

**INFORMATION AND COMMUNICATION NETWORKS
PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS AND
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Information and Communication Networks Public Company Limited and its subsidiary

Opinion

I have audited the consolidated financial statements of Information and Communication Networks Public Company Limited (the Company) and its subsidiary, which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have also audited the separated financial statements of Information and Communication Networks Public Company Limited for the same period.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Information and Communication Networks Public Company Limited and its subsidiary and the separate financial position of Information and Communication Networks 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.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further describe in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company and its subsidiary 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 our professional judgment, were the most significant in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have performed the responsibilities described in the Auditor's Responsibility section of my report. The financial statements in my report includes the responsibility related to these matters. The performance of work includes the audit method designed to respond to the risk assessment from presenting information that is significant misstatement in the financial statements. The result includes the audit methods on these matters and is used as a basis in expressing my opinion on the overall financial statements.

Key audit matters and audit methods on each matter are as follows:

Revenue recognition and cost of sales and service under the agreement

The Company and its subsidiary have revenues from sales and service under the agreement, project cost estimate under the agreement which is an obligation that has to be completed throughout the period of performing work under the agreement as described in Notes 4.1 a) and 4.1 b) as the revenue and project cost under the agreement has material amount including the valuation method of the revenue recognition, cost, work completion inspection that has to be finished through input factor approach. This is to measure the progress level of performance under the agreement by referring to the cost ratio of work completed until present and total project cost estimate. This matter requires using significant judgment of the management in assessing the stage of work completion, total cost estimate expected in performing work in accordance with each agreement, ability to make delivery to customer by the specified time. Change in judgment that relates to the stage of work completion and total cost estimate will significantly affect the adjustment both positively and negatively on the revenues and gross profit. Therefore, I paid attention to verifying the accuracy and appropriateness of the stage of work completion and value of total cost expected to be used in performing work throughout the project to be significant matters in my audit.

Risk response by the auditor

I have assessed and understood the process used by the company in assessing the stage of work completion, total cost estimate expected to be used for performing work by the agreement and cost adjustment, recognition of revenues and cost of sales and service and testing significant actual controls, accuracy and completeness of revenues and cost by:

- Reading the details of the agreement and inquire the management on the conditions and risks related to revenue recognition and loss estimate that may arise including testing the grouping of services of the agreement.

- Inquiring the responsible management and understanding the process in acquiring revenue from the agreement, estimate and project cost adjustment, recognition of revenue and cost, estimate of stage of work completion and loss that may arise from the agreement.
- Testing the efficiency of the internal control system designed by the Company and its subsidiary to control the agreement process, estimates and project cost adjustment, revenue recognition, estimate of stage of work completion and loss that may arise from the agreement.
- Auditing the actual cost with supporting documents and testing the calculation of the stage of work completion from the actual cost incurred as at the end of the period and total cost expected to be used in performing work under the agreement throughout the project.
- Comparing the stage of work completion assessed by the engineer with the stage of work completion from the actual cost to consider the difference of cost that does not make the progress of obligation or does not directly relate to control transfer of goods and services to consider adjustment for the actual cost to reflect the progress in performing work under the agreement throughout the project.
- Analyzing the gross profit of construction work with the project cost estimate to assess the loss estimate that may arise.
- Verify the accounting records of revenue account through general ledger to find out the irregularity throughout the accounting period.
- Visiting the project, inquiring the progress from engineer's supervisor to compare, and estimate the reasonableness of the stage of work compare with the stage of work completion from the actual cost.
- Considering the information disclosure related to the basis of revenue recognition and loss estimate that may arise in the notes to the financial statements.

Other Information

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

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My opinion on the financial statements does not cover the other information and I will 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 identified above when it becomes available 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 in order for those charged with governance to correct 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 consolidated financial statements and separate 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 consolidated financial statements and separate financial statements, management is responsible for assessing the Company and its subsidiary's ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiary or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate 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 Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate 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 and its subsidiary'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 and its subsidiary's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated financial statements and separate 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 and its subsidiary to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiary to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the Company and its subsidiary audit. I remain solely responsible for my audit opinion.

I have communicated 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 the internal control system that I have identified during my audit.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Ms.Thanyaphorn Tangthanopajai.



(Ms.Thanyaphorn Tangthanopajai)

Certified Public Accountant

Registration No. 9169

Dharmniti Auditing Company Limited

Bangkok, Thailand

February 21, 2024

INFORMATION AND COMMUNICATION NETWORKS

PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

(Unit: Baht)

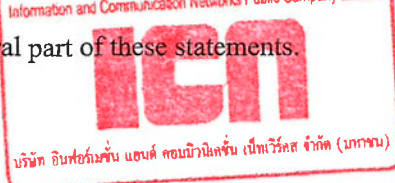
	Notes	Consolidated		The Company Only	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	174,535,726	127,062,935	161,885,826	125,151,616
Current investments - fixed deposits		1,459,161	1,397,572	645,724	599,092
Trade and other current receivables	8	725,848,736	581,547,960	703,036,580	564,598,373
Contract assets - classified as current assets	9	396,043,967	392,670,559	382,784,003	367,546,043
Inventories	10	11,046,179	27,046,680	10,700,573	26,740,604
Advance payment for goods and services		23,554,618	34,691,892	23,545,230	30,423,852
Other current assets		22,232,129	15,522,440	21,353,109	14,472,484
Total current assets		1,354,720,516	1,179,940,038	1,303,951,045	1,129,532,064
Non-current assets					
Restricted bank deposits	11	34,435,000	72,335,000	25,620,000	63,520,000
Contract assets - classified as non-current assets	9	31,231,272	20,405,763	31,231,271	20,405,763
Investments in subsidiary	12	-	-	35,700,000	35,700,000
Assets for leases	13	606,487,606	-	606,487,606	-
Office improvement and equipment	14	3,598,594	4,893,503	3,262,206	4,487,149
Right-of-use assets	15	16,891,566	20,104,456	15,181,028	19,683,623
Goodwill	16	14,401,062	14,401,062	-	-
Intangible assets	17	4,346,615	6,467,476	156,851	186,536
Deferred tax assets	25	4,691,425	4,044,817	4,988,603	4,840,423
Income tax withholding pending refund		19,497,708	18,807,930	15,836,184	15,836,184
Other non-current assets	18	25,878,442	22,270,697	25,873,453	22,265,708
Total non-current assets		761,459,290	183,730,704	764,337,202	186,925,386
Total assets		2,116,179,806	1,363,670,742	2,068,288,247	1,316,457,450

Mr. Ronaporn Rungruangpol

Directors
Information and Communication Networks Public Company Limited

Mr. Porchai Krivichian

Notes to financial statements form an integral part of these statements.



INFORMATION AND COMMUNICATION NETWORKS
PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONT.)

AS AT DECEMBER 31, 2023

		(Unit: Baht)			
		Consolidated		The Company Only	
Notes		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	19	16,323,368	24,737,117	16,323,368	20,247,000
Trade and other current payables	20	390,700,975	223,894,927	377,383,104	215,041,216
Unbilled payables		130,649,759	67,773,629	128,996,510	66,452,507
Contract liabilities - classified as					
current liability	9	298,371,402	20,912,164	298,371,402	19,102,568
Current portion of lease liabilities	15	4,770,906	4,399,081	4,130,344	3,951,987
Current portion of long-term loans from					
financial institutions	21	11,112,000	11,112,000	11,112,000	11,112,000
Income tax payable		2,132,427	5,856,949	2,132,427	5,856,949
Other current liabilities		60,932,836	50,458,373	58,624,528	48,931,074
Total current liabilities		914,993,673	409,144,240	897,073,683	390,695,301
Non-current liabilities					
Trade non-current payables		86,040,814	-	86,040,814	-
Contract liabilities - classified as					
non-current liability	9	57,476,549	26,296,260	57,476,549	26,296,260
Lease liabilities - net of current portion	15	13,428,159	16,469,297	12,338,952	16,469,297
long-term loans from financial institutions	21	124,718,200	68,702,000	124,718,200	68,702,000
Provision for long-term employee benefits	22	23,437,215	19,688,285	21,124,873	17,937,105
Total non-current liabilities		305,100,937	131,155,842	301,699,388	129,404,662
Total liabilities		1,220,094,610	540,300,082	1,198,773,071	520,099,963

Mr. Ronapoom Rungruangpol

Directors

Mr. Pornchai Krivichian



Notes to financial statements form an integral part of these statements.

INFORMATION AND COMMUNICATION NETWORKS
PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF FINANCIAL POSITION (CONT.)
AS AT DECEMBER 31, 2023

(Unit: Baht)

	Notes	Consolidated		The Company Only	
		2023	2022	2023	2022
Liabilities and shareholders' equity (cont.)					
Shareholders' equity					
Share capital	31				
Registered share capital					
675,000,000 ordinary shares of Baht 0.50 each		337,500,000	337,500,000	337,500,000	337,500,000
Issued and fully paid-up share capital					
617,919,713 ordinary shares of Baht 0.50 each			308,959,857		308,959,857
672,100,443 ordinary shares of Baht 0.50 each		336,050,222		336,050,222	
Share premium		266,112,909	239,022,544	266,112,909	239,022,544
Retained earnings					
Appropriated - Legal reserves	23	33,750,000	33,750,000	33,750,000	33,750,000
Unappropriated		236,716,276	217,965,325	233,602,045	214,625,086
Equity attributable to the owners of the Company		872,629,407	799,697,726	869,515,176	796,357,487
Non-controlling interests of the subsidiary		23,455,789	23,672,934	-	-
Total shareholders' equity		896,085,196	823,370,660	869,515,176	796,357,487
Total liabilities and shareholders' equity		2,116,179,806	1,363,670,742	2,068,288,247	1,316,457,450

Mr. Ronapoom Rungruangpol

Directors

Mr. Pornchai Krivichian

Information and Communication Networks Public Company Limited

Notes to financial statements form an integral part of these statements.

บริษัท อินฟอร์เมชั่น เนตเวิร์กส จำกัด (มหาชน)

**INFORMATION AND COMMUNICATION NETWORKS
PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023**

(Unit: Baht)

	Notes	Consolidated		The Company Only	
		2023	2022	2023	2022
Revenues					
Sales and services income	24	1,858,446,119	1,443,015,044	1,793,438,971	1,370,100,945
Other income		1,755,578	849,354	1,667,596	2,263,683
Total revenues		1,860,201,697	1,443,864,398	1,795,106,567	1,372,364,628
Expenses					
Cost of sales and services		1,542,458,983	1,188,775,822	1,486,558,153	1,125,877,793
Selling and servicing expenses		35,862,958	32,130,292	33,388,419	29,664,080
Administrative expenses		60,120,277	54,898,398	53,064,346	48,393,535
Total expenses		1,638,442,218	1,275,804,512	1,573,010,918	1,203,935,408
Profit before finance cost and income tax expenses		221,759,479	168,059,886	222,095,649	168,429,220
Finance cost		1,118,540	982,626	1,069,521	950,271
Profit before income tax expenses		220,640,939	167,077,260	221,026,128	167,478,949
Income tax expenses	25	45,812,201	34,090,789	45,754,237	33,825,068
Profit for the year		174,828,738	132,986,471	175,271,891	133,653,881
Other comprehensive income :					
Item that will not be reclassified to profit or loss					
Actuarial loss from defined benefit plans					
- net of income tax	22	-	3,023,254	-	2,984,711
Other comprehensive income for the year		-	3,023,254	-	2,984,711
Total comprehensive income for the year		174,828,738	136,009,725	175,271,891	136,638,592

Mr. Rongpoom Rungruangpol

Directors

Mr. Pornchai Krivichian

Notes to financial statements form an integral part of these statements.



INFORMATION AND COMMUNICATION NETWORKS
PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF COMPREHENSIVE INCOME (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit: Baht)

	Notes	Consolidated		The Company Only	
		2023	2022	2023	2022
Profit attributable to :					
Equity holders of the Company		175,045,883	132,544,916	175,271,891	133,653,881
Non-controlling interests of the subsidiary		(217,145)	441,555		
		<u>174,828,738</u>	<u>132,986,471</u>		
Total comprehensive income attributable to :					
Equity holders of the Company		175,045,883	135,568,170	175,271,891	136,638,592
Non-controlling interests of the subsidiary		(217,145)	441,555		
		<u>174,828,738</u>	<u>136,009,725</u>		
Earnings per share	26				
Basic earnings per share					
Profit attributable to equity holders of the Company (Baht/share)		<u>0.28</u>	<u>0.24</u>	<u>0.28</u>	<u>0.24</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company (Baht/share)		<u>0.28</u>	<u>0.22</u>	<u>0.28</u>	<u>0.22</u>

Mr. Rongpoom Rungruangpol

Directors

Mr. Pornchai Krivichian



INFORMATION AND COMMUNICATION NETWORKS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit: Baht)

	Notes	Consolidated						
		Issued and paid up share capital	Share premium	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interest of the subsidiary	Total shareholders' equity
				Appropriated- legal reserve	Unappropriated			
Ending balance, as at January 1, 2022		225,000,000	155,062,688	28,200,000	239,721,096	647,983,784	24,701,379	672,685,163
Total comprehensive income for the year		-	-	-	135,568,170	135,568,170	441,555	136,009,725
Dividend paid	30	-	-	-	(151,773,941)	(151,773,941)	-	(151,773,941)
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	(1,470,000)	(1,470,000)
Transferred to legal reserve	23	-	-	5,550,000	(5,550,000)	-	-	-
Ordinary shares issuance from exercised warrants	31	83,959,857	83,959,856	-	-	167,919,713	-	167,919,713
Ending balance, as at December 31, 2022		308,959,857	239,022,544	33,750,000	217,965,325	799,697,726	23,672,934	823,370,660
Total comprehensive income for the year		-	-	-	175,045,883	175,045,883	(217,145)	174,828,738
Dividend paid	30	-	-	-	(156,294,932)	(156,294,932)	-	(156,294,932)
Ordinary shares issuance from exercised warrants	31	27,090,365	27,090,365	-	-	54,180,730	-	54,180,730
Ending balance, as at December 31, 2023		336,050,222	266,112,909	33,750,000	236,716,276	872,629,407	23,455,789	896,085,401

Notes to financial statements form an integral part of these statements.

Mr. Ronapoom Rungwang pol



Mr. Pongchai Krivichian

INFORMATION AND COMMUNICATION NETWORKS PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2023

DHARMINITI

(Unit: B)

The Company Only					
Notes	Issued and paid up share capital	Share premium	Retained earnings		Total shareholders' equity
			Appropriated- legal reserve	Unappropriated	
Ending balance, as at January 1, 2022	225,000,000	155,062,688	28,200,000	235,310,435	643,573,123
Total comprehensive income for the year	-	-	-	136,638,592	136,638,592
Dividend paid	30	-	-	(151,773,941)	(151,773,941)
Transferred to legal reserve	23	-	5,550,000	(5,550,000)	-
Ordinary shares issuance from exercised warrants	31	83,959,857	83,959,856	-	167,919,713
Ending balance, as at December 31, 2022	308,959,857	239,022,544	33,750,000	214,625,086	796,357,487
Total comprehensive income for the year	-	-	-	175,271,891	175,271,891
Dividend paid	30	-	-	(156,294,932)	(156,294,932)
Ordinary shares issuance from exercised warrants	31	27,090,365	27,090,365	-	54,180,730
Ending balance, as at December 31, 2023	336,050,222	266,112,909	33,750,000	233,602,045	869,515,176

Notes to financial statements form an integral part of these statements.

Mr. Ronapoom Rungruangpol



Mr. Pornchai Krivichian

INFORMATION AND COMMUNICATION NETWORKS
PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit: Baht)

Notes	Consolidated		The Company Only	
	2023	2022	2023	2022
Cash flows from operating activities:				
Profit before tax	220,640,939	167,077,260	221,026,128	167,478,949
Adjustments to reconcile net profit before tax to net cash				
Provided by (paid from) operating activities:				
Depreciation and amortization	102,607,386	9,925,890	99,691,074	6,836,816
Loss on write-off of office improvement and equipment	23,606	(148,274)	27,811	(102,994)
Withholding tax amortization	607,353	-	-	-
Provisions for project delay and warranty	231,125	2,697,992	(607,287)	2,428,601
Provision for long-term employee benefits	4,349,698	4,578,029	3,788,536	4,075,897
Unrealized (gain) loss from forward exchange contracts	(1,267,817)	1,332,184	(1,267,817)	1,332,184
Unrealised (gain) loss from exchange rate	137,789	(137,789)	137,789	(137,789)
dividend income	-	-	-	(1,530,000)
Interest income	(1,075,119)	(444,104)	(999,858)	(423,138)
Interest expense	1,118,764	982,626	1,069,521	950,272
Profit from operating activities before changes in				
assets and liabilities	327,373,724	185,863,814	322,865,897	180,908,798
Decrease (increase) in operating assets				
Trade and other current receivables	(144,300,774)	(361,550,243)	(138,438,207)	(375,085,186)
Contract assets	(14,198,916)	23,275,158	(26,063,469)	28,813,643
Inventories	16,000,501	40,266,805	16,040,031	40,296,494
Advance payment for goods and services	11,137,274	(19,200,439)	6,878,622	(16,913,297)
Other current assets	7,242,311	5,245,796	7,048,274	2,663,033
Other non-current assets	(3,607,745)	(20,135,301)	(3,607,745)	(20,135,301)
Increase (decrease) in operating liabilities				
Trade and other current payables	(45,454,176)	130,402,113	(49,918,336)	141,207,239
Trade non-current payables	86,040,814	-	86,040,814	-
Unbilled payables	62,876,130	18,851,173	62,544,003	20,571,972
Contract liabilities	308,639,526	9,933,235	310,449,122	8,446,932
Other current liabilities	11,511,156	17,431,189	11,568,559	20,913,478

Notes to financial statements form an integral part of these statements.

INFORMATION AND COMMUNICATION NETWORKS
PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CASH FLOWS (CONT.)
FOR THE YEAR ENDED DECEMBER 31, 2023

(Unit: Baht)

	Consolidated		The Company Only	
	2023	2022	2023	2022
Notes				
Increase (decrease) in operating liabilities (Cont.)				
Cash generated from (used in) operating activities	623,259,825	30,383,300	605,407,565	31,687,805
Cash paid for income taxes	(51,480,462)	(31,370,260)	(49,626,939)	(29,258,685)
Cash paid for employee benefit obligations	(600,768)	(1,148,060)	(600,768)	(1,148,060)
Net cash provided by (used in) operating activities	571,178,595	(2,135,020)	555,179,858	1,281,060
Cash flows from investing activities				
Decrease (increase) in current investments	(61,590)	195,840	(46,632)	210,875
Decrease (increase) in restricted bank deposits	37,900,000	10,355,714	37,900,000	10,355,714
Cash paid for purchase of asset for leases	(501,834,311)	-	(501,834,311)	-
Cash paid for purchase of equipment and intangible assets	(418,000)	(813,082)	(359,554)	(419,390)
Cash received from sales of the assets	4,500	288,314	-	242,991
Cash received for interest income	989,856	459,594	948,838	428,047
Cash paid for right-of-use assets	-	(365,400)	-	(365,400)
Dividend received from subsidiaries	-	-	-	1,530,000
Net cash provided by (used in) investing activities	(463,419,545)	10,120,980	(463,391,659)	11,982,837
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(8,413,749)	(6,229,909)	(3,923,632)	(10,720,026)
Cash received from the issuance of ordinary shares and the exercise of warrants	54,180,730	167,919,713	54,180,730	167,919,713
Cash received from long-term loans from financial institutions	67,128,200	-	67,128,200	-
Cash paid for long-term loans from financial institutions	(11,112,000)	(10,186,000)	(11,112,000)	(10,186,000)
Cash paid for lease liabilities	(4,655,744)	(4,402,925)	(3,951,987)	(3,587,479)
Cash paid for interest	(1,118,764)	(993,473)	(1,080,368)	(960,088)
Cash paid for dividend	(156,294,932)	(151,773,941)	(156,294,932)	(151,773,941)
Cash paid for dividend non-controlling interests of subsidiaries	-	(1,470,000)	-	-
Net cash provided by (used in) financing activities	(60,286,259)	(7,136,535)	(55,053,989)	(9,307,821)
Net increase (decrease) in cash and cash equivalents	47,472,791	849,425	36,734,210	3,956,076
Cash and cash equivalents at the beginning of the year	127,062,935	126,213,510	125,151,616	121,195,540
Cash and cash equivalents at the end of the year	174,535,726	127,062,935	161,885,826	125,151,616
Supplemental disclosure of cash flows information: -				
Non-cash items:				
Increase in asset for leases from trade payables	198,236,913	-	198,236,913	-
Increase in fixed assets from other payables	18,490	36,955	18,490	36,955
Increase in right-of-use assets under lease liabilities	-	4,887,671	-	4,887,671

Notes to financial statements form an integral part of these statements.

INFORMATION AND COMMUNICATION NETWORKS
PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

1. GENERAL INFORMATION

Information and Communication Networks Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the system integration in telecommunication business. The registered office of the Company is at No.393, D.K.J. Building, 5th Floor, Sukhonthasawat Road, Latphrao Sub-district, Latphrao District, Bangkok.

On October 15, 2017, the Stock Exchange of Thailand endorsed the listing of the Company’s ordinary shares in the Market for Alternative Investments (MAI) and on October 18, 2023, 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 FINANCIAL STATEMENTS

2.1 Basis for preparation of the financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E.2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act B.E.2543.

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

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 such financial statements in Thai language.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Information and Communication Networks Public Company Limited (“the Company”) and the following subsidiary company (“the subsidiary”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding as at December 31, 2023
Expert Engineering & Communication Co., Ltd.	Operating system integration in communication business	Thailand	51%

- b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is entitled to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

- c) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 The separate financial statements present investments in subsidiary presented under the cost method.

3. NEW FINANCIAL REPORTING STANDARDS

3.1 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations 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 financial statements in the current year.

3.2 Revise financial reporting standards to be applied in the future

The Federation of Accounting Professions has announced to apply the revised financial reporting standards 2023 and it was announced in the Royal Gazette on August 8, 2023 on altogether 4 topics: definition of the accounting estimates, disclosure of information of the accounting policy, deferred income tax related to assets and liabilities arising from one transaction and other adjustments due to the change of the Accounting Standard No. 17 "Insurance Contracts". This adjustment is an adjustment for the financial reporting standards to be clearer and more appropriate. This is effective for the financial statements for the accounting period beginning on or after January 1, 2024.

The Management of the Company and its subsidiaries have assessed and believed that this revision will not significantly affect the financial statements in the year that such standard is applied.

6

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues and expenses recognition

a) Revenue

- Sales income

Sales of goods are recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Obligation to repair or replace faulty products under the standard warranty terms of the Company and its subsidiaries is recognised as a provision and cost of sales.

- System installation income

Revenues from the services about designing, sourcing and telecommunication network equipment installation are recognised at the point of performance completion according to contract term, and provided that service over time by applying the stage of completion using input method calculated by comparing the inputs or costs incurred from the point of performance completion to the reporting date, with total estimated cost, and considering the input method adjustment to reflect the performance in accordance with the obligation to complete.

- Service income

Revenue from service agreement for continual service such as telecommunication maintenance, consulting service and others will be recognised by the company and its subsidiary as revenue from service agreement on the straight-line method throughout the period of the agreement to reflect the nature of service regardless of the payment period under the agreement.

The service-type warranties provided to customers with a service in addition to the assurance with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

The Company and its subsidiary will consider the probability in recognising the revenue from change of the agreement, damage claim, delay in delivery and penalty under the agreement by recognising revenue only when it is highly probable at the highest level that no significant reversal shall take place of the accumulated revenue that has been recognised.

1

The recognised revenue which is not yet due per the contracts has been presented under the caption of “Contract assets” under current assets and non-current assets in the statement of financial position.

The amount that company receives or entitled to receive from customer but still has obligation to transfer product or service to customer is presented as “Contract liabilities” under current and non-current liabilities in the statement of financial position which will be recognised upon complying with the commitment as stipulated in the agreement.

- Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

- Other incomes are recognised on an accrual basis.

b) Expenses

- Cost of sales and services

Cost of rendering installation service, maintenance service and sales of goods are recognised in accordance with the percentage of work completed for which revenue has already been recognised, based on total estimated costs. Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained. such cost has to meet all conditions as follow

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify; and

- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

- the costs are expected to be recovered.

- Prepayment project costs, the Group will recognise this prepayment when the Company and its subsidiary paid cash in advance. This prepayment will be amortised, systematically according to stage-of-completion of relevant project.

- Other expenses are recognised on an accrual basis.

4.2 Cash and cash equivalents

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

1

4.3 Inventories

Finished goods and work in progress are valued at the lower of cost (under the first-in, first-out method) and net realisable value. Cost consists of the cost of equipment, labor, subcontract works and other relevant expenses.

4.4 Investments in subsidiary

Investments in subsidiary is accounted for in the separate financial statements using the cost method. Allowance for impairment loss will be made when the recoverable amounts are lower than the cost of investments.

4.5 Assets for leases

Assets for leases (car) are stated at cost after deducted accumulated depreciation and allowance for impairment (if any). Depreciation of assets for leases is calculated by cost less residual value on the straight-line method over the estimated useful lives of 5 years.

The Company has reviewed the residual value and useful life of the assets for lease regularly

4.6 Office improvement and equipment/Depreciation

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

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

	<u>Useful lives</u>
Office improvement	5 - 10 years
Furniture and office equipment	5 years
Project tool and equipment	5 years
Motor vehicles	5 years
Computer equipment - Hardware	3 - 5 years

Depreciation is included in determining income.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected to be received 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.

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4.7 Intangible assets and amortisation

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite useful lives are amortised on a systematic 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:

	<u>Useful lives</u>
Customer relationships	7 years
Customer backlog	7 years
Software license	3 - 10 years

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Related party transactions

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

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

4.10 Financial instruments

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of financial assets at initial recognition is driven by the Company and its subsidiaries' business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Equity instruments can be classified and cannot be changed by two types of measurement which are measuring fair value through profit or loss or measuring fair value through other comprehensive income that without recycling to profit or loss.

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs are recognised as expense in profit or loss. However, trade receivables, that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement of debt instruments by 3 methods depends on the classification of debt instruments.

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective rate and are subject to impairment assessment. Profit or loss arising from derecognised, modified or impaired will be recognised in profit or loss.

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- Financial assets measured at fair value through other comprehensive income when financial assets are held to receive cash flow under the agreement and to sell financial assets and the agreement condition of financial assets generating cash flow that only pays the principal and interest from the principal balance on the specified date. The change of value of financial assets is recognised through other comprehensive income except loss on impairment and interest income and gain and loss on exchange rate are recognised as profit or loss upon recognised of financial assets. Earning or deficit previously recognised in other comprehensive income has to be reclassified into profit or loss. Such financial asset has to be calculated using the effective interest rate same as financial assets measured at amortised cost.
- Financial assets measured at fair value through profit or loss when financial assets that do not meet the criteria for amortised cost or financial assets measured at fair value through other comprehensive income will be presented in the statement of financial position at fair value by recognising the net change of fair value in profit or loss.

Subsequent valuation of equity instruments must present equity instruments using the fair value and record profit/loss from change in fair value through profit or loss or other comprehensive income depending on equity instruments classification.

Classification and valuation of financial liabilities

The Company and its subsidiaries are recognised initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortised cost using the effective rate. The amortised cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortisation by the effective rate is presented as part of financial costs in profit or loss.

Derivative

Derivative is recognised at fair value and measured fair value at the end of the reporting period. Profit or loss from fair value remeasurement is recognised in profit or loss immediately unless that derivative is used for hedge.

Derecognition of financial instruments

Financial assets will be derecognised from the account when the right to receive cash flow of such asset has ended or when the right to receive cash flow of the assets is transferred including upon the transfer of all risk and consideration of that asset or transfer of internal control in that asset although there is no transfer or maintaining of nearly all risk and consideration of such asset.

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Financial liabilities will be derecognised from the account when the obligation of such liabilities has been complied, the obligation is cancelled or the obligation has ended. In case existing financial liabilities are changed to new liabilities from one single lender with considerably different requirements or there is a significant amendment in the requirements of existing liabilities, these are considered as recognition old liabilities and recognising new liabilities by recognising the difference of such carrying value under profit or loss.

Impairment of financial assets

Expected credit loss for financial assets measured at amortised cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Company and its subsidiaries use the general approach in considering the allowance for loss on impairment. For trade receivables, the Company and its subsidiaries apply a simplified approach in calculating ECLs. The Company and its subsidiaries recognise a loss 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.

Offset of financial instruments

Financial assets and liabilities will be offset and presented at net balance in the statement of financial position in the case legally enforced in offsetting the recognised amount. The Company and its subsidiaries intend to pay the net balance or intends to receive assets and settle payment of liabilities at the same time.

4.11 Leases

At the inception of a contract, the Company and its subsidiary assess whether the 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 and its subsidiary assess the lease term for the non-cancellable period as stipulated in the lease contract or the remaining period of active leases at the date of initial application (as at January 1, 2020) 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.

1

Right-of-use assets - as a lessee

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are stated at cost, less any accumulated depreciation and impairment losses (if any), and adjusted for any remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, 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 lease term and the estimated useful lives of each right-of-use asset.

Lease liabilities

At the commencement date of the lease, lease liabilities are stated at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable (if any) and amount expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and its subsidiary and payments of penalties for terminating the lease, if the lease term reflects the Company and its subsidiary exercising the option to terminate.

In calculating the present value of lease payments, the Company and its subsidiary use 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 the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, 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.

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Short-term leases and leases of low-value assets

The Company and its subsidiary apply the short-term lease recognition exemption to its short-term leases (those leases that have a lease term of 12 months or less from the commencement date and not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term and leases of low-value assets are recognised as expense in profit and loss on a straight-line basis over the lease term.

4.12 Foreign currencies

The consolidated and separate 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 rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.13 Impairment of assets which are not financial assets

At the end of each reporting period, the Company and its subsidiary performs impairment reviews in respect of the equipment and 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.

4.14 Employee benefits


Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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



Defined benefit plans

The Company and its subsidiary have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary treat 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 post-employment benefits are recognised immediately in other comprehensive income.

4.15 Provisions

Provisions are recognised when the Company and its subsidiary have 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.

4.16 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 and its subsidiary recognise 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.

1

At each reporting date, the Company and its subsidiary review and reduce 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 and its subsidiary record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

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:

Estimation of revenues from sales and services and costs of sales and services

In estimating revenues from sales and services and costs of sales and services, the management is required to make judgement based on best knowledge of the current events and arrangements and experience of the business in order to estimate the total cost of integration service, ongoing repair and maintenance which consists of cost of equipment, labor, subcontract works and other relevant expenses for each project, based on information from the engineers/project managers. These estimates are regularly reviewed or whenever the actual costs incurred significantly differ from the estimation.

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 goods or services 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 and its subsidiary recognise 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.

Allowance for expected credit losses

In determining an allowance for expected credit losses, the management needs to make judgement for expected loss rates based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on macroeconomic factors.

Office improvement and equipment, right-of-use assets and depreciation

In determining depreciation of office improvement and equipment including right-of-use assets the management is required to make estimates of the useful lives and residual values and review the estimated useful lives and residual values when there are any changes.

In addition, the management is required to review office improvement and equipment and right-of-use assets for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets and subsequent impairment testing require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Determining the lease term of contracts with renewal and termination options

The Company and its subsidiary determine the lease term as the non-cancellable term of the lease, 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. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Company and its subsidiary reassess 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 renew or to terminate.

Estimating the incremental borrowing rate

The Company and its subsidiaries cannot readily determine the interest rate implicit of the lease. Therefore, the incremental borrowing rate of the Company and its subsidiaries are used to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company and its subsidiaries would have to pay for necessary borrowing to acquire the assets, or assets with close value to right-of-use assets in similar economic environment, borrowing period and borrowing security.

Fair valuation of financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company and its subsidiary use judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 32.3 to the financial statements.

6

6. RELATED PARTY TRANSACTIONS

During the year, the Company and its subsidiary 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 its subsidiary and those related parties.

(Unit: Thousand Baht)					
	Consolidated		The Company Only		Pricing policy
	2023	2022	2023	2022	
<u>Business transactions with subsidiary</u>					Mutually agreed
Management income	-	-	217	-	price

The outstanding balances between the Company and its subsidiary as at December 31, 2023 and 2022 were as follows:

(Unit: Thousand Baht)				
	Consolidated		The Company Only	
	As at December	As at December	As at December	As at December
	31, 2023	31, 2022	31, 2023	31, 2022
Other receivables - related parties (Note 8)	-	-	54	-

Directors and management's benefits

For the years ended December 31, 2023 and 2022, the Company and its subsidiary had employee benefit expenses payable to its directors and management as below:

(Unit : Thousand Baht)				
	Consolidated		The Company Only	
	2023	2022	2023	2022
Short-term employee benefits	40,515	44,747	38,189	41,687
Post-employment benefits	2,373	3,148	2,065	2,861

7. CASH AND CASH EQUIVALENTS

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Cash	10	10	10	10
Bank deposits	174,526	127,052	161,876	125,141
Total	174,536	127,062	161,886	125,151

As at December 31, 2023, bank deposits in saving accounts carried interests between 0.15 and 0.60 percent per annum (2022: between 0.05 and 0.50 percent per annum).

8. TRADE AND OTHER CURRENT RECEIVABLES

	(Unit : Thousand Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	178,681	459,328	176,620	457,573
Past due				
Up to 3 months	300,175	63,925	286,575	50,270
3 - 6 months	93,396	30,531	86,191	30,531
6 - 12 months	149,008	26,196	149,008	26,196
Over 12 months	4,490	-	4,490	-
Total trade receivables - unrelated parties	725,750	579,980	702,884	564,570
Less: allowance for expected credit losses	-	-	-	-
Trade receivables - unrelated parties, net	725,750	579,980	702,884	564,570
Total trade receivables	725,750	579,980	702,884	564,570
<u>Other current receivables</u>				
Other receivables - related parties	-	-	54	-
Advance payments	91	-	91	-
Others	8	1,568	8	28
Total other current receivables	99	1,568	153	28
Total trade and other current receivables	725,849	581,548	703,037	564,598

As at December 31, 2023, the Company has trade accounts payable that is a state enterprise in the amount of Baht 4.49 million which is overdue more than 12 months. The management believes there is no risk in this debt collection.

9. Contract assets/Contract liabilities

(Unit : Thousand Baht)				
	Consolidated		The Company Only	
	2023	2022	2023	2022
<u>Contract assets</u>				
- Classified as current assets	396,044	392,670	382,784	367,546
- Classified as non-current assets	31,231	20,406	31,231	20,406
Total contract assets	427,275	413,076	414,015	387,952

(Unit : Thousand Baht)				
	Consolidated		The Company Only	
	2023	2022	2023	2022
<u>Contract liabilities</u>				
- Classified as current liability	298,371	20,912	298,371	19,103
- Classified as non-current liability	57,477	26,296	57,477	26,296
Total contract liabilities	355,848	47,208	355,848	45,399

Assets arising from the agreement from the company and subsidiary recognize the revenue from complying with the obligations under the agreement before accepting payment or before due date under the agreement as at the end of the reporting period. From classifying the asset aging from the agreement, long outstanding assets accrued arise from the nature of the project as long-term assignment. Mostly they are from state enterprises that the Company and subsidiary are sub-contractors which the Company and its subsidiary consider that such assets arising from such agreement has low credit risk. As such, no allowance for expected credit losses is recorded.

As at December 31, 2023, the balance of accrued service income amounting to Baht 396.04 million is expected to be paid within one year (2022: Baht 392.67 million ; Separate financial statements: Baht 382.78 million, 2022: Baht 367.55 million) and expected to be called after one year in the amount of Baht 31.23 million (2022: Baht 20.41 million ; Separate financial statements : Baht 31.23 million 2022 : Baht 20.41 million)

Contract assets /Contract liabilities are as follows:

(Unit : Thousand Baht)				
	Consolidated		The Company Only	
	2023	2022	2023	2022
Accumulated amount recognised as revenue				
based on percentage of completion	1,379,002	1,244,332	1,338,544	1,201,169
<u>Less: Value of total billed</u>	<u>(951,727)</u>	<u>(831,256)</u>	<u>(924,529)</u>	<u>(813,217)</u>
Contract assets	<u>427,275</u>	<u>413,076</u>	<u>414,015</u>	<u>387,952</u>
Received in advance collected under the				
contract	941,868	113,418	941,868	111,199
<u>Less: Accumulated amount recognised as</u>				
revenue based on percentage of				
completion	<u>(586,020)</u>	<u>(66,210)</u>	<u>(586,020)</u>	<u>(65,800)</u>
Contract liabilities	<u>355,848</u>	<u>47,208</u>	<u>355,848</u>	<u>45,399</u>

10. INVENTORIES

(Unit : Thousand Baht)				
	Consolidated		The Company Only	
	2023	2022	2023	2022
Equipment and deferred maintenance costs	11,046	27,047	10,701	26,741
Total	<u>11,046</u>	<u>27,047</u>	<u>10,701</u>	<u>26,741</u>

11. RESTRICTED BANK DEPOSITS

Restricted bank deposits are saving deposit and fixed deposit of the Company are pledged with the banks to secure a partial amount of credit facilities on bank guarantees and its subsidiary which are pledged with the banks to secure of credit facilities.

12. INVESTMENTS IN SUBSIDIARY

Details of investments in subsidiary as presented in the separate financial statements as follows:

	(Unit : Thousand Baht)					
	Paid-up capital		Investment proportion		Book value	
					Under cost method	
	2023	2022	2023	2022	2023	2022
Expert Engineering & Communication Co., Ltd.	20,000	20,000	51	51	35,700	35,700

13. ASSETS FOR LEASES

	Thousand Baht			
	Consolidated/Separate financial statements			
	Balance per book Dec. 31, 2022	Additions	Transferred in (Transferred out)	Balance per book Dec. 31, 2023
<u>At cost</u>				
Equipment	-	700,071	-	700,071
Total	-	700,071	-	700,071
<u>Less Accumulated depreciation</u>				
Equipment	-	(93,583)	-	(93,583)
Total	-	(93,583)	-	(93,583)
Assets for leases - net	-			606,488

As at December 31, 2023, the Company has minimum amounts on car leases under uncanceled operating lease agreements, presented by amounting in contracts as follow :-

	Thousand Baht
	Consolidated/ The Company Only
Under 1 year	169,400
Over 1 year to 5 years	529,799
Total	699,199

14. OFFICE IMPROVEMENTS AND EQUIPMENT

(Unit : Thousand Baht)

	Consolidated					
	Office improvement	Furniture and office equipment	Project tool and equipment	Motor vehicles	Computer equipment - Hardware	Total
Cost						
As at January 1, 2022	2,467	7,854	3,993	3,832	3,925	22,071
Additions	-	98	325	-	337	760
Transfer from right-of-use assets	-	-	-	1,112	-	1,112
Write off	-	(185)	(48)	(1,711)	(249)	(2,193)
As at December 31, 2022	2,467	7,767	4,270	3,233	4,013	21,750
Additions	-	102	-	-	335	437
Write off	-	(62)	(141)	-	(251)	(454)
As at December 31, 2023	2,467	7,807	4,129	3,233	4,097	21,733
Accumulated depreciation						
As at January 1, 2022	659	5,266	2,980	3,297	3,217	15,419
Depreciation for the year	438	652	765	370	442	2,667
Transfer from right-of-use assets	-	-	-	824	-	824
Depreciation on write off	-	(180)	(48)	(1,582)	(244)	(2,054)
As at December 31, 2022	1,097	5,738	3,697	2,909	3,415	16,856
Depreciation for the year	438	577	332	-	357	1,704
Depreciation on write off	-	(56)	(134)	-	(236)	(426)
As at December 31, 2023	1,535	6,259	3,895	2,909	3,536	18,134
Net book value						
As at December 31, 2022	1,370	2,029	573	324	598	4,894
As at December 31, 2023	932	1,548	234	324	561	3,599
Depreciation for the year						
2022 (Baht 1.37 million included in cost of sales and services, and the balance included in administrative expenses)						2,667
2023 (Baht 0.63 million included in cost of sales and services, and the balance included in administrative expenses)						1,704

1

(Unit : Thousand Baht)

	The Company Only					
	Office improvement	Furniture and office equipment	Project tool and equipment	Motor vehicles	Computer equipment - Hardware	Total
Cost						
As at January 1, 2022	2,467	6,827	3,650	3,411	3,401	19,756
Additions	-	56	-	-	309	365
Transfer from right-of-use assets	-	-	-	1,112	-	1,112
Write off	-	(91)	-	(1,290)	(124)	(1,505)
As at December 31, 2022	2,467	6,792	3,650	3,233	3,586	19,728
Additions	-	91	-	-	287	378
Write off	-	(62)	(118)	-	(251)	(431)
As at December 31, 2023	2,467	6,821	3,532	3,233	3,622	19,675
Accumulated depreciation						
As at January 1, 2022	659	4,321	2,660	2,876	2,728	13,244
Depreciation for the year	438	606	725	370	398	2,537
Transfer from right-of-use assets	-	-	-	824	-	824
Depreciation on write off	-	(85)	-	(1,161)	(118)	(1,364)
As at December 31, 2022	1,097	4,842	3,385	2,909	3,008	15,241
Depreciation for the year	438	536	257	-	343	1,574
Depreciation on write off	-	(56)	(110)	-	(236)	(402)
As at December 31, 2023	1,535	5,322	3,532	2,909	3,115	16,413
Net book value						
As at December 31, 2022	1,370	1,950	265	324	578	4,487
As at December 31, 2023	932	1,499	-	324	507	3,262
Depreciation for the year						
2022 (Baht 1.35 million included in cost of sales and services, and the balance included in administrative expenses)						2,537
2023 (Baht 0.57 million included in cost of sales and services, and the balance included in administrative expenses)						1,574

As at December 31, 2023, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 16.02 million (2022: Baht 7.34 million ; The Company Only: Baht 14.46 million, 2022: Baht 6.24 million).

15. RIGHT-OF-USE ASSETS

(Unit : Thousand Baht)

	Consolidated			
	Office rental	Office equipment	Motor vehicles	Total
Cost				
As at January 1, 2022	20,746	-	5,542	26,288
Addition during the year	-	612	4,276	4,888
Transfer to office improvement and equipment	-	-	(1,112)	(1,112)
As at December 31, 2022	20,746	612	8,706	30,064
Addition during the year	1,986	-	-	1,986
Decrease from contract cancellation	(2,396)	-	(401)	(2,797)
As at December 31, 2023	20,336	612	8,305	29,253
Accumulated depreciation				
As at January 1, 2022	3,981	-	1,822	5,803
Depreciation for the year	3,525	127	1,329	4,981
Transfer to office improvement and equipment	-	-	(824)	(824)
As at December 31, 2022	7,506	127	2,327	9,960
Depreciation for the year	3,521	154	1,524	5,199
Decrease from contract cancellation	(2,396)	-	(401)	(2,797)
As at December 31, 2023	8,631	281	3,450	12,362
Net book value				
As at December 31, 2022	13,240	485	6,379	20,104
As at December 31, 2023	11,705	331	4,855	16,891

(Unit : Thousand Baht)

	The Company Only			
	Office rental	Office equipment	Motor vehicles	Total
Cost				
As at January 1, 2022	18,350	-	5,141	23,491
Addition during the year	-	612	4,276	4,888
Transfer to office improvement and equipment	-	-	(1,112)	(1,112)
As at December 31, 2022	18,350	612	8,305	27,267
Addition during the year	-	-	-	-
As at December 31, 2023	18,350	612	8,305	27,267
Accumulated depreciation				
As at January 1, 2022	2,644	-	1,575	4,219
Depreciation for the year	2,855	127	1,206	4,188
Transfer to office improvement and equipment	-	-	(824)	(824)
As at December 31, 2022	5,499	127	1,957	7,583
Depreciation for the year	2,856	154	1,493	4,503
As at December 31, 2023	8,355	281	3,450	12,086
Net book value				
As at December 31, 2022	12,851	485	6,348	19,684
As at December 31, 2023	9,995	331	4,855	15,181

Lease liabilities

The carrying amounts of lease liabilities and the movement for the year ended December 31, 2023 are presented below:

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
As at January 1, 2023	20,868	20,421
Addition during the year	1,986	-
Accretion of interest	878	828
Payments during the year	(5,533)	(4,780)
As at December 31, 2023	18,199	16,469
Less: current portion	(4,771)	(4,130)
Lease liabilities - net of current portion	13,428	12,339



The following lease related expenses are the amounts recognised in profit or loss:

	(Unit: Thousand Baht)	
	Consolidated	The Company Only
Depreciation of right-of-use assets	5,199	4,503
Interest expense on lease liabilities	877	828
Expense relating to short-term lease	1,708	387
Leases of low-value assets	154	-
Total	7,938	5,718

16. GOODWILL

Goodwill in the consolidated statement of financial position, amounting to Baht 14.40 million, arose from the Company's investment in Expert Engineering & Communication Co., Ltd. on January 2, 2019. As a result of this acquisition, the Company directly held 51 percent of the paid up share capital of Expert Engineering & Communication Co., Ltd. with costs of investment directly attributable to the acquisition amounting to Baht 35.70 million, while the net fair value of the identifiable assets, liabilities and contingent liabilities on the acquisition date in proportion to its shareholding amounted to Baht 21.30 million.

The Company and its subsidiary allocated goodwill acquired through business combinations to the cash generating units (CGUs) for annual impairment testing.

The recoverable amount of the CGUs have been determined based on value in use calculation using cash flow projections from financial budgets approved by the management covering 5 year period.

Key assumptions used in value in use calculation are summarised below:

	Percent per annum
Growth rates	2
Discount rates	11

The management determined growth rates based on historical operation results and expected market growth and discount rates as the rate that reflects the risks specific to each CGU. At the end of the year, the management believes that there is no impairment loss for goodwill.

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17. INTANGIBLE ASSETS

The carrying amounts of the intangible assets as at December 31, 2023 and 2022 are summarised as follows:

	(Unit: Thousand Baht)			
	Consolidated			
	Software license	Customer relationships	Customer backlog	Total
As at December 31, 2023:				
Cost	1,485	14,319	316	16,120
Less: Accumulated amortisation	(1,328)	(10,220)	(226)	(11,774)
Net book value	157	4,099	90	4,346
As at December 31, 2022:				
Cost	1,485	14,319	316	16,120
Less: Accumulated amortisation	(1,296)	(8,176)	(181)	(9,653)
Net book value	189	6,143	135	6,467

A reconciliation of the net book value of intangible assets for the years 2023 and 2022 are presented below:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Net book value at the beginning of the year	6,467	8,657	187	205
Acquisition of software license	-	91	-	91
Amortisation	(2,121)	(2,281)	(30)	(109)
Net book value at the end of the year	4,346	6,467	157	187

18. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Cash to be refunded	24,376	20,784	24,375	20,784
Other non-current assets	1,502	1,487	1,498	1,482
Total	25,878	22,271	25,873	22,266

Cash to be refunded amounting to Baht 20.78 million is the refund to be recovered from the right to reserve the delay penalty from state enterprise. The Company is under the process of recovering the cash back under the measures to assist entrepreneurs during the pandemic of Coronavirus 2019 issued by the Comptroller General's Department. The management believes that it will receive the penalty back from such enterprise in full.

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And in 2023 cash to be refunded amounting to Baht 3.59 million is the refund from a state enterprise customer as per the right to reserve the delay delivery of work. However, the cause of the delay is not due to the Company's operations and the company has periodically reported the situation to customers. The management believes that it will be refunded from such enterprise in full.

19. SHORT-TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit: Thousand Baht)			
	Interest rate (percent per annum)		Consolidated	
	2023	2022	2023	2022
Trust receipt payable	-	3.97 - 4.49	-	4,490
Short-term loans from financial institutions	4.00	3.75	16,323	20,247
Total			16,323	24,737

	(Unit: Thousand Baht)			
	Interest rate (percent per annum)		The Company Only	
	2023	2022	2023	2022
Short-term loans from financial institutions	4.00	3.75	16,323	20,247
Total			16,323	20,247

The short-term loan facilities of the Company are collateral-free and its subsidiary are secured by bank deposit.

20. TRADE AND OTHER CURRENT PAYABLES

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Trade payables - unrelated parties	364,679	206,980	352,425	199,214
Other current payables	476	1,095	476	1,095
Retention payables	366	1,150	366	1,118
Accrued expenses	25,180	14,670	24,116	13,614
Total trade and other current payables	390,701	223,895	377,383	215,041

21. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS

Movement of long-term loan from the financial institution for the year ended December 31, 2023 and 2022 are summarised as follows:

	(Unit: Thousand Baht)	
	Consolidated / The Company Only	
	As at December 31, 2023	As at December 31, 2022
Long-term loans at the beginning of the year	79,814	90,000
Received loans during the year	-	-
Repayment of loans during the year	(11,112)	(10,186)
Long-term at the end of the year	68,702	79,814
<u>Less</u> current portion of long-term loans	(11,112)	(11,112)
Long-term loans from local financial institution - net	57,590	68,702
Trust receipt payable	67,128	-
Total	124,718	68,702

As December 31, 2023, the Company has trust receipt payable amount of Baht 67.13 million. The interest is 5.27 percent per annum, due in 2025 to 2026.

As at December 31, 2023 and 2022, the Company has entered into a long-term loan agreements with local financial institutions of 2 credit lines in the total amount of Baht 90 million for use as working capital. The interest is 2-5 percent per annum. Guaranteed by Thai Credit Guarantee Corporation (TCG). The Company has to comply with the conditions stipulated under the agreement.

22. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

The amount of reserve for long-term employee benefit which is the severance payment upon employment termination as follows:

(Unit : Thousand Baht)				
	Consolidated		The Company Only	
	2023	2022	2023	2022
Provision for long-term employee benefits at the beginning of the year	19,688	20,037	17,937	18,740
Included in profit or loss:				
Current service cost	3,916	4,237	3,396	3,765
Interest cost	434	340	393	310
Total	24,038	24,614	21,726	22,815
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	573	-	192
Financial assumptions changes	-	(1,317)	-	(1,377)
Experience adjustments	-	(3,034)	-	(2,545)
Total	-	(3,778)	-	(3,730)
Benefits paid during the year	(601)	(1,148)	(601)	(1,148)
Provision for long-term employee benefits at the end of the year	23,437	19,688	21,125	17,937
Provision for long-term employee benefits				
- Current	546	4,601	546	4,601
- Non current	22,891	15,087	20,579	13,336
Balance at the end of the year	23,437	19,688	21,125	17,937

As at December 31, 2023 and 2022, the weighted average duration of the liabilities for long - term employee benefit of the Company and its subsidiaries is 7.12 - 15.38 years. (The Company Only: for the year 2023 and the year 2022 are 7.12 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Discount rate	2.24% - 2.41%	2.24% - 2.41%	2.24%	2.24%
Salary increase rate	3%	3%	3%	3%
Turnover rate	0% - 9%	0% - 9%	0% - 9%	0% - 9%

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

	(Unit: Thousand Baht)			
	As at December 31, 2023			
	Consolidated		The Company Only	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,528)	1,742	(1,282)	1,449
Salary increase rate	1,773	(1,580)	1,423	(1,284)
Turnover rate	(1,608)	302	(1,348)	289

	(Unit: Thousand Baht)			
	As at December 31, 2022			
	Consolidated		The Company Only	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,346)	1,544	(1,137)	1,293
Salary increase rate	1,364	(1,211)	1,089	(979)
Turnover rate	(1,417)	380	(1,196)	269

23. LEGAL RESERVE

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a legal 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 legal reserve is not available for dividend distribution.

24. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregated revenue information

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Type of goods or service:				
Sale from supply and maintenance	682,478	517,904	641,454	475,654
Sale from turnkey business	1,011,816	763,063	988,817	732,423
Service-type warranties	164,152	162,048	163,168	162,024
Total revenue from contracts with customers	<u>1,858,446</u>	<u>1,443,015</u>	<u>1,793,439</u>	<u>1,370,101</u>

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Timing of revenue recognition:				
Revenue recognised at a point in time	137,249	81,393	136,799	78,384
Revenue recognised over time	<u>1,721,197</u>	<u>1,361,622</u>	<u>1,656,640</u>	<u>1,291,717</u>
Total revenue from contracts with customers	<u>1,858,446</u>	<u>1,443,015</u>	<u>1,793,439</u>	<u>1,370,101</u>

For the year ended December 31, 2023 and 2022, the Company has revenue and expense from service in conjunction to telecommunication business license Type 1 according to the announcement of the National Broadcasting and Telecommunications Commission (NBTC) as follows:

	(Unit: Thousand Baht)	
	Consolidated / The Company Only	
	2023	2022
Revenues from service in telecommunication	43,681	43,256
Expense from service in telecommunication	(38,692)	(32,412)



25. INCOME TAX

Corporate income tax for the year was calculated on profit before income tax for the year using the estimated effective tax rate for the year.

Income tax expenses for the years ended December 31, 2023 and 2022 are summarised as follows:

(Unit: Thousand Baht)				
	Consolidated		The Company Only	
	2023	2022	2023	2022
Income tax expense (revenues) shown in profit or loss :				
Current income tax:				
Current corporate income tax charge	46,458	35,834	45,902	35,115
Deferred tax:				
Relating to origination of temporary differences	(646)	(1,743)	(148)	(1,290)
Total	45,812	34,091	45,754	33,825
Income tax expense (revenue) shown in other comprehensive income :				
Deferred tax :				
Actuarial gain (loss) from defined benefit plans	-	756	-	746
Total	-	756	-	746

The reconciliation between accounting profit and income tax expense are shown below:

(Unit: Thousand Baht)				
	Consolidated		The Company Only	
	2023	2022	2023	2022
Accounting profit before income tax	220,641	167,077	221,026	167,479
Applicable income tax rate (%)	20%	20%	20%	20%
Accounting profit before income tax multiplied by income tax rate	44,128	33,415	44,205	33,496
Effects of :				
Non-deductible expenses	1,866	1,138	1,729	788
Additional expense deductions allowed	(182)	(462)	(180)	(459)
Total	1,684	676	1,549	329
Income tax expense reported in the statement of comprehensive income	45,812	34,091	45,754	33,825

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Deferred tax assets				
Provision for long-term employee benefits	4,687	3,938	4,225	3,587
Provision for project delay and warranty	607	926	523	812
Accumulated amortisation of intangible assets	110	77	110	77
Leases	112	94	117	98
(Gain) loss from revaluations at fair value of exchange forward contract	13	266	13	266
Deferred tax liability				
Customer relationships	(820)	(1,229)	-	-
Customer backlog	(18)	(27)	-	-
Total deferred tax assets (liabilities) - net	4,691	4,045	4,988	4,840

26. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing net profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares which are issued and paid-up during the year.

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

In case the warrant to purchase ordinary shares of the Company has an exercise price higher than the average market price of common shares during the year. The effect of diluted equivalent ordinary shares will not be shown and not effect on the diluted earnings per share.

The following table sets forth the computation of basic and diluted earnings per share:

	Consolidated					
	Profit for the year		Weighted average		Earnings	
			number of ordinary shares		per share	
	2023	2022	2023	2022	2023	2022
	(Thousand	(Thousand	(Thousand	(Thousand	(Baht)	(Baht)
	Baht)	Baht)	shares)	shares)		
Basic earnings per share						
Profit attributable to equity holders of						
the Company	175,046	132,545	630,780	554,190	0.28	0.24
Effect of dilutive potential						
ordinary shares						
Warrants (ICN-W1)			-	43,916		
Diluted earnings per share	175,046	132,545	630,780	598,106	0.28	0.22

	The Company Only					
	Profit for the year		Weighted average		Earnings	
			number of ordinary shares		per share	
	2023	2022	2023	2022	2023	2022
	(Thousand	(Thousand	(Thousand	(Thousand	(Baht)	(Baht)
	Baht)	Baht)	shares)	shares)		
Basic earnings per share						
Profit attributable to equity holders of						
the Company	175,272	133,654	630,780	554,190	0.28	0.24
Effect of dilutive potential						
ordinary shares						
Warrants (ICN-W1)			-	43,916		
Diluted earnings per share	175,272	133,654	630,780	598,106	0.28	0.22

6

27. EXPENSES BY NATURE

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Salaries and wages and other employee				
benefits	174,078	149,493	165,959	136,882
Depreciation and amortisation expenses	99,810	9,926	99,691	6,837
Project delay and warranty (reversal)	(1,290)	1,960	(1,441)	1,820
Entertainment fee	9,775	7,875	9,539	7,528
Purchase of goods	577,161	557,914	570,248	543,972
Subcontractor	606,950	415,002	563,113	369,934
Changes in inventories of finished goods				
and work in progress	14,004	42,984	13,659	42,677

28. SEGMENT INFORMATION

Operating segment information is reported in a consistent manner with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as the Company and its subsidiary's Board of Directors. The Company and its subsidiary are principally engaged in the system integration in telecommunication business. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Information about major customers

For the year ended December 31, 2023 and 2022, the Company has revenue from 2 major customer in the amount of Baht 1,234 million, and 1 customers in the amount of Baht 923 million respectively. Mostly arising from sales and services in the system integration in telecommunication business segments.

29. PROVIDENT FUND

The Company and its subsidiary and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiary contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by BBL Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the rules of the provident fund of the Company and its subsidiary. During the year 2023, the Company and its subsidiary contributed Baht 3.36 million to the fund (2022: Baht 3.61 million; The Company Only: Baht 3.09 million, 2022: Baht 3.30 million).

30. DIVIDENDS

Dividends	Approved by	Dividend per share (Baht)	Total dividends (Thousand Baht)
Annual dividends for 2021	Annual General Meeting of the shareholders on April 20, 2022	0.20	90,000
Interim dividends for 2022	Board of Directors' Meeting on November 10, 2022	0.10	61,792
Total dividends for 2022		0.30	151,792
Annual dividends for 2022	Annual General Meeting of the shareholders on April 20, 2023	0.10	61,800
Interim dividends for 2023	Board of Directors' Meeting on November 9, 2023	0.15	94,500
Total dividends for 2023		0.25	156,300

The Company paid dividends by 449,924,800 shares and 617,889,813 shares for 2022 and by 617,899,113 shares and 630,033,469 shares for 2023 as specified by Thailand Securities Depository Company Limited.

31. WARRANTS

On November 17, 2021, the resolution passed by the Extraordinary Meeting of the Company's shareholders No. 1/2021 approve to increase the company's registered capital not over Baht 112.50 million from the former registered capital Baht 225 million to Baht 337.50 million by issuing capital increase ordinary shares not over 225 million shares at the par value of Baht 0.50 per share to support the exercise of warrants ("ICN-W1") allocated to existing shareholders by shareholding stake. The Company has registered the capital increase with the Ministry of Commerce on November 26, 2021. And approving the Company issued and offered 225 million units of transferable warrants ("ICN-W1") with registered holders to the existing shareholders free of charge, in a ratio of 1 warrant for every 2 existing shares (fraction from the calculation should be rounded). These warrants can be exercised for a period of 2 years from the issue date (December 1, 2021) with an exercise ratio of 1 warrant per 1 ordinary share and an exercise price of Baht 1.00 per share. Warrant holders can exercise the warrants on the last working day of March and September in each calendar year until the maturity date, with the first exercise date on March 31, 2022 with the exception of September 2023 and the last exercise date on November 30, 2023.

On March 2022 the Company received the shares capital increase from the exercise of warrants to purchase the ordinary shares No.1 ("ICN-W1") 122.47 million units. The exercise price is at Baht 1.00 in total Baht 122.47 million. The share surplus is Baht 61.24 million. The Company registered the capital increase of the ordinary shares 122.47 million units and an exercise price of Baht 0.50 per share in total Baht 61.24 million with Ministry of Commerce on April 5, 2022. The Stock Exchange of Thailand received such capital increase shares as listed securities on April 12, 2022.

On September 2022 the Company received the shares capital increase from the exercise of warrants to purchase the ordinary shares No.2 ("ICN-W1") 45.44 million units. The exercise price is at Baht 1.00 in total Baht 45.44 million. The share surplus is Baht 22.72 million. The Company registered the capital increase of the ordinary shares 45.44 million units and an exercise price of Baht 0.50 per share in total Baht 22.72 million with Ministry of Commerce on October 6, 2022. The Stock Exchange of Thailand received such capital increase shares as listed securities on October 10, 2022.

On March 2023 the Company received the shares capital increase from the exercise of warrants to purchase the ordinary shares No.3 ("ICN-W1") 12.14 million units. The exercise price is at Baht 1.00 in total Baht 12.14 million. The share surplus is Baht 6.07 million. The Company registered the capital increase of the ordinary shares 12.14 million units and an exercise price of Baht 0.50 per share in total Baht 6.07 million with Ministry of Commerce on April 4, 2023. The Stock Exchange of Thailand received such capital increase shares as listed securities on April 10, 2023.

6

On November 2023 the Company received the shares capital increase from the exercise of warrants to purchase the ordinary shares No.4 (“ICN-W1”) 42.05 million units. The exercise price is at Baht 1.00 in total Baht 42.05 million. The share surplus is Baht 21.02 million. The Company registered the capital increase of the ordinary shares 42.05 million units and an exercise price of Baht 0.50 per share in total Baht 21.02 million with Ministry of Commerce on December 7, 2023. The Stock Exchange of Thailand received such capital increase shares as listed securities on December 13, 2023.

For the year 2022 the exercise of warrants to purchase the ordinary shares 167.92 million units. The exercise price is at Baht 1.00 in total Baht 167.92 million. The share surplus is Baht 83.96 million.

For the year 2023 the exercise of warrants to purchase the ordinary shares 54.18 million units. The exercise price is at Baht 1.00 in total Baht 54.18 million. The share surplus is Baht 27.09 million.

32. FINANCIAL INSTRUMENTS

32.1 Financial risk management

The Company and its subsidiary's financial instruments, as defined under Thai Accounting Standard, comprise cash and cash equivalents, current investments, trade and other current receivables, restricted bank deposits, trade and other current payables and liabilities under lease agreements. The financial risks associated with these financial instruments and how they are managed are described below.

Credit risk

The Company and its subsidiary are exposed to credit risk primarily with respect to trade and other current receivable. The Company and its subsidiary manages the risk by adopting appropriate credit control policies and procedures and most customers are government agencies or companies in which the government is a major shareholder. Therefore, the Company and its subsidiary do not expect to incur material financial losses. The maximum exposure to credit risk is limited to the carrying amounts of trade and other current receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiary are exposure to interest rate risk relates primarily to its cash at banks, current investments and liabilities under lease agreements. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at December 31, 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)

Consolidated						
As at December 31, 2023						
	Fixed interest rates			Floating	Non- interest	Effective
	Within	1-5	Over	interest rate	bearing	interest rate
	1 year	years	5 years			(% per annum.)
Financial assets						
Cash and cash equivalents	-	-	-	174.53	0.01	174.54
Current investments	1.46	-	-	-	-	1.46
Trade and other current receivables	-	-	-	-	725.85	725.85
Restricted bank deposits	34.44	-	-	-	-	34.44
	35.90	-	-	174.53	725.86	936.29
Financial liabilities						
Short-term loans from financial institutions	16.32	-	-	-	-	16.32
Trade and other current payables	-	-	-	-	390.70	390.70
Trade non-current payables	-	-	-	-	86.04	86.04
Long-term loans from financial institutions	11.11	124.72	-	-	-	135.83
Lease liabilities	4.77	13.43	-	-	-	18.20
	32.20	138.15	-	-	476.74	647.09

(Unit: Million Baht)

Consolidated						
As at December 31, 2022						
	Fixed interest rates			Floating	Non- interest	Effective
	Within	1-5	Over	interest rate	bearing	interest rate
	1 year	years	5 years			(% per annum.)
Financial assets						
Cash and cash equivalents	-	-	-	127.05	0.01	127.06
Current investments	1.40	-	-	-	-	1.40
Trade and other current receivables	-	-	-	-	581.55	581.55
Restricted bank deposits	72.34	-	-	-	-	72.34
	73.74	-	-	127.05	581.56	782.35
Financial liabilities						
Short-term loans from financial institutions	24.74	-	-	-	-	24.74
Trade and other current payables	-	-	-	-	223.89	223.89
Long-term loans from financial institutions	11.11	68.70	-	-	-	79.81
Lease liabilities	4.40	16.47	-	-	-	20.87
	40.25	85.17	-	-	223.89	349.31

(Unit: Million Baht)

The Company Only						
As at December 31, 2023						
	Fixed interest rates			Floating	Non- interest	Effective
	Within	1-5	Over	interest rate	bearing	interest rate
	1 year	years	5 years			(% per annum.)
Financial assets						
Cash and cash equivalents	-	-	-	161.88	0.01	0.1 - 0.6
Current investments	0.65	-	-	-	-	0.6 - 1.1
Trade and other current receivables	-	-	-	-	703.04	-
Restricted bank deposits	25.62	-	-	-	-	0.6 - 1.1
	<u>26.27</u>	<u>-</u>	<u>-</u>	<u>161.88</u>	<u>703.05</u>	<u>891.20</u>
Financial liabilities						
Short-term loans from financial institutions	16.32	-	-	-	-	4.0
Trade and other current payables	-	-	-	-	377.38	-
Trade non-current payables	-	-	-	-	86.04	-
Long-term loans from financial institutions	11.11	124.72	-	-	-	2.0 - 5.3
Lease liabilities	4.13	12.34	-	-	-	2.6 - 7.4
	<u>31.56</u>	<u>137.06</u>	<u>-</u>	<u>-</u>	<u>463.42</u>	<u>632.04</u>

(Unit: Million Baht)

The Company Only						
As at December 31, 2022						
	Fixed interest rates			Floating	Non- interest	Effective
	Within	1-5	Over	interest rate	bearing	interest rate
	1 year	years	5 years			(% per annum.)
Financial assets						
Cash and cash equivalents	-	-	-	125.14	0.01	0.1 - 0.5
Current investments	0.60	-	-	-	-	0.2 - 0.5
Trade and other current receivables	-	-	-	-	564.60	-
Restricted bank deposits	63.52	-	-	-	-	0.1 - 0.5
	<u>64.12</u>	<u>-</u>	<u>-</u>	<u>125.14</u>	<u>564.61</u>	<u>753.87</u>
Financial liabilities						
Short-term loans from financial institutions	20.25	-	-	-	-	3.8
Trade and other current payables	-	-	-	-	215.04	-
Long-term loans from financial institutions	11.11	68.70	-	-	-	2.0 - 5.0
Lease liabilities	3.95	16.47	-	-	-	2.6 - 7.4
	<u>35.31</u>	<u>85.17</u>	<u>-</u>	<u>-</u>	<u>215.04</u>	<u>335.52</u>

6

Foreign currency risk

The Company's exposure to foreign currency risk arises mainly from trading transactions that are denominated in foreign currencies. As at December 31, 2023 and 2022 the balances of financial liabilities denominated in foreign currencies are summarised below:

Foreign currency	Consolidated/The Company Only			
	Financial liabilities		Average exchange rate	
	(Million)		(Baht per 1 foreign currency unit)	
	2023	2022	2023	2022
USD	-	0.49	-	34.7335

32.2 Forward foreign exchange contracts

The Company has entered into forward foreign exchange contracts to manage the exposure to the fluctuations in foreign currencies of trade payables and other payables denominated in foreign currencies.

As at December 31, 2023, the Company have outstanding forward foreign exchange contracts which can be summarised as follows:

currency	amount of foreign currency (thousands)	contract amount (thousand baht)	fair value (thousand baht)
USD	39	1,384	1,320

32.3 Fair value estimation

Analysis of financial instruments that are measured at fair value are classified by the valuation methods. The differences of fair value hierarchy are defined as follows:

- Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Use of observable inputs other than quoted prices included within Level 1 for assets or liabilities, either directly (e.g. prices) or indirectly (e.g. derived from prices).
- Level 3 - Use of unobservable inputs such as estimates of future cash flows.

Net fair values

As at December 31, 2023, the fair values of forward foreign exchange buying contracts were stated as net liabilities of Baht 0.06 million which was shown under "other current liabilities" in the statement of financial position.

The fair value of forward foreign exchange contracts is determined by the market rate of each contract, which is calculated by financial institutions dealing with the Company at the date of the statement of financial position.

The fair values of derivative financial instruments, which are forward foreign exchange contract, are the market prices adjusted by credit risk of the Company which is calculated by the financial institution of the Company as at the statement of financial position date. This valuation techniques applies at most the available and observable market data and rely as restricted as possible on the entity specific estimates which is the fair value hierarchy in level 2.

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Changes in the liabilities arising from financing activities for the years ended December 31, 2023 and 2022 are as follows:

	(Unit: Thousand Baht)			
	Consolidated			
	Balance as at December 31, 2022	Cash flows increase (decrease) *	Non-cash transaction increase	Balance as at December 31, 2023
Short-term loans from financial institutions	24,737	(8,414)	-	16,323
Long-term loans from financial institutions	79,814	56,016	-	135,830
Lease liabilities	20,868	(4,655)	1,986	18,199

	(Unit: Thousand Baht)			
	The Company Only			
	Balance as at December 31, 2022	Cash flows increase (decrease) *	Non-cash transaction increase	Balance as at December 31, 2023
Short-term loans from financial institutions	20,247	(3,924)	-	16,323
Long-term loans from financial institutions	79,814	56,016	-	135,830
Lease liabilities	20,421	(3,952)	-	16,469

	(Unit: Thousand Baht)			
	Consolidated			
	Balance as at December 31, 2021	Cash flows increase (decrease) *	Non-cash transaction increase	Balance as at December 31, 2022
Short-term loans from financial institutions	30,967	(6,230)	-	24,737
long-term loans from financial institutions	90,000	(10,186)	-	79,814
Lease liabilities	20,749	(4,403)	4,522	20,868

(Unit: Thousand Baht)

	The Company Only			
	Balance	Cash flows	Non-cash	Balance
	as at December	increase	transaction	as at December
	31, 2021	(decrease) *	increase	31, 2022
Short-term loans from financial institutions	30,967	(10,720)	-	20,247
long-term loans from financial institutions	90,000	(10,186)	-	79,814
Lease liabilities	19,486	(3,587)	4,522	20,421

* Financing cash flows included net proceed and repayment cash transactions in the statements of cash flows.

34. COMMITMENTS AND CONTINGENT LIABILITIES

34.1 Operating lease and service agreement commitments

The Company and its subsidiary have entered into several lease agreements and service agreements in respect of building, office building space, office equipment and motor vehicles. The terms of the agreements are generally between 1 to 4 years.

Future minimum lease payments required under these non-cancellable operating leases and service agreement contracts are as follows:

	(Unit: Million Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Paid				
Up to 1 year	0.65	0.95	0.50	0.40
Over 1 and up to 4 years	-	0.06	-	0.06

34.2 Obligations relating to sales and services under the contracts

As at December 31, 2023 and 2022, the Company and its subsidiary had contracts related to the selling of goods and services that are undelivered and unrendered to their customers of approximately Baht 1,822 million and Baht 929 million (the Company Only: Baht 1,782 million and Baht 872 million), respectively.

34.3 Guarantees

34.3.1 The outstanding bank guarantees issued by the bank on behalf of the Company and its subsidiary in respect of certain performance bonds as required in the normal course of business. The details of the bank guarantees are as follows:

1

	(Unit: Million Baht)			
	Consolidated		The Company Only	
	2023	2022	2023	2022
Guarantee of contractual performance	445	348	442	345
Guarantee of advance payment bond	107	34	107	33
Guarantee of bidding	40	180	33	179
Total	592	562	582	557

As at December 31, 2023 and 2022, a partial amount of credit facilities on bank guarantees is secured by the saving deposit and fixed deposit of the Company and its subsidiary.

34.3.2 As at December 31, 2023, the Company has not outstanding letters of credit (2022: THB 61.28 million and USD 2.09 million).

35. CAPITAL MANAGEMENT

The primary objective of the Company and its subsidiary's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at December 31, 2023, the Company and its subsidiary's debt-to-equity ratio was 1.40:1 (2022: 0.68:1) and the Company's was 1.38:1 (2022: 0.65:1)

36. RECLASSIFICATION

The Company reclassified certain items in the financial statements for the year ended December 31, 2022 to conform with the classification in the financial statements for the year ended December 31, 2023 with no effect on previously reported net profit or shareholders' equity.

	(Unit: Baht)		
	Consolidated		
	As at December 31, 2022		
	Previously reported	Increase (Decrease)	Reclassified
STATEMENTS OF FINANCIAL POSITION			
Current assets			
Trade and other current receivables	602,331,868	(20,783,908)	581,547,960
Non-current assets			
Other non-current assets	1,486,789	20,783,908	22,270,697

	(Unit: Baht)		
	The Company Only		
	As at December 31, 2022		
	Previously reported	Increase (Decrease)	Reclassified
STATEMENTS OF FINANCIAL POSITION			
Current assets			
Trade and other current receivables	585,382,281	(20,783,908)	564,598,373
Non-current assets			
Other non-current assets	1,481,800	20,783,908	22,265,708

	(Unit: Baht)		
	Consolidated		
	As at December 31, 2022		
	Previously reported	Increase (Decrease)	Reclassified
STATEMENTS OF CASH FLOWS			
Cash flows from operating activities			
Decrease (increase) in operating assets			
Trade and other current receivables	(382,334,151)	20,783,908	(361,550,243)
Other non-current assets	648,607	(20,783,908)	(20,135,301)

	(Unit: Baht)		
	The Company Only		
	As at December 31, 2022		
	Previously reported	Increase (Decrease)	Reclassified
STATEMENTS OF CASH FLOWS			
Cash flows from operating activities			
Decrease (increase) in operating assets			
Trade and other current receivables	(395,869,094)	20,783,908	(375,085,186)
Other non-current assets	648,607	(20,783,908)	(20,135,301)

37. EVENT AFTER THE REPORTING PERIOD

On February 21, 2024, the Board of Director's Meeting of the Company No.1/2024 passed a resolution to propose to the Annual General Meeting of the Company's shareholders for the approval to approve the payment of a dividend in respect of the operating results of 2023 of Baht 0.08 per share, which is an addition of an interim dividend payment of Baht 0.15 per share, totaling dividend payment of Baht 0.23 per share.

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's Board of Directors on February 21, 2024.

6


Mr. Ronapoom Rungruangpol


Information and Communication Networks Public Company Limited
บริษัท อินเทอร์เน็ต ประเทศไทย จำกัด (มหาชน)


Mr. Pornchai Krivichian