, were included in profit or loss.

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)



#### 14. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2022 consisted of:

	Unit : Baht		
	Computer		Total
	Computer software	software under development	
<b>Cost:</b>			
<b>Balance as at January 1, 2022</b>	2,021,872.00	-	2,021,872.00
<u>Add purchase during the year</u>	130,000.00	1,036,221.00	1,166,221.00
<b>Balance as at December 31, 2022</b>	<u>2,151,872.00</u>	<u>1,036,221.00</u>	<u>3,188,093.00</u>
<b>Accumulated amortization:</b>			
<b>Balance as at January 1, 2022</b>	1,503,784.64	-	1,503,784.64
<u>Add amortization for the year</u>	294,103.84	-	294,103.84
<b>Balance as at December 31, 2022</b>	<u>1,797,888.48</u>	<u>-</u>	<u>1,797,888.48</u>
<b>Net book value:</b>			
<b>Net book value as at January 1, 2022</b>	<u>518,087.36</u>	<u>-</u>	<u>518,087.36</u>
<b>Net book value as at December 31, 2022</b>	<u>353,983.52</u>	<u>1,036,221.00</u>	<u>1,390,204.52</u>

Amortization for the years ended December 31, 2022 and 2021 amounted to Baht 0.29 million and Baht 0.33 million, respectively, were included in profit or loss.

#### 15. DEFERRED TAX ASSETS

Movements in deferred tax assets during the year were as follows:

	Unit : Baht			
	As at January 1, 2022	Movement increase (decrease)		As at December 31, 2022
		Profit or loss	Other comprehensive income	
<b>Deferred tax assets:</b>				
Trade and other current receivables	27,728.26	40,815.63	-	68,543.89
Right-of-use assets (depreciation)	385,261.80	271,260.45	-	656,522.25
Litigation provisions	118,038.40	-	-	118,038.40
Non-current provisions for employee benefits	2,124,250.60	452,811.00	(1,321,288.00)	1,255,773.60
<b>Total deferred tax assets</b>	<u>2,655,279.06</u>	<u>764,887.08</u>	<u>(1,321,288.00)</u>	<u>2,098,878.14</u>

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

Income tax expenses for the years ended December 31, were as follows:

	Unit : Baht	
	2022	2021
Profit before income tax	132,148,296.58	213,160,295.00
Tax rate	20.00%	20.00%
Current income tax expenses as tax rate	26,429,659.31	42,632,059.00
Non-deductible expenses by the Revenue Code	310,229.22	86,846.94
Double expenses by the Revenue Code	(121,258.98)	(97,409.85)
<b>Income tax expenses</b>	<b>26,618,629.55</b>	<b>42,621,496.09</b>
<b>The effective tax rate</b>	<b>20.14%</b>	<b>20.00%</b>

The Company used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2022 and 2021.

#### 16. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of:

	Unit : Baht	
	2022	2021
<b>Trade payables</b>	<b>144,624,734.54</b>	<b>122,822,699.83</b>
<b>Other current payables</b>		
Assets payables	92,341.86	111,900.60
Accrued incentive expenses	22,917,954.41	35,647,911.39
Accrued other expenses	2,969,606.31	2,099,070.67
Withholding tax payables	1,295,370.92	7,597,410.41
Undue output VAT	21,893,036.94	13,338,283.99
Revenue Department payable	-	18,891,367.96
Retention payables	19,868,678.74	13,668,638.82
Others	1,863,585.98	1,534,488.44
<b>Total other current payables</b>	<b>70,900,575.16</b>	<b>92,889,072.28</b>
<b>Total trade and other current payables</b>	<b>215,525,309.70</b>	<b>215,711,772.11</b>

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

17. **LONG-TERM LOAN FROM A FINANCIAL INSTITUTION - NET**

Long-term loan from a financial institution as at December 31, consisted of:

	Unit : Baht	
	2022	2021
Long-term loan from a financial institution	-	3,831,522.90
<u>Less</u> current portion	-	(3,831,522.90)
<b>Long-term loan from a financial institution - net</b>	<b>-</b>	<b>-</b>

Movements in the long-term loan for the years ended December 31, are summarized below.

	Unit : Baht	
	2022	2021
<b>Balance as at January 1,</b>	3,831,522.90	12,851,535.34
Repayment during the year	(3,831,522.90)	(9,020,012.44)
<b>Balance as at December 31,</b>	<b>-</b>	<b>3,831,522.90</b>

The Company has long-term loan from a financial institution for the line not exceeding Baht 40 million. The loan carries an interest at the MLR minus a certain rate, according to agreement. The loan principle is to be repaid in 60 monthly instalments. The loan is guaranteed by a mortgage of the Company's land and constructions (Note 12). The Company had already made full repayment of such long-term loan during the year 2022.

18. **LEASE LIABILITIES - NET**

Lease liabilities as at December 31, consisted of:

	Unit : Baht	
	2022	2021
<b>Lease liabilities</b>	11,776,800.00	15,437,200.00
<u>Less</u> deferred interest expenses	(983,850.58)	(1,476,760.28)
<b>Present value of future minimum lease payments</b>	10,792,949.42	13,960,439.72
<u>Less</u> current portion	(2,716,412.48)	(3,167,490.30)
<b>Lease liabilities - net</b>	<b>8,076,536.94</b>	<b>10,792,949.42</b>
<b>Net book value of assets under lease agreements</b>	<b>9,011,830.87</b>	<b>12,035,623.42</b>

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

The Company has future minimum leases payments required under the leases agreements as at December 31, 2022 are as follow:

	Unit : Baht		
	Within 1 year	1 - 5 years	Total
Future minimum lease payments	3,098,400.00	8,678,400.00	11,776,800.00
Deferred interest expenses	(381,987.52)	(601,863.06)	(983,850.58)
<b>Present value of future minimum lease payments</b>	<b>2,716,412.48</b>	<b>8,076,536.94</b>	<b>10,792,949.42</b>

The Company has entered into the property lease agreements and vehicles with related parties and other company, the terms of the agreements are generally between 2 to 6 years (2021 are generally between 1 to 6 years). The lease liabilities carry interest rate of 4.00% per annum (2021 are 3.875% to 4.000% per annum) in calculating the present value of lease payments.

#### 19. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provision for employee benefits for the years ended December 31, are as follows:

	Unit : Baht	
	2022	2021
<b>Non-current provisions for</b>		
<b>employee benefits as at January 1,</b>	10,621,253.00	8,203,125.00
Included in profit or loss:		
Current service costs	2,560,229.26	2,296,724.00
Cost of interest	153,105.74	121,404.00
Included in other comprehensive income:		
Actuarial (gains) loss arising from		
Demographic assumptions changes	(4,518,572.00)	-
Financial assumptions changes	47,367.00	-
Experience adjustments	(2,135,235.00)	-
Benefits paid during the year	(449,280.00)	-
<b>Non-current provisions for</b>		
<b>employee benefits as at December 31,</b>	<b>6,278,868.00</b>	<b>10,621,253.00</b>

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

Employee benefits expenses for the years ended December 31, consisted of.

	Unit : Baht	
	2022	2021
Current service costs	2,560,229.26	2,296,724.00
Cost of interest	153,105.74	121,404.00
<b>Total employee benefits expenses</b>	<b>2,713,335.00</b>	<b>2,418,128.00</b>

Employee benefits expenses for the years ended December 31, as shown in the statements of profit or loss, are as follows:

	Unit : Baht	
	2022	2021
Cost of services	961,200.00	874,711.00
Distribution costs and administrative expenses	1,752,135.00	1,543,417.00
<b>Total employee benefits expenses</b>	<b>2,713,335.00</b>	<b>2,418,128.00</b>

Principal actuarial assumptions at the valuation date are as follows:

	Percentage (%) / annum	
	2022	2021
Discount rate	2.40	1.48
Future monthly salary increase rate	5.00	4.00
Mortality rate	100% of Thai Mortality Ordinary Tables of 2017	100% of Thai Mortality Ordinary Tables of 2017

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2022, are summarized below:

	Unit : Baht	
	Increase 1%	Decrease 1%
Discount rate	(467,231.00)	520,130.00
Salary increase rate	508,656.00	(465,769.00)
Turnover rate	(529,480.00)	325,632.00

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

As at December 31, 2022, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit : Baht
Within 1 year	305,299.00
Over 1 and up to 5 years	2,748,510.00
Over 5 and up to 10 years	7,713,999.00
Over 10 years	109,796,839.00

As at December 31, 2022 and 2021, the weighted average duration of the payment of employee benefit is 8 years and 11 years, respectively.

## 20. SHARE CAPITAL

Movements of the share capital for the years ended December 31, are as follows:

	Par value (Baht)	Number of shares		Unit : Baht Amount	
		2022	2021	2022	2021
<b>Registered</b>					
<b>Ordinary shares as at January 1,</b>	0.50	923,999,949.00	560,000,000.00	461,999,974.50	280,000,000.00
Capital increased No.1	0.50	-	56,000,000.00	-	28,000,000.00
Capital reduced	0.50	-	(34.00)	-	(17.00)
Capital increased No.2	0.50	-	307,999,983.00	-	153,999,991.50
<b>Ordinary shares as at December 31,</b>	0.50	923,999,949.00	923,999,949.00	461,999,974.50	461,999,974.50
<b>Issued and fully paid-up</b>					
<b>Ordinary shares as at January 1,</b>	0.50	615,999,966.00	560,000,000.00	307,999,983.00	280,000,000.00
Stock dividend	0.50	-	55,999,966.00	-	27,999,983.00
Warrants	0.50	134,166,345.00	-	67,083,172.50	-
<b>Ordinary shares as at December 31,</b>	0.50	750,166,311.00	615,999,966.00	375,083,155.50	307,999,983.00

The resolutions of the Annual General Meeting of Shareholders for the year 2021 held on April 21, 2021, approved the registered capital increase of Baht 28.00 million from the existing registered capital of Baht 280.00 million to Baht 308.00 million by issuing not exceeding 56.00 million new ordinary shares, at a par value of Baht 0.50 per share. The capital increase is intended to support the ordinary shares dividend. The Company registered the increase in registered capital with the Ministry of Commerce on April 26, 2021.

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

The resolutions of the Extraordinary General Shareholders' Meeting of the Company's Shareholders No. 1/2021 held on October 6, 2021, approved the reduction of registered capital in the amount of Baht 17.00 from the existing registered capital of Baht 308,000,000.00 to Baht 307,999,983.00 by cancelling 34 unissued ordinary shares, at a par value of Baht 0.50 per share. The Company registered the reduction of capital with the Ministry of Commerce on October 7, 2021 and approved the registered capital increase of Baht 153,999,991.50 from the existing registered capital of Baht 307,999,983.00 to Baht 461,999,974.50 by issuing 307,999,983 new ordinary shares, at a par value of Baht 0.50 per share. The capital increase is intended to support the issuance and offering warrants No.1 to the existing shareholders of the Company in a proportion of shareholding (Rights Offering). The Company registered the paid-up capital with the Ministry of Commerce on October 11, 2021.

## 21. Warrants

The resolutions of the Extraordinary General Shareholders' Meeting of the Company's shareholders No. 1/2021 held on October 6, 2021, approved the issuance and offering warrants to purchase ordinary shares of the Company No.1 (INSET-W1) of not exceeding 307,999,983 units without charge (Baht zero). The significant details are as follows:

- Term: 2 years from the issuance and offering date of the Warrants.
- Exercise Ratio: 1 unit of the Warrant has rights to purchase 1 ordinary share. (Maybe change following the conditions for adjustment of rights).
- Exercise Price: Baht 2.00 per share (at par value of Baht 0.50 per share) except to change following the conditions for adjustment of rights.
- Allocation Method: Allocation to existing shareholders of the Company in a proportion of 2 ordinary shares per 1 warrant. In case, there is a fraction of the Warrant from calculation of the Warrant Allocation, a fraction will be discarded.
- Exercise Period: Last business day of March and September of each calendar year throughout the term of the Warrants. The first exercise date is in March 2022 and the last exercise date is a date of the 2nd anniversary from the issuance date.

On October 25, 2021, the Company allotted the exercise of warrants to purchase ordinary shares of the Company No.1 (INSET-W1) of 307,087,207 units.

On March 31, 2022, the warrant holders exercised 115,472,100 units of INSET-W1 warrants to purchase 115,472,100 ordinary shares at Baht 2.00 each in the amount of Baht 230.94 million. The Company registered the paid-up capital with the Ministry of Commerce on April 4, 2022.

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

On September 30, 2022, the warrant holders exercised 18,694,245 units of INSET-W1 warrants to purchase 18,694,245 ordinary shares at Baht 2.00 each in the amount of Baht 37.39 million. The Company registered the paid-up capital with the Ministry of Commerce on October 4, 2022.

As at December 31, 2022, The Company has the remaining of the warrants to purchase ordinary shares of the Company No.1 (INSET-W1) of 172,920,862 units.

## **22. LEGAL RESERVE**

Pursuant to the Public Limited Company Act B.E. 2535, the Company must set aside a reserve fund constituting no less than 5 % of the annual net profit deducted by the total deficit brought forward (if any) until the reserve equals no less than 10 % of the registered capital. This legal reserve is not available for dividend distribution.

## **23. DIVIDEND**

23.1 The resolution of the Board of Directors' Meeting No. 3/2022, held on August 4, 2022, approved to pay an interim dividend from the Company's operating performance for the period from January 1, 2022 to June 30, 2022 which is a rate of Baht 0.04 per share, totaling of Baht 29.22 million to shareholders in proportion to their share held. The interim dividends were paid to shareholders in September 2022.

23.2 The resolution of the Annual General Meeting of Shareholders for the year 2022, held on April 20, 2022, approved to pay a dividend from the Company's operating performance for the year ended December 31, 2021 which is a rate of Baht 0.17 per share, totaling of Baht 104.72 million to shareholders in proportion to their share. The dividends were paid to shareholders of the Company in May 2022.

23.3 The resolutions of the Annual General Meeting of Shareholders for the year 2021 held on April 21, 2021, approved to pay a dividend from the Company's operating performance for the period from July 1, 2020 to December 31, 2020 which is a rate of Baht 0.131 per share or not exceeding of Baht 73.36 million, are as follows:

23.3.1 Approved to pay an ordinary shares dividend at the rate 10 existing shares per 1 ordinary share dividend which is not exceeding shares 56.00 million at a par value of Baht 0.50 per share. The totaling is not exceeding of Baht 28.00 million or convert to a dividend payment at Baht 0.05 per share. In case of any shareholder holds in the indivisible share remaining after the allocation on the dividend, the Company shall pay in cash at the rate of Baht 0.05 per share.

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)



23.3.2 Approved to pay cash dividend at the rate of Baht 0.081 per share or not exceeding of Baht 45.36 million.

Dividends were paid to the shareholders of the Company in May 2021. The Company registered the paid-up capital with the Ministry of Commerce on May 20, 2021.

#### 24. BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share for the years ended December 31, consisted of:

	Unit : Baht	
	2022	2021
<b>Profit for the year</b>	105,529,667.03	170,538,798.91
<b>Weighted average number of ordinary share (shares)</b>		
Number of issued ordinary shares as at January 1,	615,999,966.00	560,000,000.00
Effect of shares dividend issued	-	55,999,966.00
Warrants	92,079,082.00	-
Weighted average number of issued and fully paid-up ordinary shares	708,079,048.00	615,999,966.00
The number of incremental ordinary share as a convertible Warrants	98,705,900.00	210,821,625.00
Diluted weighted average number of ordinary shares	806,784,948.00	826,821,591.00
<b>Basic earnings per share</b>	0.15	0.28
<b>Diluted earnings per share</b>	0.13	0.21

#### 25. SIGNIFICANT EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, consisted of:

	Unit: Million Baht	
	2022	2021
Raw materials and consumable materials used	438.93	195.01
Service fees for installation subcontracts	645.96	796.62
Director and employee's benefits expenses	59.86	73.83
Depreciation and amortization	9.86	11.58
Professional fee	5.57	6.96
Rental and service expenses	2.10	0.95

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

## 26. OPERATING SEGMENTS

The Company operates in three business segments, construct of data center and information technology, infrastructure, telecommunications and transportation infrastructure and maintenance and services. Revenues and expenses relate to business segments and geographical segments for the years ended December 31, as follows:

	Unit : Baht							
	Construction of data center and information technology		Infrastructure, telecommunications and transportation infrastructure		Maintenance and services		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenues	669,909,822.15	179,694,125.49	445,237,073.89	936,009,011.43	195,506,425.52	199,549,289.90	1,310,653,321.56	1,315,252,426.82
Costs	(577,245,789.88)	(111,073,380.72)	(397,393,692.68)	(757,935,400.23)	(121,360,552.85)	(132,455,155.13)	(1,096,000,035.41)	(1,001,463,936.08)
<b>Segment gross profit</b>	<u>92,664,032.27</u>	<u>68,620,744.77</u>	<u>47,843,381.21</u>	<u>178,073,611.20</u>	<u>74,145,872.67</u>	<u>67,094,134.77</u>	<u>214,653,286.15</u>	<u>313,788,490.74</u>
Unallocated costs							(33,103,582.80)	(37,708,619.43)
<b>Gross profit</b>							<u>181,549,703.35</u>	<u>276,079,871.31</u>
Other income							4,863,177.11	1,189,786.18
Distribution costs							(5,587,968.28)	(9,039,397.30)
Administrative expenses							(48,147,633.82)	(54,229,418.55)
Finance costs							(528,981.78)	(840,546.64)
Income tax expenses							(26,618,629.55)	(42,621,496.09)
<b>Profit for the years</b>							<u>105,529,667.03</u>	<u>170,538,798.91</u>
<b>Assets consisted of:</b>								
Property, plant and equipment - net							77,610,584.90	80,254,738.05
Right-of-use assets - net							9,011,830.87	12,035,623.42
Other							1,367,720,699.82	1,123,873,790.87
<b>Total assets</b>							<u>1,454,343,115.59</u>	<u>1,216,164,152.34</u>
	..... Director			..... Director				
	(Mr. Sakbaworn Pukkanasut)			(Mr. Metha Chotiapisitkul)				

**27. EMPLOYEES PROVIDENT FUND**

The Company and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Employees contribute to the fund monthly at the rate of 5% (depending on the age of the work) and the Company contributed to the fund monthly at the referred rate plus 5%. The Company will pay to employees upon termination in accordance with the fund rules. The contributions started from March, 2012. For the year ended December 31, 2022 and 2021, the Company contributed to the fund amounting to Baht 1.42 million and Baht 1.35 million, respectively.

**28. FINANCIAL INSTRUMENTS**

**Financial risk management policies**

The Company's financial instruments principally comprise cash and cash equivalents, trade and other current receivables, installment contract receivable, contract assets, other financial assets, trade and other current payables, contract liabilities, retention payables, long-term loans, and lease liabilities. The financial risks associated with these financial instruments and how they are managed is described below.

**Credit risk**

The Company is exposed to credit risk primarily with respect to trade receivables and installment contract receivable. However, due to a prudent credit policy and most customers are government agencies, the Company does not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade receivables and installment contract receivable as stated in the statements of financial position.

**Interest rate risk**

The Company's exposure to interest rate risk relates primarily to cash and cash equivalents, installment contract receivable, contract assets, financial assets, long-term loan from a financial institution and lease liabilities under financial arrangement agreements. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates, which are close to the market rate, the Company's interest rate risk is expected to be minimal.

..... Director  
(Mr. Sakboworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)

As at 31 December 2022 and 2021, significant financial assets and liabilities, classified by type of interest rate, are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on their maturity dates, or the repricing date if this occurs before the maturity date.

Unit : Million Baht							
As at December 31, 2022							
Fixed interest rates		Floating interest rate		Non-interest bearing	Total	Average interest rate	
Within 1 year	Over 1 year	Within 1 year	Over 1 year				
<b>Financial assets</b>							(% per annum)
Cash and cash equivalents	-	-	49.08	-	0.04	49.12	0.25
Trade and other current receivables - net	-	-	-	-	448.20	448.20	-
Installment contract receivable	61.63	276.21	-	-	-	337.84	4.95 - 6.60
Contract assets	-	-	-	-	387.73	387.73	-
Other current financial assets - net	50.00	-	20.29	-	-	70.29	1.20 - 1.30
Other non-current financial assets	-	-	-	55.80	-	55.80	0.15 - 0.55
	<u>111.63</u>	<u>276.21</u>	<u>69.37</u>	<u>55.80</u>	<u>835.97</u>	<u>1,348.98</u>	
<b>Financial liabilities</b>							
Trade and other current payables	-	-	-	-	215.53	215.53	-
Contract liabilities	-	-	-	-	4.77	4.77	-
Retention payables	-	-	-	-	6.63	6.63	-
Lease liabilities	2.71	8.08	-	-	-	10.79	4.00
	<u>2.71</u>	<u>8.08</u>	<u>-</u>	<u>-</u>	<u>226.93</u>	<u>237.72</u>	

..... Director  
(Mr. Sakboworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)

Unit : Million Baht

As at December 31, 2021

	Fixed interest rates		Floating interest rate		Non-interest bearing	Total	Average interest rate (% per annum)
	Within 1 year	Over 1 year	Within 1 year	Over 1 year			
<b>Financial assets</b>							
Cash and cash equivalents	-	-	139.19	-	0.05	139.24	0.25
Trade and other current receivables - net	-	-	-	-	252.96	252.96	-
Contract assets	37.41	6.42	-	-	348.22	392.05	5.31
Other current financial assets - net	-	-	270.82	-	-	270.82	-
Other non-current financial assets	-	-	-	51.38	-	51.38	0.13 - 0.90
	<u>37.41</u>	<u>6.42</u>	<u>410.01</u>	<u>51.38</u>	<u>601.23</u>	<u>1,106.45</u>	
<b>Financial liabilities</b>							
Trade and other current payables	-	-	-	-	215.71	215.71	-
Contract liabilities	-	-	-	-	0.24	0.24	-
Retention payables	-	-	-	-	7.48	7.48	-
Long-term loan from a financial institution	-	-	3.83	-	-	3.83	3.88
Lease liabilities	3.17	10.79	-	-	-	13.96	3.88 - 4.00
	<u>3.17</u>	<u>10.79</u>	<u>3.83</u>	<u>-</u>	<u>223.43</u>	<u>241.22</u>	

#### Foreign currency risk

The Company's exposure to foreign currency risk is considered to be low since the majority of its business transactions are denominated in local currency.

#### Liquidity risk

The Company monitors its liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by management to finance the Company and to mitigate the effects of fluctuations in cash flows.

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

### Fair value of financial instruments

Given that part of financial assets and financial liabilities are short-term or bearing interest rate closely to market rate, and loans denominated in Thai Baht bearing the market interest rates, the Company's management believes that the fair value of those financial assets and financial liabilities does not materially differ from their carrying value.

The carrying value and fair value of financial assets and financial liabilities as at December 31, 2022 and 2021 are presented below.

	Unit : Baht		
	Financial statements as at December 31, 2022		
	FVPL	Amortized cost	Total
<b>Financial assets</b>			
Cash and cash equivalents	-	49,124,910.96	49,124,910.96
Trade and other current receivables - net	-	448,199,304.56	448,199,304.56
Installment contract receivable	-	337,836,574.43	337,836,574.43
Contract assets	-	387,731,494.39	387,731,494.39
Other current financial assets - net	20,286,392.77	50,000,000.00	70,286,392.77
Other non-current financial assets	-	55,802,522.25	55,802,522.25
	<u>20,286,392.77</u>	<u>1,328,694,806.59</u>	<u>1,348,981,199.36</u>
<b>Financial liabilities</b>			
Trade and other current payables	-	215,525,309.70	215,525,309.70
Contract liabilities	-	4,774,024.96	4,774,024.96
Retention payables	-	6,627,292.42	6,627,292.42
Long-term loan from a financial institution	-	10,792,949.42	10,792,949.42
Lease liabilities	-	237,719,576.50	237,719,576.50

..... Director  
(Mr. Sakboworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)

Unit : Baht

Financial statements as at December 31, 2021			
	FVPL	Amortized cost	Total
<b>Financial assets</b>			
Cash and cash equivalents	-	139,243,603.28	139,243,603.28
Trade and other current receivables - net	-	252,963,000.41	252,963,000.41
Contract assets	-	392,045,035.00	392,045,035.00
Other current financial assets - net	270,816,879.77	-	270,816,879.77
Other non-current financial assets	-	51,376,488.19	51,376,488.19
	<u>270,816,879.77</u>	<u>835,628,126.88</u>	<u>1,106,445,006.65</u>
<b>Financial liabilities</b>			
Trade and other current payables	-	215,711,772.11	215,711,772.11
Contract liabilities	-	238,799.86	238,799.86
Retention payables	-	7,479,923.30	7,479,923.30
Long-term loan from a financial institution	-	3,831,522.90	3,831,522.90
Lease liabilities	-	13,960,439.72	13,960,439.72
	-	<u>241,222,457.89</u>	<u>241,222,457.89</u>

### Capital management

The objectives of the Company's capital management are to safeguard the Company's ability to continue as a going concern in order to provide returns to the Company's shareholders and benefits to other stakeholders. The management sets strategies to support the Company's operations for more efficiency, and better performance and stronger financial status, including dividend and capital management policies to maintain the optimal capital structure and cost of capital.

..... Director  
(Mr. Sakboworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)

**29. LITIGATION**

As at December 31, 2022 and 2021, the Company was sued by another company in breach of the agreement with the claims totaling Baht 6.92 million. On February 10, 2021, the Court of First Instance rendered its judgment, ordering the Company to pay to such other company amounting to Baht 0.97 million, plus interest. The Company filed an appeal against the Court of First Instance ruling. On September 20, 2022, the Court of Appeal rendered its judgment. On October 4, 2022, the Court of First Instance read the judgment of the Court of Appeal ordering the Company pay to the other company amounting to Baht 0.68 million, plus interest. On December 22, 2022, the Company counter-filed a petition with the Court to consider in breach of the agreement, which the Company is suing to such other company because the case is under same agreement. Presently, the case is being considered by the Court. The Company’s management opines that the outcome of the litigation will not have any material effect on the financial statements.

**30. COMMITMENTS AND CONTINGENT LIABILITIES**

The Company has the following commitments and contingent liabilities as follows:

- 30.1 As at December 31, 2022 and 2021, the Company has obligations under leased service charges amounting to Baht 1.93 million and Baht 3.25 million, respectively.
- 30.2 As at December 31, 2022 and 2021, the Company had the loan credit facilities, bank overdraft, promissory note, letter of credit, forward contracts and letters of guarantee for the business of the Company the totaling Baht 1,091.00 million and Baht 1,131.00 million, respectively. The credit facilities are guaranteed by a mortgage of the Company’s land and constructions (Note 12) and other non-current financial assets.
- 30.3 As at December 31, 2022 and 2021, the Company has a commitment with banks for the letters of guarantees issued by bank amounting to Baht 204.20 million and Baht 116.49 million, respectively.
- 30.4 As at December 31, 2022, the Company had commitments assets under installation and computer software under development amounting to Baht 0.90 million.
- 30.5 As at December 31, 2022 the Company has a commitment with unused letters of credit amounting to Baht 59.49 million.

..... Director  
(Mr. Sakboworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)



**31. EVENT AFTER THE REPORTING PERIOD**

The resolution of the Board of Directors' Meeting No. 1/2023, held on February 13, 2023, approved to pay a dividend from the Company's operating performance for the year ended December 31, 2022 which is a rate of Baht 0.05 per share or not exceeding of Baht 37.51 million to shareholders in proportion to their share held and specified the list of shareholders entitled to receive dividends (Record Date) on March 3, 2023 and dividend payments will be paid on May 3, 2023.

However, the dividend payments must be approved at the Annual General Meeting of the Company's shareholders.

**32. APPROVAL OF FINANCIAL STATEMENTS**

These financial statements were authorized for issue by the Company's Board of Directors on February 13, 2023.

..... Director  
(Mr. Sakboworn Pukkanasut)

..... Director  
(Mr. Metha Chotiapisitkul)