

I2 Enterprise Public Company Limited
Report and financial statements
31 December 2023

Independent Auditor's Report

To the Shareholders of I2 Enterprise Public Company Limited

Opinion

I have audited the accompanying financial statements of I2 Enterprise Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2023, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of I2 Enterprise Public Company Limited as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was 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 this matter.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to this matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to each matter is described below.

Revenue recognition regarding the system integration

Revenue recognised from system integration is significant to total revenues and directly impacts the Company's operating performance. The measurement and recognition of revenue are areas requiring management to exercise significant judgement to consider assess the percentage of completion. There are therefore risks with respect to amount and timing of the recognition of revenue. I therefore focused my audit on the Company's recognition of revenue from system integration.

I assessed the Company's policies on recognition of revenue from system integration, assessed and tested the internal controls put in place by the Company over the process of estimating project costs and estimating percentage of completion by making enquiry of responsible executives and selecting representative samples to test the operation of the designed controls.

I also selected major contracts and randomly selected additional samples performed the procedures to ensure the correctness of revenue recognised from system integration by inquiries with the Company's project managers about cost estimates and assess the percentage of completion for projects, examined actual project costs incurred to the project budgets approved by authorised person, and on a sampling basis, examined relevant documents and checked actual costs to supporting documents and performed an analytical review to compare the percentage of completion estimated by the Company's project managers to the percentage of completion derived from the actual costs incurred, examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities and reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue recognition.

Other Matter

The financial statements of I2 Enterprise Public Company Limited for the year ended 31 December 2022, presented herein as comparative information, were audited by another auditor who, under his report dated 23 February 2023, expressed an unmodified opinion on those financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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 of the Company, 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 the 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 Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement 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, I determine 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. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 20 February 2024

I2 Enterprise Public Company Limited**Statement of financial position****As at 31 December 2023**

(Unit: Baht)

	Note	2023	2022
Assets			
Current assets			
Cash and cash equivalents	7	266,558,344	89,928,818
Trade and other receivables	8	406,282,245	274,233,798
Amounts due from related parties	6	18,874,493	16,167,796
Installment receivables	9	37,939,529	50,718,216
Unbilled receivables	10	459,239,667	38,124,027
Inventories	11	491,799,000	74,124,695
Advance payment for cost of goods and services		49,924,408	57,569,325
Other current financial assets	12	64,243,178	42,005
Other current assets		60,673,757	16,498,043
Total current assets		1,855,534,621	617,406,723
Non-current assets			
Restricted bank deposits	13	43,002,000	27,735,300
Installment receivables, net of current portion	9	109,404,940	135,852,642
Building improvement and equipment	14	4,191,625	4,353,512
Right-of-use assets	15.1	7,078,416	11,926,163
Intangible assets		1,821,889	2,066,532
Deferred tax assets	24	10,926,075	7,330,097
Non-current assets		9,389,415	9,924,998
Total non-current assets		185,814,360	199,189,244
Total assets		2,041,348,981	816,595,967

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

I2 Enterprise Public Company Limited
Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	Note	2023	2022
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans from financial institutions	16	150,849,806	66,184,689
Trade and other payables	17	324,715,064	268,373,776
Current portion of installment payable from related party	6	27,577,927	26,788,159
Current portion of deferred revenue		53,904,858	45,526,074
Unbilled payables		68,663,911	45,388,922
Current portion of long-term loans from financial institutions	18	-	1,790,000
Current portion of lease liabilities	15.2	1,684,122	5,090,603
Income tax payable		3,046,483	-
Other current liabilities		18,781,874	15,170,710
Total current liabilities		649,224,045	474,312,933
Non-current liabilities			
Installment payable from related party, net of current portion	6	39,499,007	58,885,634
Deferred revenue, net of current portion		25,972,234	21,042,812
Long-term loans from financial institutions, net of current portion	18	687,160,257	-
Lease liabilities, net of current portion	15.2	2,651,312	4,271,843
Provision for penalties of project delay	19	9,712,390	-
Provision for long-term employee benefits	20	8,655,294	7,654,004
Total non-current liabilities		773,650,494	91,854,293
Total liabilities		1,422,874,539	566,167,226

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

I2 Enterprise Public Company Limited
Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	Note	2023	2022
Shareholders' equity			
Share capital	21		
Registered			
420,000,000 ordinary shares of Baht 0.50 each		210,000,000	210,000,000
Issued and fully paid-up			
420,000,000 ordinary shares of Baht 0.50 each			
(2022: 300,000,000 ordinary shares			
of Baht 0.50 each)		210,000,000	150,000,000
Share premium		297,511,218	38,911,635
Retained earnings			
Appropriated - statutory reserve	22	13,575,017	9,307,760
Unappropriated		97,388,207	52,209,346
Total shareholders' equity		618,474,442	250,428,741
Total liabilities and shareholders' equity		2,041,348,981	816,595,967

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



นายอริพร ลิ้มเจริญ

Directors



นายยุทธชัย ทูลพันธ์

I2 Enterprise Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2023

(Unit: Baht)

	Note	2023	2022
Profit or loss:			
Revenues			
Revenues from sale and services	26	1,419,728,293	935,862,486
Other income		8,189,740	7,523,618
Total revenues		<u>1,427,918,033</u>	<u>943,386,104</u>
Expenses			
Cost of sale and services		1,240,112,120	809,151,540
Selling and distribution expenses		24,410,035	13,192,328
Administrative expenses		42,586,241	56,449,536
Total expenses		<u>1,307,108,396</u>	<u>878,793,404</u>
Operating profit		120,809,637	64,592,700
Finance cost		(15,348,782)	(8,538,401)
Profit before income tax expenses		105,460,855	56,054,299
Income tax expenses	24	(20,115,718)	(11,075,499)
Profit for the year		<u>85,345,137</u>	<u>44,978,800</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial gain - net of income tax		40,981	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>			
		40,981	-
Total comprehensive income for the year		<u>85,386,118</u>	<u>44,978,800</u>
Earnings per share			
	25		
Basic earnings per share			
Profit attributable to equity holders of the Company		0.24	0.18

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

I2 Enterprise Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2023

	Issued and paid-up share capital	Retained earnings			Total shareholders' equity
		Share premium	Appropriated - statutory reserve	Unappropriated	
Balance as at 1 January 2022	70,588,200	38,911,635	7,058,820	97,714,736	214,273,391
Profit for the year	-	-	-	44,978,800	44,978,800
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	44,978,800	44,978,800
Increase share capital (Note 21)	79,411,800	-	-	-	79,411,800
Dividend paid (Note 28)	-	-	-	(88,235,250)	(88,235,250)
Transfer unappropriated retained earnings to statutory reserve (Note 22)	-	-	2,248,940	(2,248,940)	-
Balance as at 31 December 2022	150,000,000	38,911,635	9,307,760	52,209,346	250,428,741
Balance as at 1 January 2023	150,000,000	38,911,635	9,307,760	52,209,346	250,428,741
Profit for the year	-	-	-	85,345,137	85,345,137
Other comprehensive income for the year	-	-	-	40,981	40,981
Total comprehensive income for the year	-	-	-	85,386,118	85,386,118
Increase share capital (Note 21)	60,000,000	264,000,000	-	-	324,000,000
Transaction costs - net of income tax (Note 21)	-	(5,400,417)	-	-	(5,400,417)
Dividend paid (Note 28)	-	-	-	(35,940,000)	(35,940,000)
Transfer unappropriated retained earnings to statutory reserve (Note 22)	-	-	4,267,257	(4,267,257)	-
Balance as at 31 December 2023	210,000,000	297,511,218	13,575,017	97,388,207	618,474,442

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

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I2 Enterprise Public Company Limited**Cash flow statement****For the year ended 31 December 2023**

	(Unit: Baht)	
	2023	2022
Cash flows from operating activities		
Profit before tax	105,460,855	56,054,299
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation and amortisation	6,606,457	5,868,471
Gain on sales of equipment	(252)	-
Gain on fair value adjustments of other current financial assets	(243,178)	(200)
Gain on sales of other current financial assets	(77)	-
Provision for long-term employee benefits	1,052,516	1,003,192
Allowance for expected credit losses	-	21,349,693
Provision for penalties of project delay	9,712,390	-
Interest income	(7,205,932)	(6,355,844)
Finance cost	15,348,782	8,538,401
Profit from operating activities before changes in operating assets and liabilities	130,731,561	86,458,012
Operating assets (increase) decrease		
Trade and other receivables	(131,995,039)	(257,945,366)
Amounts due from related parties	(2,706,697)	2,202,599
Unbilled receivables	(421,115,640)	76,292,279
Inventories	(417,674,305)	(52,808,383)
Advance payment for cost of goods and services	7,644,917	(9,100,890)
Other current assets	(44,175,714)	1,434,833
Operating liabilities increase (decrease)		
Trade and other payables	42,901,288	71,015,915
Deferred revenue	13,308,206	32,540,836
Unbilled payables	23,274,989	15,843,396
Other current liabilities	3,611,164	(793,365)
Cash flows used in operating activities	(796,195,270)	(34,860,134)
Cash paid for interest	(11,299,233)	(4,193,542)
Cash paid for income tax	(19,575,354)	(17,314,792)
Cash refund from income tax	785,583	-
Net cash flows used in operating activities	(826,284,274)	(56,368,468)

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

I2 Enterprise Public Company Limited**Cash flow statement (continued)****For the year ended 31 December 2023**

	(Unit: Baht)	
	2023	2022
Cash flows from investing activities		
Increase in restricted bank deposits	(15,266,700)	(1,000,000)
Cash received from interest income	698,915	136,789
Cash received from current financial assets	42,082	2,000
Cash paid for current financial assets	(64,000,000)	-
Cash paid for purchase of equipment	(1,038,879)	(3,528,522)
Cash paid for purchase of intangible assets	(253,840)	(2,117,084)
Cash received from sales of equipment	3,271	-
Net cash flows used in investing activities	(79,815,151)	(6,506,817)
Cash flows from financing activities		
Cash received under installment receivables	45,679,998	30,424,228
Increase in short-term loans from financial institutions	84,665,117	51,184,690
Cash paid under installment payable	(21,484,155)	(14,662,424)
Cash received of long-term loans from financial institutions	691,465,813	-
Repayment of long-term loans from financial institutions	(1,790,000)	(4,440,000)
Cash paid for front end fee of long-term loans	(5,000,000)	-
Cash paid for lease agreements	(5,557,301)	(5,999,876)
Proceeds from increase in share capital	324,000,000	79,411,800
Cash paid for direct costs related to the share offering	(6,750,521)	-
Dividend paid	(22,500,000)	(88,235,250)
Net cash flows from financing activities	1,082,728,951	47,683,168
Net increase (decrease) in cash and cash equivalents	176,629,526	(15,192,117)
Cash and cash equivalents at beginning of year	89,928,818	105,120,935
Cash and cash equivalents at end of year	266,558,344	89,928,818
Supplemental cash flows information:		
Non-cash items consist of:		
Additions to right-of-use assets and lease liabilities	62,480	2,639,000
Accrued dividend	13,440,000	-

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

I2 Enterprise Public Company Limited

Notes to financial statements

For the year ended 31 December 2023

1. General information

I2 Enterprise Public Company Limited (“the Company”) is a public limited company incorporated and domiciled in Thailand. The Company is principally engaged in selling and installing various types of telecommunications equipment and communication services, as well as selling equipment and providing high-speed broadband internet. The registered office of the Company is located at 104 Soi Nakniwat 6, Nakniwat Road, Latphrao, Latphrao, Bangkok.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

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

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 which are effective for fiscal years beginning on or after 1 January 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 1 January 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 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 and providing accounting guidance for users of the standards.

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenues from contracts with customers

The Company accounts for a contract with a customer when it has entered into an agreement between counter parties that creates enforceable rights and obligations. The Company has to identify its performance obligations and allocate a transaction price to each obligation on an appropriate basis.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, net of value added tax ("VAT"). Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time.

Revenues from contracts with customers mainly comprise as follows:

a) Revenue from sale of goods

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

For revenue from warranty offered together with the goods sold, which is considered customer service in addition to provision of assurance that the product complies with agree-upon specifications, the Company recognised revenue from warranty over the period in which the service is provided.

b) Revenue from system integration

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on comparison of actual costs incurred up to the end of the period and total anticipated costs to be incurred to completion.

c) Revenue from internet services

Revenue from internet services is recognised over the contract period using a straight-line basis.

d) Revenue from other services

Revenue from rendering maintenance services for system and equipment is recognised over the period of maintenance using a straight-line basis over the contractual term.

Revenue from other services is recognised at a point in time upon completion of the service.

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Unbilled receivables” in the statement of financial position. The amounts recognised as unbilled receivables are reclassified to trade receivables when the Company’s right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Company has received consideration or an amount of consideration is due from the customer is presented under the caption of “Deferred revenue” in the statement of financial position. Deferred revenue are recognised as revenue when the Company performs under the contract.

Interest income

Interest income is calculated using the effective interest method and recognised 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).

Finance cost

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

4.2 Cash and cash equivalents

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

4.3 Costs of work in process

Costs of work in process and finished goods are valued at the lower of cost (under the specific method) and net realisable value.

4.4 Building improvement and equipment and Depreciation

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

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

Building improvement	5 years
Office equipment	5 years

Depreciation is included in determining income.

An item of building improvement and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.5 Intangible assets

The intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Program Computer	3 and 5 years
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4.6 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 as a lessee

The Company applied a single recognition and measurement approach for all leases. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, accumulated impairment losses (if any), and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease, and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

	<u>Period (Years)</u>
	Lease term
Buildings	3
Motor vehicles	5
Office equipment	5

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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, variable lease payments that depend on an index or a rate, 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 recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. 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.

The Company as a lessor

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 recognised 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 recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

4.7 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associates, and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.8 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period.

Gains and losses on exchange rate are included in determining income.

4.9 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the building improvement and equipment, right-of-use assets and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised 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.

An impairment loss is recognised in profit or loss.

4.10 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.11 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.12 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

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

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 recognises deferred tax liabilities for all taxable temporary differences while they recognise 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 utilised.

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 utilised.

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

4.13 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 amortised cost and 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 amortised cost

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

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, 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 including interest income recognised 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.

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised 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 transferred control of the asset.

A financial liability is derecognised 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 recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables and unbilled receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.14 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company 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 in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Revenue from contracts with customers

Identification of performance obligations

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

Determination of timing of revenue recognition

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

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

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

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on comparison of actual construction costs incurred up to the end of the period and total anticipated construction costs to be incurred to completion.

Determination of transaction price

In determining transaction price, the management is required to use judgement in estimating the variable consideration. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold. The Company include any amount of variable consideration in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Costs to obtain contracts

The recognition of costs incurred to obtain a contract as an asset requires management to use judgement regarding whether such costs are the incremental costs of obtaining a contract with a customer as well as what amortisation method should be used.

Provision for penalties for project delays and possible project losses

The Company estimates liabilities that may arise from damages claimed for late submission of work under contracts. The management used judgment in estimating the penalties for late submission of work under agreements and considered the period of work delay, assessed the results from the penalties for late submission of work and believed that the damages would be equal to the estimated liabilities recognised as at the date of the financial statements. However, the actual result may differ from the estimate.

The Company estimates the loss that may arise from each project taking into consideration the progress of work with actual costs incurred and costs expected to be incurred until completion of work in accordance with the agreements.

6. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

	2023	2022	(Unit: Thousand Baht) Transfer pricing policy
Transactions with related parties			
Sales of goods and services	-	15,080	Contract price
Purchase of goods and services	5,696	2,406	Contract price
Finance cost	2,923	3,642	MLR-1.5% p.a.

As at 31 December 2023 and 2022, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	2023	2022
<u>Amounts due from related party</u>		
Related party	18,874	16,168
Total amounts due from related party	<u>18,874</u>	<u>16,168</u>
<u>Installment payable from related party</u>		
Related party	67,077	85,674
Less: Current portion	(27,578)	(26,788)
Installment payable from related party - net current portion	<u>39,499</u>	<u>58,886</u>
<u>Lease liabilities - related party</u>		
Related party	-	3,539
Total Lease liabilities - related party	<u>-</u>	<u>3,539</u>
<u>Accrued dividend - related party</u>		
Related party	2,236	-
Management and directors	3,597	-
Total Accrued dividend - related party	<u>5,833</u>	<u>-</u>
<u>Directors and management's benefits</u>		

During the year ended 31 December 2023 and 2022, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	2023	2022
Short-term employee benefits	12,339	16,320
Post-employment benefits	600	573
Total	<u>12,939</u>	<u>16,893</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2023	2022
Cash	40	30
Bank deposits	266,518	89,899
Total	<u>266,558</u>	<u>89,929</u>

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interests between 0.50 and 0.60 percent per annum (2022: between 0.25 and 0.45 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	2023	2022
<u>Trade account receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	52,477	58,983
Past due		
Up to 3 months	197,176	51,268
3 - 6 months	57,938	-
6 - 12 months	49,223	-
Back to back basis	43,971	163,466
Total trade account receivables	<u>400,755</u>	<u>273,717</u>
<u>Other receivables</u>		
Other receivables	17,793	12,783
Less: Allowance for expected credit losses	(12,266)	(12,266)
Total other receivables	<u>5,527</u>	<u>517</u>
Total trade and other receivables - net	<u>406,282</u>	<u>274,234</u>

9. Installment receivables

As at 31 December 2023 and 2022, the balances of Installment receivables are as follows:

(Unit: Thousand Baht)

	Current portion		Installment receivables -		Total	
	of Installment receivables		net of current portion			
	2023	2022	2023	2022	2023	2022
Installment receivables	42,854	57,172	115,682	147,045	158,536	204,217
<u>Less: Deferred interest income</u>	(4,914)	(6,454)	(6,278)	(11,192)	(11,192)	(17,646)
Installment receivables-net	<u>37,940</u>	<u>50,718</u>	<u>109,404</u>	<u>135,853</u>	<u>147,344</u>	<u>186,571</u>

The collection term of the Company's installment receivables ranges from 24-60 periods, with total term of 60 to 72 months.

10. Unbilled receivables

As at 31 December 2023 and 2022, the balances of the unbilled receivables are aged of outstanding debts by due dates as below.

	(Unit: Thousand Baht)	
	2023	2022
<u>Unbilled receivables</u>		
Up to 3 months	456,298	37,924
3 - 6 months	939	200
6 - 12 months	1,128	-
Over 12 months	12,871	11,996
Total unbilled receivables	471,236	50,120
Less: Allowance for expected credit losses	(11,996)	(11,996)
Unbilled receivables - Net	459,240	38,124

11. Inventories

	(Unit: Thousand Baht)	
	2023	2022
Finished goods	3,078	22,948
Work in process	488,721	51,177
Total	491,799	74,125

12. Other current financial assets

	(Unit: Thousand Baht)	
	2023	2022
Debt instruments at fair value through profit or loss		
Investments in securities	64,243	42
Total debt instruments at fair value through profit or loss	64,243	42
Total other current financial assets	64,243	42

13. Restricted bank deposits

As at 31 December 2023, the Company pledged bank deposits amounting to Baht 43 million (2022: Baht 28 million) as collateral for performance bonds issued by banks and the credit facilities obtained from financial institutions.

14. Building improvement and equipment

(Unit: Thousand Baht)

	Building improvement	Office equipment	Total
Cost			
1 January 2022	290	5,486	5,776
Additions	2,138	1,391	3,529
31 December 2022	2,428	6,877	9,305
Additions	709	330	1,039
Disposals	-	(6)	(6)
31 December 2023	3,137	7,201	10,338
Accumulated depreciation			
1 January 2022	81	3,893	3,974
Depreciation for the year	38	939	977
31 December 2022	119	4,832	4,951
Depreciation for the year	298	900	1,198
Depreciation on disposals	-	(3)	(3)
31 December 2023	417	5,729	6,146
Net book value			
31 December 2022	2,309	2,045	4,354
31 December 2023	2,720	1,472	4,192
Depreciation for the year			
2022 (included in administrative expenses)			977
2023 (included in administrative expenses)			1,198

As at 31 December 2023, certain items of building improvement and equipment of the Company were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 3 million (2022: Baht 3 million).

15. Leases

15.1 Right-of-use assets

(Unit: Thousand Baht)

	Buildings	Motor vehicles	Office equipment	Total
1 January 2022	6,579	7,549	-	14,128
Increase	-	2,639	-	2,639
Depreciation for the year	(3,290)	(1,551)	-	(4,841)
1 January 2023	3,289	8,637	-	11,926
Increase	-	-	62	62
Depreciation for the year	(3,289)	(1,615)	(6)	(4,910)
31 December 2023	-	7,022	56	7,078

15.2 Lease liabilities

(Unit: Thousand Baht)

	2023	2022
Lease payments	4,770	10,255
Less: Deferred interest expenses	(435)	(892)
Total	4,335	9,363
Less: Portion due within one year	(1,684)	(5,091)
Lease liabilities - portion due more than one year	2,651	4,272

A maturity analysis of lease payments is disclosed in Note 31.1 to the financial statements under the liquidity risk.

15.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	2023	2022
Depreciation expense of right-of-use assets	4,910	4,841
Interest expense on lease liabilities	468	703

15.4 Others

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 6 million (2022: Baht 6 million).

16. Short-term loans from financial institution

(Unit: Thousand Baht)

	Interest rate (% per annum)	2023	2022
Trust receipt	5.27 - 5.52 and MLR-1.00	150,850	66,185
Total		150,850	66,185

Bank overdrafts from bank and short-term loans from a financial institution is secured by the mortgage of the management's land and structures thereon and the pledge of the Company's fixed deposits as disclosed in Note 13.

As at 31 December 2023, the Company has bank overdrafts from bank and short-term loans from a financial institution which have not yet been drawn down amounted to Baht 288 million (2022: Baht 243 million).

17. Trade and other payables

(Unit: Thousand Baht)

	2023	2022
Trade payables	303,941	261,179
Other payables	2,726	2,699
Accrued dividend	13,440	-
Accrued expenses	4,608	4,496
Total trade and other payables	324,715	268,374

18. Long-term loans

Movements of the long-term loan account during the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	2023	2022
Beginning balance of long-term loans	1,790	6,230
Additional borrowings	687,160	-
Repayments	(1,790)	(4,440)
Ending balance of long-term loans	687,160	1,790
<u>Less: Current portion</u>	-	(1,790)
Long-term loans - net current portion	687,160	-

The loans are guaranteed by the Company's directors and the pledge of the Company's fixed deposits as disclosed in Note 13.

As at 31 December 2023, the long-term credit facilities of the Company which have not yet been drawn down amounted to Baht 163 million (2022: None).

19. Provision for penalties of project delay

Movements of the provision for penalties of project delay account during the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

1 January 2022	-
Increase during the year	9,712
31 December 2023	<u>9,712</u>

20. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows.

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Provision for long-term employee benefits at beginning of year	7,654	6,651
Included in profit or loss:		
Current service cost	846	823
Interest cost	206	180
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Financial assumptions changes	(356)	-
Experience adjustments	305	-
Provision for long-term employee benefits at end of year	<u>8,655</u>	<u>7,654</u>

The Company does not expects to pay long-term employee benefits during the next year (2022: None)

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefits is 16 years. (2022: 16 years)

Significant actuarial assumptions used for the valuation are summarised below.

(Unit: percent per annum)

	<u>2023</u>	<u>2022</u>
Discount rate	3.14	2.70
Salary increase rate	5	5
Turnover rate	0.48 - 11.46	0.48 - 11.46

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at 31 December 2023 and 2022 are summarised below.

	(Unit: Thousand Baht)			
	2023		2022	
	Increase	Decrease	Increase	Decrease
Discount rate (Change 1%)	(859)	992	(98)	116
Salary increase rate (Change 1%)	942	(834)	116	(99)
Turnover rate (Change 20%)	(181)	193	(30)	34

21. Share capital

On 18 April 2022, the Shareholders' meeting of the Company resolved to increase its registered capital from Baht 70.59 million to Baht 150 million, comprising 794,118 ordinary shares with a par value of Baht 100 each, issued to existing shareholders. The Company registered the increase in share capital with the Ministry of Commerce on 27 April 2022.

On 1 July 2022, the Extraordinary General Shareholders' meeting of the Company approved a change in the par value of its shares, reducing it from Baht 100 per share to Baht 0.50 per share, resulting in an increase in the number of ordinary shares from 1,500,000 shares to 300,000,000 shares, and approved an increase in the registered capital by Baht 60 million, from Baht 150 million to Baht 210 million, comprising 120,000,000 ordinary shares with a par value of Baht 0.50 each.

From 25 July to 27 July 2023, the Company conducted an Initial Public Offering of 120,000,000 newly issued ordinary shares, with a par value of Baht 0.50 each, at an offering price of Baht 2.70 per share, resulting in a total of Baht 324 million. Subsequently, on 31 July 2023, the Company received full payment for the additional capital and then registered the increase in its issued and paid-up share capital from Baht 150 million (300,000,000 ordinary shares with a par value of Baht 0.50 each) to Baht 210 million (420,000,000 ordinary shares with a par value of Baht 0.50 each) with the Ministry of Commerce on 3 August 2023. The Market for Alternative Investment ("MAI") approved 420,000,000 ordinary shares with a par value of Baht 0.50 each as listed securities, allowing trading to commence on 8 August 2023. Regarding the offering of the newly issued ordinary shares, the Company incurred directly related expenses of Baht 5.40 million (net of income tax of Baht 1.35 million), which were offset against the share premium. As a result, the Company reported a share premium of Baht 297.51 million as at 31 December 2023.

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

23. Expenses by nature

Significant expenses by nature are as follows.

	(Unit: Thousand Baht)	
	2023	2022
Cost of purchase inventory	610,853	584,610
Cost of services	594,546	211,199
Salary, wages and other employee benefits	41,336	27,823
Depreciation and amortisation	6,606	5,868
Allowance for expected credit losses	-	21,350

24. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows.

	(Unit: Thousand Baht)	
	2023	2022
Current income tax		
Current income tax for the year	23,722	14,871
Deferred tax		
Relating to origination and reversal of temporary differences	(3,606)	(3,796)
Income tax expenses reported in profit or loss	20,116	11,075

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Deferred tax on actuarial gains and losses	10	-
	10	-

The amounts of current tax and deferred tax that recognised directly in equity for the years ended 31 December 2023 and 2022 are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Current income tax:		
Current income tax on transaction costs for issued share capital	1,350	-
	<u>1,350</u>	<u>-</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)	
	2023	2022
Accounting profit before tax	<u>105,461</u>	<u>56,054</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	21,092	11,211
Effects of:		
Non-deductible expenses	617	469
Additional expense deductions allowed	(1,593)	(605)
Total	<u>(976)</u>	<u>(136)</u>
Income tax expense reported in profit or loss	<u>20,116</u>	<u>11,075</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)	
	2023	2022
Deferred tax assets		
Allowance for expected credit losses	4,853	4,853
Provision for penalties of project delay	1,942	-
Provision for long-term employee benefits	1,731	1,531
Other provision	2,409	1,025
Building lease agreements	-	49
Total	<u>10,935</u>	<u>7,458</u>
Deferred tax liabilities		
Installment receivables	9	128
Total	<u>9</u>	<u>128</u>
Deferred tax assets - net	<u>10,926</u>	<u>7,330</u>

25. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

The following table sets forth the computation of earnings per share for the years ended 31 December 2023 and 2022.

	2023	2022
Basic earnings per share		
Profit for the year (Thousand Baht)	85,345	44,979
Weighted average number of ordinary shares (Thousand shares)	349,644	249,535
Earnings per share (Baht)	0.24	0.18

26. Segment information

The Company is organised into business units based on their products and services. During the current year, the Company has not changed the organisation of their reportable segments from the last annual financial statements.

The following tables present revenue and profit information regarding the Company's operating segments for the years ended 31 December 2023 and 2022.

(Unit: Thousand Baht)

	Selling and installing all kind of telecommunication equipment and services		Selling equipment and providing internet signal services		Total	
	2023	2022	2023	2022	2023	2022
	Revenues from sale and services	1,180,348	696,830	239,380	239,033	1,419,728
Profit from operation of segments	139,194	88,517	40,422	38,194	179,616	126,711
Unallocated income and expenses:						
Other income					8,190	7,524
Selling and distribution expenses					(24,410)	(13,192)
Administrative expenses					(42,586)	(56,450)
Finance cost					(15,349)	(8,538)
Income tax expenses					(20,116)	(11,076)
Profit for the year					85,345	44,979
Other comprehensive income for the year - net tax					41	-
Total comprehensive income for the year					85,386	44,979
Timing of revenue recognition:						
Revenue recognised at a point in time	445,851	254,350	-	-	445,851	254,350
Revenue recognised over time	734,497	442,480	239,380	239,033	973,877	681,513
Total revenues	1,180,348	696,830	239,380	239,033	1,419,728	935,863

Major customers

For years ended 31 December 2023, the Company has revenue from three major customers in amount of Baht 817 million arising from sales by selling and installing all kind of telecommunication equipment and services segments and revenue from three major customers in amount of Baht 228 million arising from sales by selling equipment and providing internet signal services segments. (2022: the Company has revenue from two major customers in amount of Baht 428 million arising from sales by selling and installing all kind of telecommunication equipment and services segments and revenue from one major customer in amount of Baht 130 million arising from sales by selling equipment and providing internet signal services segments).

Revenue and expenses arising from the provision of internet signal services

The Company holds a Type I Internet Operation License issued by the National Broadcasting and Telecommunications Commission (hereinafter referred to as the "NBTC"), which is the regulatory authority overseeing radio, television broadcasting, and telecommunications businesses.

During the years ended 31 December 2023 and 2022, the Company generated revenue and incurred expenses from the provision of internet signal services as outlined below.

	(Unit: Thousand Baht)	
	2023	2022
Revenues from services	239,380	239,033
Services expense	198,958	200,839

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5% of basic salary. The fund, which is managed by Kasikorn asset management, will be paid to employees upon termination in accordance with the fund rules. The contributions for 2023 amounting to Baht 1.23 million (2022: Baht 0.59 million) were recognised as expenses.

28. Dividends paid

Dividends	Approved by	Total dividend	Dividend
		(Thousand Baht)	per share
			(Baht)
Annual dividends for 2021	Annual General Meeting of the shareholders on 18 April 2022	88,235	125
Total dividends for 2022		88,235	

Dividends	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Annual dividends for 2022	Annual General Meeting of the shareholders on 28 April 2023	22,500	0.075
Interim dividends for 2023	Board of Director's Meeting on 14 December 2023	13,440	0.032
Total dividends for 2023		<u>35,940</u>	

29. Commitments and contingent liabilities

29.1 Guarantees

As at 31 December 2023, the Company has outstanding bank guarantees of approximately Baht 328 million (2022: Baht 235 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

29.2 Obligations relating to undelivered or unrendered contracts

As at 31 December 2023, the Company has contracts related to selling goods or rendering services that are undelivered or unrendered to its customers of approximately Baht 1,860 million (2022: Baht 1,134 million).

30. Fair value hierarchy

As at 31 December 2023 and 2022, the Company had the assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in securities held for trading	-	64,243	-	64,243

(Unit: Thousand Baht)

	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in securities held for trading	-	42	-	42

31. Financial instruments

31.1 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade and other accounts receivable, installment receivables, unbilled receivables, other current financial assets, restricted bank deposits, short-term and long-term loans from institutions. 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 accounts receivable and unbilled receivables, deposits with banks and financial institutions. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and unbilled receivables

The Company manages risk by implementing appropriate credit control policies and procedures, thereby not expecting to incur material financial losses. The outstanding trade receivables and unbilled receivables primarily involve government entities. The Company regularly monitors debt collection for both unbilled trade receivables and receivables. Delivery of goods to its major customers are typically safeguarded by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

An impairment analysis is conducted at each reporting date to assess expected credit losses. Provision rates are determined by considering the number of days past due for companies in different customer segments with similar credit risks. This calculation takes into account factors such as probability-weighted outcomes, the time value of money, and valid supporting information available at the reporting date regarding past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies. The Company's exposure to foreign currency changes is not material.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its short-term loan and long-term loan from institutions. Most of the Company's financial assets and liabilities bear non-interest bearing or floating interest rates or fixed interest rates which are close to the market rate.

To manage this, the Company enters into loans, at specified intervals, between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	2023					Effective interest rate (% per annum)
	Fixed interest rates		Floating	Non-interest	Total	
	Within 1 year	1 - 5 years	interest rate	bearing		
Financial assets						
Cash and cash equivalent	-	-	266,518	40	266,558	0.50 - 0.60
Trade and other receivables	-	-	-	406,282	406,282	-
Amounts due from related parties	-	-	-	18,874	18,874	-
Installment receivables	37,940	109,404	-	-	147,344	3.72 - 6.25
Unbilled receivables	-	-	-	459,240	459,240	-
Restricted bank deposits	43,002	-	-	-	43,002	0.60 - 1.15
Other financial assets	-	-	64,243	-	64,243	2.00 - 2.50
	<u>80,942</u>	<u>109,404</u>	<u>330,761</u>	<u>884,436</u>	<u>1,405,543</u>	

(Unit: Million Baht)

2023

	Fixed interest rates					Effective interest rate
	Within		Floating interest rate	Non-interest bearing	Total	
	1 year	1 - 5 years				
Financial liabilities						
Short-term loans from financial institutions	120,853	-	29,997	-	150,850	5.27 - 5.52 and MLR-1.00
Trade and other payables	-	-	-	324,715	324,715	-
Installment payable	27,578	39,499	-	-	67,077	4.50
Deferred revenue	-	-	-	79,877	79,877	-
Unbilled payables	-	-	-	68,664	68,664	-
Long-term loans from financial institutions	-	-	687,160	-	687,160	1 st years 3.00, 2-5 years MLR-2.0, 6-10 years MLR
Lease liabilities	1,684	2,651	-	-	4,335	4.50 - 7.92
	<u>150,115</u>	<u>42,150</u>	<u>717,157</u>	<u>473,256</u>	<u>1,382,678</u>	

(Unit: Million Baht)

2022

	Fixed interest rates					Effective interest rate (% per annum)
	Within		Floating interest rate	Non-interest bearing	Total	
	1 year	1 - 5 years				
Financial assets						
Cash and cash equivalent	-	-	89,899	30	89,929	0.25 - 0.45
Trade and other receivables	-	-	-	274,234	274,234	-
Amounts due from related parties	-	-	-	16,168	16,168	-
Installment receivables	50,718	135,853	-	-	186,571	3.72 - 6.25
Unbilled receivables	-	-	-	38,124	38,124	-
Restricted bank deposits	27,735	-	-	-	27,735	0.10 - 0.50
Other financial assets	42	-	-	-	42	0.50
	<u>78,495</u>	<u>135,853</u>	<u>89,899</u>	<u>328,556</u>	<u>632,803</u>	
Financial liabilities						
Short-term loans from financial institutions	-	-	66,185	-	66,185	MLR-1.25
Trade and other payables	-	-	-	268,374	268,374	-
Installment payable from related party	26,788	58,886	-	-	85,674	4.50
Deferred revenue	-	-	-	66,568	66,568	-
Unbilled payables	-	-	-	45,389	45,389	-
Long-term loans from financial institutions	1,790	-	-	-	1,790	2.00
Lease liabilities	5,091	4,272	-	-	9,363	4.50 - 7.92
	<u>33,669</u>	<u>63,158</u>	<u>66,185</u>	<u>380,331</u>	<u>543,343</u>	

Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of bank overdrafts, bank loans and lease contracts. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities and derivative financial instruments as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	As at 31 December 2023			
	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	159,302	-	-	159,302
Trade and other payables	324,715	-	-	324,715
Installment payable from related party	25,064	45,698	-	70,762
Deferred revenue	53,905	25,972	-	79,877
Unbilled payables	68,664	-	-	68,664
Long-term loans from financial institutions	-	-	781,327	781,327
Lease liabilities	1,948	2,822	-	4,770
Total non-derivatives	633,598	74,492	781,327	1,489,417

(Unit: Thousand Baht)

	As at 31 December 2022			
	Less than 1 year	1 to 5 years	> 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	68,978	-	-	68,978
Trade and other payables	268,374	-	-	268,374
Installment payable from related party	25,853	70,761	-	96,614
Deferred revenue	45,526	21,042	-	66,568
Unbilled payables	45,389	-	-	45,389
Long-term loans from financial institutions	1,826	-	-	1,826
Lease liabilities	5,557	4,698	-	10,255
Total non-derivatives	461,503	96,501	-	558,004

31.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value

As at 31 December 2023, the Company's debt-to-equity ratio was 2.30:1 (2022: 2.26:1).

33. Subsequent event

On 20 February 2024, the Board of Directors' meeting no.1/2567 of the Company passed a resolution to propose dividend payment in respect of the operation results of 2023 at the rate of Baht 0.10 per share, representing a proposed dividend payment of Baht 42 million. The Company paid interim dividend at the rate of Baht 0.032 per share, representing dividend payment of Baht 13.44 million, as presented in Note 28 to the financial statements. An accrued dividend balance of Baht 0.068 per share, representing a proposed dividend payment of Baht 28.56 million. The Company will propose the Annual General Meeting of the shareholders to approve of such dividend payment.

34. Reclassification

The Company has reclassified line item in statement of financial position as at 31 December 2022 to conform with the current year's classification. The reclassifications are as follows:

(Unit: Thousand Baht)

	As at 31 December 2022	
	As reclassified	As previously reported
Trade and other receivables	274,234	382,624
Amounts due from related parties	16,168	15,789
Installment receivables	50,718	-
Unbilled receivables	38,124	-
Current contract assets	-	38,124
Advance payment for cost of goods and services	57,569	-
Other current assets	16,498	3,048
Trade receivables, net of current portion	-	129,529
Installment receivables, net of current portion	135,853	-
Deferred tax assets	7,330	5,935
Non-current assets	9,925	8,301

(Unit: Thousand Baht)

As at 31 December 2022

	As reclassified	As previously reported
Trade and other payables	268,374	266,307
Current portion of installment payable from related party	26,788	25,383
Current portion of deferred revenue	45,526	
Current portion of contract liabilities	-	81,598
Unbilled payables	45,388	-
Other current liabilities	15,171	-
Advance received from other party	-	2,530
Installment payable from related party, net of current portion	58,886	54,786
Deferred revenue - net of current portion	21,043	-
Contract liabilities, net of current portion	-	27,503

The reclassifications had no effect to previously reported net profit or shareholders' equity.

35. Approval of financial information

These financial information were authorised for issue by the Company's Board of Directors on 20 February 2024.