

INFRASET PUBLIC COMPANY LIMITED
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023, 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, 2023, 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, 2024

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Unit : Baht	
	Notes	2023	2022
Assets			
Current assets			
Cash and cash equivalents	7	225,127,249.18	49,124,910.96
Trade and other current receivables - net	8	542,265,145.95	448,199,304.56
Current portion of installment contract receivables	9	75,684,938.36	61,632,765.32
Current contract assets	10.1	92,908,206.66	387,506,494.39
Other current financial assets - net	11	401,733,199.41	70,286,392.77
Total current assets		1,337,718,739.56	1,016,749,868.00
Non-current assets			
Other non-current financial assets	32.2	76,104,646.81	55,802,522.25
Installment contract receivables - net	9	360,747,360.93	276,203,809.11
Non-current contract assets	10.1	747,800.00	225,000.00
Property, plant and equipment - net	12	72,493,459.84	77,610,584.90
Right-of-use assets - net	6, 13	11,280,270.85	9,011,830.87
Intangible assets - net	14	1,931,539.02	1,390,204.52
Deferred tax assets	15	2,249,666.01	2,098,878.14
Other non-current assets	6, 16	24,345,608.45	15,250,417.80
Total non-current assets		549,900,351.91	437,593,247.59
Total assets		1,887,619,091.47	1,454,343,115.59

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

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

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

		Unit : Baht	
	Notes	2023	2022
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from a financial institution	17	-	-
Trade and other current payables	6, 18	313,739,251.56	215,525,309.70
Contract liabilities	10.2	274,686.04	4,774,024.96
Current portion of long-term loan from a financial institution	19	57,063,075.37	-
Current portion of lease liabilities	6, 20	4,220,480.01	2,716,412.48
Income tax payables		-	817,390.47
Total current liabilities		375,297,492.98	223,833,137.61
Non-current liabilities			
Retention payables		5,304,052.16	6,627,292.42
Long-term loan from a financial institution - net	19	114,217,938.05	-
Lease liabilities - net	6, 20	8,710,104.75	8,076,536.94
Non-current provisions for employee benefits	21	8,053,804.00	6,278,868.00
Total non-current liabilities		136,285,898.96	20,982,697.36
Total liabilities		511,583,391.94	244,815,834.97

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

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

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	Notes	Unit : Baht	
		2023	2022
Shareholders' equity			
Share capital	22		
Registered			
923,999,949 ordinary shares at Baht 0.50 each		461,999,974.50	461,999,974.50
Issued and fully paid-up			
812,773,031 ordinary shares at Baht 0.50 each		406,386,515.50	
750,166,311 ordinary shares at Baht 0.50 each			375,083,155.50
Premium on ordinary shares		665,756,329.12	571,846,249.12
Surplus on share-based payment transactions		6,430,993.00	6,430,993.00
Retained earnings			
Appropriated			
Legal reserve	24	46,199,997.45	41,803,423.35
Unappropriated		251,261,864.46	214,363,459.65
Total shareholders' equity		1,376,035,699.53	1,209,527,280.62
Total liabilities and shareholders' equity		1,887,619,091.47	1,454,343,115.59

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

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

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

		Unit : Baht	
Notes	2023	2022	
4, 6, 27, 28			
Revenues			
	526,539,196.00	-	
Revenues from sales			
	1,105,358,901.92	1,310,653,321.56	
Revenues from services			
	26,033,335.33	4,863,177.11	
Other income			
Total revenues	1,657,931,433.25	1,315,516,498.67	
Expenses			
	(493,925,845.44)	-	
Cost of sales			
	(950,644,950.16)	(1,129,103,618.21)	
Cost of services			
	(8,299,550.95)	(5,587,968.28)	
Distribution costs			
	(57,934,202.17)	(48,147,633.82)	
Administrative expenses			
Total expenses	(1,510,804,548.72)	(1,182,839,220.31)	
Profit from operating activities	147,126,884.53	132,677,278.36	
	(8,144,781.82)	(528,981.78)	
Finance costs			
Profit before income tax	138,982,102.71	132,148,296.58	
	(29,826,258.21)	(26,618,629.55)	
Income tax expenses	15		
Profit for the year	109,155,844.50	105,529,667.03	
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
	-	5,285,152.00	
Actuarial gains - net from income tax			
Total comprehensive income for the year	109,155,844.50	110,814,819.03	
Earnings per share			
	26		
		0.14	0.15
Basic earnings per share			
		0.14	0.13
Diluted earnings per share			

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

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

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

Unit : Baht

	Notes	Retained earnings				Other components of shareholders' equity		Total
		Issued and paid-up share capital	Premiums on ordinary shares	Surplus on share-based payment transactions	Appropriated		Actuarial gains - net from income tax	
					Legal reserve	Unappropriated		
Balance as at January 1, 2023		375,083,155.50	571,846,249.12	6,430,993.00	41,803,423.35	214,363,459.65	-	1,209,527,280.62
Warrants	23	31,303,360.00	93,910,080.00	-	-	-	-	125,213,440.00
Legal reserve	24	-	-	-	4,396,574.10	(4,396,574.10)	-	-
Dividend paid	25.1, 25.2	-	-	-	-	(67,860,865.59)	-	(67,860,865.59)
Total comprehensive income for the year		-	-	-	-	109,155,844.50	-	109,155,844.50
Balance as at December 31, 2023		<u>406,386,515.50</u>	<u>665,756,329.12</u>	<u>6,430,993.00</u>	<u>46,199,997.45</u>	<u>251,261,864.46</u>	<u>-</u>	<u>1,376,035,699.53</u>
Balance as at January 1, 2022		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	23	67,083,172.50	201,249,517.50	-	-	-	-	268,332,690.00
Legal reserve	24	-	-	-	5,276,483.35	(5,276,483.35)	-	-
Dividend paid	25.3, 25.4	-	-	-	-	(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)	-
Balance as at December 31, 2022		<u>375,083,155.50</u>	<u>571,846,249.12</u>	<u>6,430,993.00</u>	<u>41,803,423.35</u>	<u>214,363,459.65</u>	<u>-</u>	<u>1,209,527,280.62</u>

..... Director

(Mr. Sakbaworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unit : Baht	
	2023	2022
Cash flows from operating activities:		
Profit for the year	109,155,844.50	105,529,667.03
Adjustments to reconcile profit for the year to cash provided by (used in) operating activities:		
Depreciation and amortization	10,522,274.98	9,863,531.04
Allowance for expected credit losses of receivables	-	204,078.16
Write-off other current receivables	2,326,435.88	-
(Gain) Loss on disposal of assets	682.03	(663,090.84)
Gain on disposal of other current financial assets	(171,488.02)	(702,546.08)
Unrealized gain on other current financial assets revaluation	(1,623,260.17)	(176,935.39)
Non-current provisions for employee benefits	2,066,840.00	2,713,335.00
Interest income	(23,962,587.01)	(3,320,604.80)
Interest expenses	8,144,781.82	528,981.78
Income tax expenses	29,826,258.21	26,618,629.55
Profit from operating activities before changes in operating assets and liabilities	136,285,782.22	140,595,045.45
Operating assets (increase) decrease:		
Inventories	48,400.00	-
Trade and other current receivables	(316,621,953.64)	(195,338,853.37)
Installment contract receivables	144,249,728.76	(335,267,589.49)
Current contract assets	294,598,287.73	(2,638,590.53)
Non-current contract assets	(522,800.00)	6,952,131.14
Other non-current assets	(2,597,628.00)	(992,000.00)
Operating liabilities increase (decrease):		
Trade and other current payables	97,993,641.96	(1,666,903.67)
Contract liabilities	(4,499,338.92)	4,535,225.10
Retention payables	(1,323,240.26)	(852,630.88)
Cash provided by (used in) operating activities	347,610,879.85	(384,674,166.25)
Employee benefit obligations paid	(291,904.00)	(449,280.00)
Interest income	1,346,809.76	650,090.92
Interest paid	(8,091,768.40)	(528,981.78)
Income tax paid	(37,291,999.20)	(26,569,126.16)
Net cash from (used in) operating activities	303,282,018.01	(411,571,463.27)

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

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

INFRASET PUBLIC COMPANY LIMITED
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Unit : Baht	
	2023	2022
Cash flows from operating activities:		
Cash flows from investing activities:		
Cash received from disposal of other current financial assets	120,347,941.55	351,409,968.47
Cash paid for acquisition of other current financial assets	(450,000,000.00)	(150,000,000.00)
Cash received from disposal of fixed assets	-	664,018.69
Cash paid for acquisition of fixed assets	(1,375,922.37)	(3,921,968.09)
Cash paid for acquisition of intangible assets	(992,769.00)	(1,166,221.00)
Increase in other non-current financial assets	(20,302,124.56)	(4,426,034.06)
Net cash from (used in) investing activities	(352,322,874.38)	192,559,764.01
Cash flows from financing activities:		
Cash received from short-term loans from a financial institution	198,699,686.64	-
Cash paid for short-term loans from a financial institution	(198,699,686.64)	-
Cash received from long-term loan from a financial institution	199,800,000.00	-
Cash paid for long-term loan from a financial institution	(28,572,000.00)	(3,831,522.90)
Cash paid for lease liabilities	(3,537,379.82)	(1,667,490.30)
Cash received from exercise of warrants	125,213,440.00	268,332,690.00
Cash paid for dividend	(67,860,865.59)	(133,940,669.86)
Net cash from financing activities	225,043,194.59	128,893,006.94
Net increase (decrease) in cash and cash equivalents	176,002,338.22	(90,118,692.32)
Cash and cash equivalents at the beginning of the year	49,124,910.96	139,243,603.28
Cash and cash equivalents at the end of the year	225,127,249.18	49,124,910.96

Supplemental Disclosures of Cash Flows Information

Non-cash flows items consist of:

Increase in installment contract receivables from trade receivables	220,128,932.34	-
Increase in installment contract receivables from contract assets	-	335,267,589.49
Transferred of property, plant and equipment to inventories	48,400.00	-
Increase in right-of-use assets from lease liabilities	5,675,015.16	-
Increase (decrease) in accounts payables for purchase of assets	220,299.90	(19,558.74)

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

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

INFRASET PUBLIC COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. GENERAL INFORMATION

Infraset 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 system, infrastructure, telecommunications transportation infrastructure, maintenance and services, and sales of telecommunication and information technology system equipment. 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.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised financial reporting standards and interpretations 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 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, 2024

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, 2024. 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, providing accounting guidance for users of the standards and amendments due to TFRS 17 Insurance Contracts.

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.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first-in-first-out method. Costs of purchase comprise purchase price and costs directly attributable to the purchase of goods, such as duty taxes and transportation costs, less discounts and incentive from the supplier. Net realizable value is the estimated selling price in the ordinary course of business less the necessary expenses to product the finished goods and sale expenses.

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 - 25
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.

..... Director

(Mr. Sakboworn Pukkanasut)

..... Director

(Mr. Metha Chotiapisitkul)

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.

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	6
Vehicles	2 - 5

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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.

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.

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(Mr. Metha Chotiapisitkul)

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.

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.

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..... Director

(Mr. Metha Chotiapisitkul)

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.

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 recognize the related expense with corresponding increase in shareholders' equity.

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(Mr. Metha Chotiapisitkul)

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.

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.

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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.

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.

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- 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

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.

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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 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.

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

In determining an allowance for expected credit losses of trade receivables, installment contract receivables 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.

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	
	2023	2022
Transactions between the Company and related parties		
Right-of-use assets		
Depreciation	1,345,251.00	1,345,251.00
Interest expenses	308,242.00	368,988.06

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

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(Mr. Metha Chotiapisitkul)

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

	Unit : Baht	
	2023	2022
Related parties		
Right-of-use assets - at book value	5,381,004.31	6,726,255.31
Other non-current assets - deposit paid	540,000.00	540,000.00
Accrued expenses	280,874.26	-
Lease liabilities	6,864,432.76	8,416,190.76

Management compensation

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

	Unit : Baht	
	2023	2022
Short-term benefits	15,647,260.00	15,554,627.10
Post-employment benefits	1,064,015.00	1,230,868.00
Total management compensation	16,711,275.00	16,785,495.10

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	
	2023	2022
Cash on hand	35,726.00	39,853.10
Cash at banks - savings accounts	206,269,142.82	49,082,249.89
Cash at banks - current accounts	14,822,380.36	2,807.97
Cheque due	4,000,000.00	-
Total cash and cash equivalents	225,127,249.18	49,124,910.96

..... Director

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..... Director

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8. TRADE AND OTHER CURRENT RECEIVABLES - NET

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

	Unit : Baht	
	2023	2022
Trade receivables	535,069,406.53	395,174,876.20
<u>Less</u> allowance for expected credit loss	(342,719.44)	(342,719.44)
Trade receivables - net	534,726,687.09	394,832,156.76
Other current receivables		
Advance payment for goods and services	2,327,949.27	25,263,073.96
Prepaid other expenses	903,843.59	1,138,160.50
Revenue Department receivable	-	22,694,562.05
Undue input tax	3,012,528.99	2,411,728.53
Accrued interest income	152,928.56	253,672.59
Others	1,141,208.45	1,605,950.17
Total other current receivables	7,538,458.86	53,367,147.80
Trade and other current receivables - net	542,265,145.95	448,199,304.56

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

	Unit : Baht	
	2023	2022
Trade receivables		
Current	327,030,936.99	97,525,041.82
Over due		
Not over 3 months	79,076,237.00	69,950,497.20
3 - 6 months	12,800,275.41	226,414,759.72
6 - 12 months	116,059,072.42	-
Over 12 months	102,884.71	1,284,577.46
Total trade receivables	535,069,406.53	395,174,876.20

..... Director

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..... Director

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9. INSTALLMENT CONTRACT RECEIVABLES - NET

Installment contract receivables as at December 31, consisted of:

	Unit : Baht	
	2023	2022
Installment contract receivables		
Due within 1 year	95,042,296.66	81,490,363.07
Over 1 year but not over 5 years	384,375,283.65	313,473,224.07
Total installment contract receivables	479,417,580.31	394,963,587.14
<u>Less</u> deferred interest income	(42,985,281.02)	(57,127,012.71)
Present value of installment contract receivables	436,432,299.29	337,836,574.43
<u>Less</u> current portion	(75,684,938.36)	(61,632,765.32)
Installment contract receivables - net	360,747,360.93	276,203,809.11

During the year 2023, the Company entered into provide to service contracts with a company, the total contract value of Baht 559.01 million. The condition term of the 1st repayment is Baht 77.42 million within 90 days from the last work delivery period. The 2nd- 3rd installments are Baht 5.15 million each and the 4th- 11th installments are Baht 58.91 million each, with repayment every 6 months from the last work delivery period. These bears interest rates at 4.28% per annum. As at December 31, 2023, the Company has provide the accumulated services to such company totaling of Baht 208.36 million.

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 62 monthly installments from the last period of delivery of work. The 1st - 6th installments are Baht 6.24 million each, the 7th - 13th installments are Baht 4.00 million each, the 14th - 61st installments are Baht 6.67 million each, and the last installment pays the remainder. These bear interest rates at 4.95% - 6.42% 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.

As at December 31, 2023 and 2022, the Company has mortgaged the Company's land, is authorized to receive the installment contract receivable for repayment loan from a financial institution as collateral for long-term credit facilities from a financial institution (Notes 19).

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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	
	2023	2022
Revenues recognition from the stage of completion method	847,584,163.45	1,115,146,896.04
Contract assets		
Project value as per contract	1,324,917,091.48	3,563,775,442.79
Accumulated amount recognized as revenues under the stage of completion method	1,282,073,112.33	2,932,820,415.89
Less value of total billed	(1,194,717,901.96)	(2,230,713,698.83)
Unbilled receivables	87,355,210.37	702,106,717.06
Transferred to installment contract receivables	-	(320,067,589.49)
Total unbilled receivables	87,355,210.37	382,039,127.57
Retention receivables and other	6,300,796.29	20,892,366.82
Transferred to installment contract receivables	-	(15,200,000.00)
Total retention receivables and other	6,300,796.29	5,692,366.82
Total contract assets	93,656,006.66	387,731,494.39
Non-current contract assets		
Retention receivables and other	(747,800.00)	(225,000.00)
Current contract assets	92,908,206.66	387,506,494.39

A portion of contract assets was transferred to installment contract receivables (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

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

	Unit : Baht	
	2023	2022
Unbilled receivables		
Not over 3 months	14,006,146.75	111,999,836.94
Over 3 - 6 months	50,127,089.41	140,145,770.21
Over 6 - 12 months	6,719,956.62	83,119,980.62
Over 12 months	16,502,017.59	46,773,539.80
Total unbilled receivables	87,355,210.37	382,039,127.57

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	
	2023	2022
Contract liabilities		
Project value as per contract	865,000.00	68,366,226.97
Value of total billed	778,500.00	62,466,595.39
<u>Less</u> accumulated amount recognized as revenues		
under the percentage of completion method	(621,563.96)	(57,810,320.43)
Advances received from contract	156,936.04	4,656,274.96
Advances received from service	117,750.00	117,750.00
Total contract liabilities	274,686.04	4,774,024.96

..... Director

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..... Director

(Mr. Metha Chotiapisitkul)

11. OTHER CURRENT FINANCIAL ASSETS - NET

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

	Unit : Baht	
	2023	2022
Financial assets at amortized cost		
Investment in structured notes	-	50,000,000.00
(Minimum return rate of 1.20% per annum, maximum return rate of 1.30% per annum)		
Financial assets at FVTPL		
Open-end funds - debt securities	401,733,199.41	20,286,392.77
Total other current financial assets	401,733,199.41	70,286,392.77

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

	Unit : Baht			
	2023		2022	
	At cost	Fair value Level 2	At cost	Fair value Level 2
Open-end funds - debt securities				
- at cost	400,109,939.24	400,109,939.24	20,109,457.38	20,109,457.38
<u>Add unrealized gain on changes in</u> values of other current financial assets	-	1,623,260.17	-	176,935.39
Open-end funds - debt securities	400,109,939.24	401,733,199.41	20,109,457.38	20,286,392.77

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

	Unit : Baht	
	2023	2022
Net book value as at January 1,	70,286,392.77	270,816,879.77
Purchase during the year	450,000,000.00	150,000,000.00
Disposal during the year	(120,347,941.55)	(351,409,968.47)
Gain on disposal of other current financial assets to profit or loss	171,488.02	702,546.08
Change in fair value to profit or loss	1,623,260.17	176,935.39
Net book value as at December 31,	401,733,199.41	70,286,392.77

..... Director

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..... Director

(Mr. Metha Chotiapisitkul)

12. PROPERTY, PLANT AND EQUIPMENT - NET

Property, plant and equipment as at December 31, 2023, consisted of:

	Unit : Baht						
	Land	Building	Office equipment	Computer	Vehicles	Asset under installation	Total
Cost:							
Balance as at January 1, 2023	35,375,719.00	44,634,517.77	13,958,565.62	3,854,565.57	3,419,691.59	1,330,393.20	102,573,452.75
<u>Add</u> purchase during the year	-	-	210,119.83	1,178,072.44	-	284,000.00	1,672,192.27
<u>Less</u> write-off during the year	-	-	(38,545.80)	(394,598.13)	-	-	(433,143.93)
Transferred out to inventories	-	-	-	-	-	(48,400.00)	(48,400.00)
Transferred in/out during the year	-	-	1,420,000.00	-	-	(1,420,000.00)	-
Balance as at December 31, 2023	<u>35,375,719.00</u>	<u>44,634,517.77</u>	<u>15,550,139.65</u>	<u>4,638,039.88</u>	<u>3,419,691.59</u>	<u>145,993.20</u>	<u>103,764,101.09</u>
Accumulated depreciation:							
Balance as at January 1, 2023	-	10,940,313.15	9,455,803.15	3,084,441.28	1,482,310.27	-	24,962,867.85
<u>Add</u> depreciation for the year	-	3,412,779.95	2,411,144.45	581,983.44	334,327.46	-	6,740,235.30
<u>Less</u> write-off during the year	-	-	(37,880.77)	(394,581.13)	-	-	(432,461.90)
Balance as at December 31, 2023	<u>-</u>	<u>14,353,093.10</u>	<u>11,829,066.83</u>	<u>3,271,843.59</u>	<u>1,816,637.73</u>	<u>-</u>	<u>31,270,641.25</u>
Net book value:							
Net book value as at January 1, 2023	<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>
Net book value as at December 31, 2023	<u>35,375,719.00</u>	<u>30,281,424.67</u>	<u>3,721,072.82</u>	<u>1,366,196.29</u>	<u>1,603,053.86</u>	<u>145,993.20</u>	<u>72,493,459.84</u>

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

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

Depreciation for the years ended December 31, 2023 and 2022 amounted to Baht 6.74 million and Baht 6.55 million, respectively, were included in profit or loss.

As at December 31, 2023 and 2022, the Company has assets which have been fully depreciated but are still in use, amounted to Baht 4.62 million and Baht 4.23 million, respectively.

As at December 31, 2023 and 2022, all of the Company's land and buildings have been mortgaged as collateral for letters of guarantee for business of the Company.

13. RIGHT-OF-USE ASSETS - NET

Right-of-use assets as at December 31, 2023 consisted of:

	Unit : Baht		
	Building	Vehicles	Total
Cost:			
Balance as at January 1, 2023	11,741,174.63	4,570,607.66	16,311,782.29
<u>Add</u> acquisitions during the year	-	5,675,015.16	5,675,015.16
Balance as at December 31, 2023	<u>11,741,174.63</u>	<u>10,245,622.82</u>	<u>21,986,797.45</u>
Accumulated depreciation:			
Balance as at January 1, 2023	5,014,919.32	2,285,032.10	7,299,951.42
<u>Add</u> depreciation for the year	1,345,251.00	2,061,324.18	3,406,575.18
Balance as at December 31, 2023	<u>6,360,170.32</u>	<u>4,346,356.28</u>	<u>10,706,526.60</u>
Net book value:			
Net book value as at January 1, 2023	<u>6,726,255.31</u>	<u>2,285,575.56</u>	<u>9,011,830.87</u>
Net book value as at December 31, 2023	<u>5,381,004.31</u>	<u>5,899,266.54</u>	<u>11,280,270.85</u>

Depreciation for the years ended December 31, 2023 and 2022, amounted to Baht 3.41 million and Baht 3.02 million, respectively, were included in profit or loss.

..... Director

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(Mr. Metha Chotiapisitkul)

14. INTANGIBLE ASSETS - NET

Intangible assets as at December 31, 2023 consisted of:

	Unit : Baht		
	Computer		Total
	Computer software	software under development	
Cost:			
Balance as at January 1, 2023	2,151,872.00	1,036,221.00	3,188,093.00
<u>Add</u> purchase during the year	201,000.00	715,799.00	916,799.00
Transferred in/out during the year	1,652,270.00	(1,652,270.00)	-
Balance as at December 31, 2023	<u>4,005,142.00</u>	<u>99,750.00</u>	<u>4,104,892.00</u>
Accumulated amortization:			
Balance as at January 1, 2023	1,797,888.48	-	1,797,888.48
<u>Add</u> amortization for the year	375,464.50	-	375,464.50
Balance as at December 31, 2023	<u>2,173,352.98</u>	<u>-</u>	<u>2,173,352.98</u>
Net book value:			
Net book value as at January 1, 2023	<u>353,983.52</u>	<u>1,036,221.00</u>	<u>1,390,204.52</u>
Net book value as at December 31, 2023	<u>1,831,789.02</u>	<u>99,750.00</u>	<u>1,931,539.02</u>

Amortization for the years ended December 31, 2023 and 2022 amounted to Baht 0.38 million and Baht 0.29 million, respectively, were included in profit or loss.

..... Director

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15. DEFERRED TAX ASSETS

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

	Unit : Baht		
	As at January 1, 2023	Movement	As at December 31, 2023
		increase (decrease) Profit or loss	
Deferred tax assets:			
Trade and other current receivables			
(Allowance for expected credit losses)	68,543.89	-	68,543.89
Right-of-use assets (Depreciation)	656,522.25	(86,160.93)	570,361.32
Litigation provisions	118,038.40	(118,038.40)	-
Non-current provisions for employee benefits	1,255,773.60	354,987.20	1,610,760.80
Total deferred tax assets	2,098,878.14	150,787.87	2,249,666.01

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

	Unit : Baht	
	2023	2022
Profit before income tax	138,982,102.71	132,148,296.58
Tax rate	20.00%	20.00%
Current income tax expenses as tax rate	27,796,420.54	26,429,659.31
Non-deductible expenses by the Revenue Code	2,310,596.73	310,229.22
Double expenses by the Revenue Code	(280,759.06)	(121,258.98)
Income tax expenses	29,826,258.21	26,618,629.55
The effective tax rate	21.46%	20.14%

The Company used income tax rate of 20% for the calculation of corporate income tax for the years ended December 31, 2023 and 2022.

..... Director

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..... Director

(Mr. Metha Chotiapisitkul)

16. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of:

	Unit : Baht	
	2023	2022
Income tax and withholding tax deducted at source	19,990,620.45	13,493,057.80
Deposit	4,354,988.00	1,757,360.00
Total other non-current assets	24,345,608.45	15,250,417.80

17. SHORT-TERM LOANS FROM A FINANCIAL INSTITUTION

Movements in short-term loans from a financial institution for the years ended December 31, were as follows:

	Unit : Baht	
	2023	2022
Balance as at January 1,	-	-
Increase during the year	198,699,686.64	-
Decrease during the year	(198,699,686.64)	-
Balance as at December 31,	-	-

Short-term loans from a financial institution have the term of 178 - 180 days and carry an interest at the market rate.

..... Director

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..... Director

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18. TRADE AND OTHER CURRENT PAYABLES

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

	Unit : Baht	
	2023	2022
Trade payables	246,832,006.18	144,624,734.54
Other current payables		
Payables for purchase of assets	312,641.76	92,341.86
Accrued incentive expenses	14,184,466.70	22,917,954.41
Accrued expenses	3,054,703.25	2,969,606.31
Withholding tax payables	1,703,236.00	1,295,370.92
Undue output VAT	25,279,413.18	21,893,036.94
Revenue Department payable	9,031,466.78	-
Retention payables	13,093,848.15	19,868,678.74
Others	247,469.56	1,863,585.98
Total other current payables	66,907,245.38	70,900,575.16
Total trade and other current payables	313,739,251.56	215,525,309.70

19. LONG-TERM LOAN FROM A FINANCIAL INSTITUTION - NET

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

	Unit : Baht	
	2023	2022
Long-term loan from a financial institution	171,428,000.00	-
<u>Less</u> deferred financing service fee	(146,986.58)	-
Total long-term loan	171,281,013.42	-
<u>Less</u> current portion	(57,063,075.37)	-
Long-term loan from a financial institution - net	114,217,938.05	-

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

	Unit : Baht	
	2023	2022
Balance as at January 1,	-	3,831,522.90
Increase during the year	199,800,000.00	-
Decrease during the year	(28,572,000.00)	(3,831,522.90)
Amortize financing service fee	53,013.42	-
Balance as at December 31,	171,281,013.42	-

As at December 31, 2023 and 2022, long-term loans from a financial institution carry an interest at the MLR minus a certain rate, according to an agreement. The loan principle is to be repaid in monthly installments of 42 months and 60 months, respectively.

As at December 31, 2023, long-term loan from a financial institution is guaranteed by the mortgage of the Company's land and assignment of receiving the installment contract receivable (Note 9).

20. LEASE LIABILITIES - NET

Lease liabilities as at December 31, consisted of:

	Unit : Baht	
	2023	2022
Lease liabilities	14,036,400.00	11,776,800.00
<u>Less</u> deferred interest expenses	(1,105,815.24)	(983,850.58)
Present value of future minimum lease payments	12,930,584.76	10,792,949.42
<u>Less</u> current portion	(4,220,480.01)	(2,716,412.48)
Lease liabilities - net	8,710,104.75	8,076,536.94
Net book value of assets under lease agreements	11,280,270.85	9,011,830.87

..... Director

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Movements in lease liabilities for the years ended December 31, were as follows:

	Unit : Baht	
	2023	2022
Balance as at January 1,	10,792,949.42	13,960,439.72
Increase during the year	5,675,015.16	-
Decrease during the year	(4,096,400.00)	(3,660,400.00)
Amortization of deferred interest expenses	559,020.18	492,909.70
Balance as at December 31,	12,930,584.76	10,792,949.42

The Company has future minimum leases payments required under the leases agreements as at December 31, 2023 are as follow:

	Unit : Baht		
	Within 1 year	1 - 5 years	Total
Future minimum lease payments	4,706,400.00	9,330,000.00	14,036,400.00
Deferred interest expenses	(485,919.99)	(619,895.25)	(1,105,815.24)
Present value of future minimum lease payments	4,220,480.01	8,710,104.75	12,930,584.76

The Company has entered into the property lease agreements and vehicles with related party and other company, the terms of the agreements are generally between 2 - 6 years. The Company uses its incremental borrowing rate of 4.00% - 5.07% per annum (2022 are 4.00% per annum) in calculating the present value of lease payments.

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21. 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	
	2023	2022
Non-current provisions for		
employee benefits as at January 1,	6,278,868.00	10,621,253.00
Included in profit or loss:		
Current service costs	1,917,755.00	2,560,229.26
Cost of interest	149,085.00	153,105.74
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	(291,904.00)	(449,280.00)
Non-current provisions for		
employee benefits as at December 31,	<u>8,053,804.00</u>	<u>6,278,868.00</u>

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

	Unit : Baht	
	2023	2022
Current service costs	1,917,755.00	2,560,229.26
Cost of interest	149,085.00	153,105.74
Total employee benefits expenses	<u>2,066,840.00</u>	<u>2,713,335.00</u>

..... Director

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..... Director

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

	Unit : Baht	
	2023	2022
Cost of services	705,157.00	961,200.00
Distribution costs and administrative expenses	1,361,683.00	1,752,135.00
Total employee benefits expenses	2,066,840.00	2,713,335.00

Principal actuarial assumptions at the valuation date are as follows:

	Percentage (%) / annum
	2023 and 2022
Discount rate	2.40
Future monthly salary increase rate	5.00
Mortality rate	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, 2023, are summarized below:

	Unit : Baht	
	Increase 1%	Decrease 1%
Discount rate	(564,119.00)	625,358.00
Salary increase rate	694,772.00	(634,101.00)
Turnover rate	(636,914.00)	374,467.00

As at December 31, 2023, the maturity analysis of undiscounted cash flows of benefit payments was as follows:

	Unit : Baht
Within 1 year	-
Over 1 and up to 5 years	3,672,604.00
Over 5 and up to 10 years	18,969,709.00
Over 10 years	97,617,035.00

As at December 31, 2023 and 2022, the weighted average duration of the payment of employee benefit is 8 years.

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..... Director

(Mr. Metha Chotiapisitkul)

22. SHARE CAPITAL

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

	Par value (Baht)	Number of shares		Unit : Baht Amount	
		2023	2022	2023	2022
Registered					
Ordinary shares as at January 1,	0.50	923,999,949.00	923,999,949.00	461,999,974.50	461,999,974.50
Ordinary shares as at December 31,	0.50	923,999,949.00	923,999,949.00	461,999,974.50	461,999,974.50
Issued and fully paid-up					
Ordinary shares as at January 1,	0.50	750,166,311.00	615,999,966.00	375,083,155.50	307,999,983.00
Warrants	0.50	62,606,720.00	134,166,345.00	31,303,360.00	67,083,172.50
Ordinary shares as at December 31,	0.50	812,773,031.00	750,166,311.00	406,386,515.50	375,083,155.50

23. 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.

..... Director

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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.

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.

On March 31, 2023, the warrant holders exercised 8,673,390 units of INSET-W1 warrants to purchase 8,673,390 ordinary shares at Baht 2.00 each in the amount of Baht 17.35 million. The Company registered the paid-up capital with the Ministry of Commerce on April 4, 2023.

On October 24, 2023, the warrant holders exercised 53,933,330 units of INSET-W1 warrants to purchase 53,933,330 ordinary shares at Baht 2.00 each in the amount of Baht 107.87 million. The Company registered the paid-up capital with the Ministry of Commerce on October 26, 2023.

As at October 25, 2023, the warrants to purchase ordinary shares of the Company No.1 (INSET-W1) had been expired. There were 110,314,142 units of unexercised warrants.

24. 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.

25. DIVIDEND

25.1 The resolution of the Board of Directors' Meeting No. 3/2023, held on August 10, 2023, approved to pay an interim dividend from the Company's operating performance for the period from January 1, 2023 to June 30, 2023 which is a rate of Baht 0.04 per share, totaling of Baht 30.35 million to shareholders in proportion to their share. The interim dividends were paid to shareholders of the Company in September 2023.

25.2 The resolutions of the Annual General Meeting of Shareholders for the year 2023 held on April 5, 2023, approved to pay a dividend from the Company's operating performance for the year from December 31, 2022 which is a rate of Baht 0.05 per share, totaling of Baht 37.51 million to shareholders in proportion to their share. The dividends were paid to shareholders of the Company in May 2023.

..... Director

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..... Director

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- 25.3 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.
- 25.4 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.

26. BASIC EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

Basic earnings per share and diluted earnings per share for the years ended December 31, were calculated as follows:

	Unit : Baht	
	2023	2022
Profit for the year	109,155,844.50	105,529,667.03
Weighted average number of ordinary share (shares)		
Number of issued ordinary shares as at January 1,	750,166,311.00	615,999,966.00
Warrants	16,754,125.00	92,079,082.00
Weighted average number of issued and fully paid-up ordinary shares	766,920,436.00	708,079,048.00
The number of incremental ordinary share as a convertible Warrants	-	98,705,900.00
Diluted weighted average number of ordinary shares	766,920,436.00	806,784,948.00
Basic earnings per share	0.14	0.15
Diluted earnings per share	0.14	0.13

..... Director

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27. SIGNIFICANT EXPENSES BY NATURE

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

	Unit: Million Baht	
	2023	2022
Purchase of finished goods	493.93	-
Purchase of raw materials and consumable materials used	370.19	438.93
Service fees for installation subcontracts	521.55	645.96
Director and employee's benefits expenses	68.98	59.86
Depreciation and amortization	10.52	9.86
Professional fee	5.86	5.57
Utilities costs and expenses	4.97	1.31
Rental and service expenses	1.53	2.10

..... Director

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..... Director

(Mr. Metha Chotiapisitkul)

28. OPERATING SEGMENTS

The Company operates in four business segments, construction of data center and information technology system, infrastructure, telecommunications and transportation infrastructure, maintenance and services, and sales of telecommunication and information technology systems equipment. Revenues and expenses relate to business segments and geographical segments for the years ended December 31, as follows:

	Unit : Thousand Baht									
	Construction of data center and information technology system		Infrastructure, telecommunications and transportation infrastructure		Maintenance and services		Sales of telecommunication and information technology system equipment		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Timing of revenue recognition										
Point in time	-	-	-	-	15,088.25	4,873.68	526,539.20	-	541,627.45	4,873.68
Over time	641,146.29	669,909.82	206,437.87	445,237.07	242,686.49	190,632.75	-	-	1,090,270.65	1,305,779.64
Total revenues from sales and services	641,146.29	669,909.82	206,437.87	445,237.07	257,774.74	195,506.43	526,539.20	-	1,631,898.10	1,310,653.32
Costs	(564,792.20)	(577,245.79)	(151,357.87)	(397,393.69)	(192,119.84)	(121,360.56)	(493,925.85)	-	(1,402,195.76)	(1,096,000.04)
Segment gross profit	76,354.09	92,664.03	55,080.00	47,843.38	65,654.90	74,145.87	32,613.35	-	229,702.34	214,653.28
Unallocated costs									(42,375.04)	(33,103.58)
Gross profit									187,327.30	181,549.70
Other income									26,033.33	4,863.18
Distribution costs									(8,299.55)	(5,587.97)
Administrative expenses									(57,934.20)	(48,147.63)
Finance costs									(8,144.78)	(528.98)
Income tax expenses									(29,826.26)	(26,618.63)
Profit for the years									109,155.84	105,529.67

The Company's does not present assets by segment because the Company's uses the same assets for each segment.

..... Director

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..... Director

(Mr. Metha Chotiapisitkul)

Major customers

For the years ended December 31, 2023 and 2022, the Company has revenues from 4 major customers and 3 major customers, respectively. The total amount of Baht 1,335.70 million and Baht 1,115.01 million, respectively.

29. 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 years ended December 31, 2023 and 2022, the Company contributed to the fund amounting to Baht 2.13 million and Baht 1.42 million, respectively.

30. FINANCIAL INSTRUMENTS

Financial risk management policies

The Company's financial instruments principally comprise cash and cash equivalents, trade and other current receivables, installment contract receivables, contract assets, other financial assets, trade and other current payables, contract liabilities, retention payables, long-term loan from a financial institution, 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 receivables. 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 receivables, other 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
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..... Director
(Mr. Metha Chotiapisitkul)

As at December 31, 2023 and 2022, 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, 2023						
	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			
Financial assets							
Cash and cash equivalents	-	-	206.27	-	18.86	225.13	0.25 - 0.55
Trade and other current receivables - net	-	-	-	-	542.27	542.27	-
Installment contract receivables	75.68	360.75	-	-	-	436.43	4.28 - 6.42
Contract assets	-	-	-	-	93.66	93.66	-
Other current financial assets - net	-	-	401.73	-	-	401.73	-
Other non-current financial assets	-	-	-	76.10	-	76.10	0.14 - 0.85
	<u>75.68</u>	<u>360.75</u>	<u>608.00</u>	<u>76.10</u>	<u>654.79</u>	<u>1,775.32</u>	
Financial liabilities							
Trade and other current payables	-	-	-	-	313.74	313.74	-
Contract liabilities	-	-	-	-	0.27	0.27	-
Retention payables	-	-	-	-	5.30	5.30	-
Long-term loan from a financial institution	-	-	57.06	114.22	-	171.28	4.87 - 5.12
Lease liabilities	4.22	8.71	-	-	-	12.93	4.00 - 5.07
	<u>4.22</u>	<u>8.71</u>	<u>57.06</u>	<u>114.22</u>	<u>319.31</u>	<u>503.52</u>	

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

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

Unit : Million Baht

As at December 31, 2022

	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			
Financial assets							
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>	
Financial liabilities							
Trade and other current payables	-	-	-	-	215.53	215.53	
Contract liabilities	-	-	-	-	4.77	4.77	-
Retention payables	-	-	-	-	6.63	6.63	-
Long-term loan from a financial institution	2.71	8.08	-	-	-	10.79	4.00
Lease liabilities	<u>2.71</u>	<u>8.08</u>	<u>-</u>	<u>-</u>	<u>226.93</u>	<u>237.72</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, 2023 and 2022 are presented below.

	Unit : Baht		
	As at December 31, 2023		
	FVPL	Amortized cost	Total
Financial assets			
Cash and cash equivalents	-	225,127,249.18	225,127,249.18
Trade and other current receivables - net	-	542,265,145.95	542,265,145.95
Installment contract receivables	-	436,432,299.29	436,432,299.29
Contract assets	-	93,656,006.66	93,656,006.66
Other current financial assets - net	401,733,199.41	-	401,733,199.41
Other non-current financial assets	-	76,104,646.81	76,104,646.81
	<u>401,733,199.41</u>	<u>1,373,585,347.89</u>	<u>1,775,318,547.30</u>
Financial liabilities			
Trade and other current payables	-	313,739,251.56	313,739,251.56
Contract liabilities	-	274,686.04	274,686.04
Retention payables	-	5,304,052.16	5,304,052.16
Long-term loan from a financial institution	-	171,281,013.42	171,281,013.42
Lease liabilities	-	12,930,584.76	12,930,584.76
	-	<u>503,529,587.94</u>	<u>503,529,587.94</u>

..... Director

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..... Director

(Mr. Metha Chotiapisitkul)

	Unit : Baht		
	As at December 31, 2022		
	FVPL	Amortized cost	Total
Financial assets			
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>
Financial liabilities			
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
Lease liabilities	-	10,792,949.42	10,792,949.42
	<u>-</u>	<u>237,719,576.50</u>	<u>237,719,576.50</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.

31. LITIGATION

As at December 31, 2022, 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. Presently, the Company has already paid on May 26, 2023. The case was thereby terminated.

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

32. COMMITMENTS AND CONTINGENT LIABILITIES

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

- 32.1 As at December 31, 2023 and 2022, the Company has commitments under the operating lease and service contract payments in the future amounting to Baht 0.73 million and Baht 2.38 million, respectively.
- 32.2 As at December 31, 2023 and 2022, 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 totaling of Baht 1,581.00 million and Baht 1,091.00 million, respectively. The credit facilities are guaranteed by a mortgage of the Company’s land, authorized to receive the installment contract receivable (Note 9), the Company’s land and constructions (Note 12) and other non-current financial assets.
- 32.3 As at December 31, 2023 and 2022, the Company has commitments with financial institutions for the letters of guarantees issued by the financial institutions amounting to Baht 151.55 million and Baht 204.20 million, respectively.
- 32.4 As at December 31, 2023 and 2022, the Company had commitments assets under installation and computer software under development amounting to Baht 0.10 million and Baht 0.90 million, respectively.
- 32.5 As at December 31, 2023 and 2022, the Company has a commitment with unused letters of credit amounting to Baht 38.88 million Baht 59.49 million, respectively.

33. EVENT AFTER THE REPORTING PERIOD

The resolution of the Board of Directors’ Meeting No. 1/2024, held on February 13, 2024, approved to pay a dividend from the Company’s operating performance for the period from July 1, 2023 to December 31, 2023 which is a rate of Baht 0.05 per share or not exceeding of Baht 40.64 million to shareholders in proportion to their share held and specified the list of shareholders entitled to receive dividends (Record Date) on March 12, 2024 and dividend payments will be paid on May 16, 2024. The dividend payments must be approved at the Annual General Meeting of the Company’s shareholders.

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company’s Board of Directors on February 13, 2024.

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

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