



# Annual Report 2023

(Form 56-1 One Report)

Simat Technologies Public Company Limited



## Message from **The Chairman of the Board of Directors**

I am delighted to be part of the team supporting the company's business operations. The company plays a vital role in advancing our nation's prosperity, particularly in the telecommunications, communications, renewable energy, and engineering development sectors.

In the past year of 2013, the management team and all employees of SIMAT GROUP have been dedicated and hardworking in steering the group of companies towards stable and sustainable growth. Our aim is to generate favorable returns for shareholders and all stakeholders while contributing to economic resilience. Upholding principles of good governance and embracing social and environmental responsibilities are paramount as we strive for balanced and sustainable growth.

On behalf of the Chairman of the Board of Directors, I extend my heartfelt gratitude to shareholders, business partners, customers, government agencies, and stakeholders for their unwavering confidence and support. I also commend all executives and employees for their steadfast commitment to excellence, even during the most challenging times. Rest assured, the company remains resolute and dedicated to its mission of building a stable, robust foundation for sustainable growth.

Assistant Professor Pisit Saeng-Xuto  
**Chairman of the board of directors**



## Message from **Chief Executive Officer**

In the past year of 2023, the Company and its affiliated companies pursued a business plan aimed at expanding their operations, with a focus on renewable energy and engineering projects. Building upon the business plan initiated at the end of 2022, the Company successfully increased its income in these related sectors by more than 100 million baht. Additionally, it forged partnerships with businesses and manufacturers involved in renewable energy and engineering products.

Regarding the plan to list Hinsitsu (Thailand) Public Company Limited (HST), a subsidiary of the Company, in the Market for Alternative Investment (MAI), the spin-off process is filing submit, the necessary forms for submission to the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand have been filed since the end of 2023.

Over the past 2-3 years, the Company has been diligently seeking opportunities for steady growth. It has leveraged its technological capabilities and invested in personnel development to effectively tackle new opportunities and challenges. Furthermore, there is a Business Expansion plan in place aimed at fortifying the organization, accommodating social adjustments, and meeting customer needs for sustainable growth. The Company extends its heartfelt gratitude to the board of directors, management team, employees, and customers for their unwavering support.

Finally, on behalf of SIMAT GROUP, all executives and employees express their appreciation for the trust and continuous support extended to the Company. They assure stakeholders that the Company remains committed to conducting its operations with integrity, adhering to principles of good governance, and considering the rights and benefits of all stakeholders while upholding environmental and social responsibility. The Company is dedicated to achieving stable growth and generating sustainable returns.

Mr. Boonlerd Iewpornchai  
**Chief Executive Officer**

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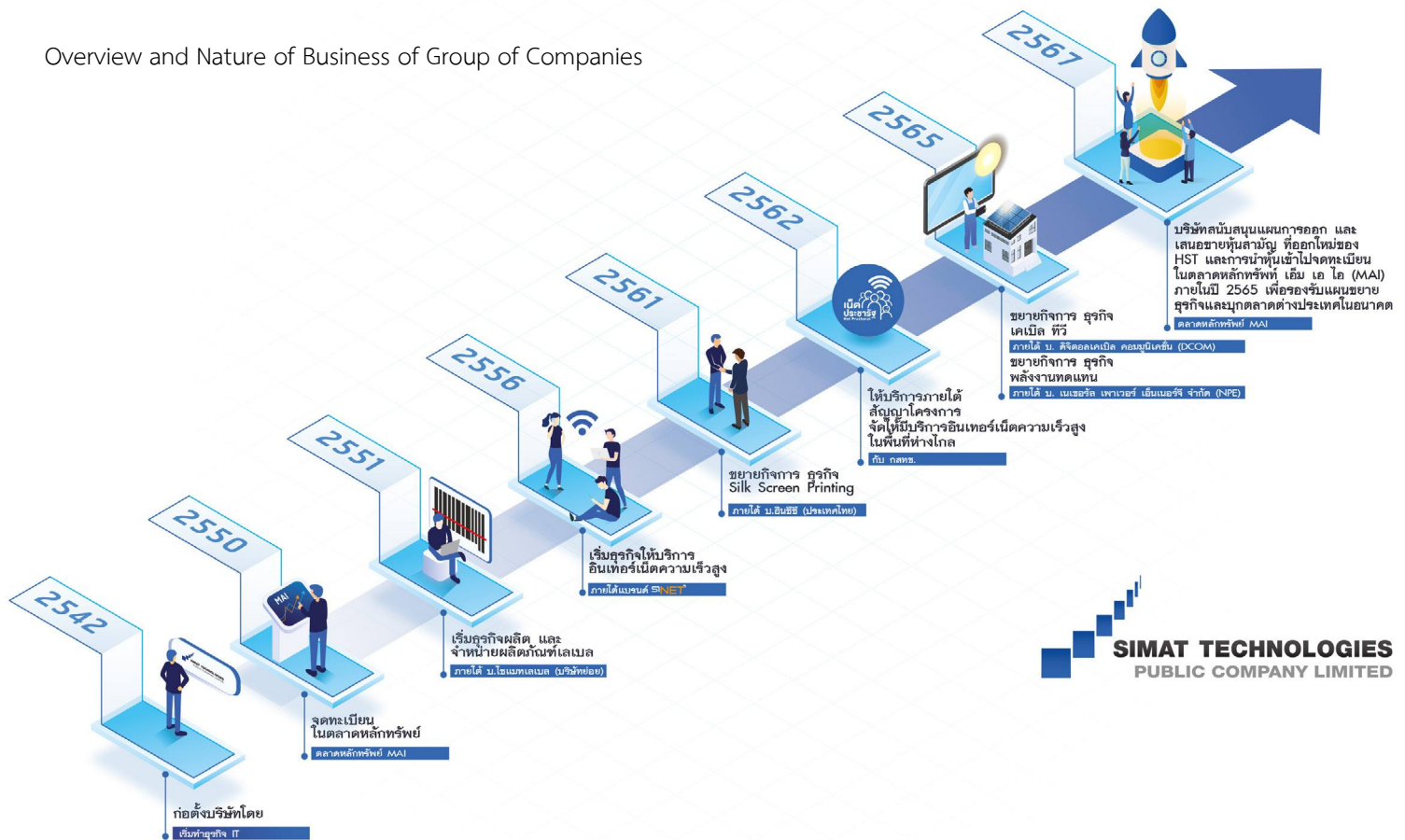
# **Part 1**

# **Business Operations and Operating Results**



# 1. Structure and Operations of the Group of Companies.

## Overview and Nature of Business of Group of Companies



- 1999** The Company was established by Mr. Thongkam Manasilapan, under the name Simat Mobile Computer Company Limited (former name) which conducts the business of distributing mobile computer equipment (Mobile Computer). Further the Company developed and expanded into the business of providing technology under the name of Simat Technologies Public Company Limited.
- 2007** The Company listed its shares on the MAI Stock Exchange.
- 2008** The Company established Simat Label Company (“Subsidiary”) to engage in the business of producing and distributing Label products.
- 2008** The Company expanded its business to Vietnam by investing in Sino Trading and Service Corporation. (“Associated Company”) (40% owned by Simat Technologies Public Company Limited) to expand to Vietnam.
- 2013** The Company expanded its business to broadband business. It provides high-speed internet service via fiber optic network (FTTx) under the brand “Sinet”.
- 2018** The Company expanded its business to the silk screen printing business by investing in shares of Hinsitsu (Thailand) Company Limited, amounting to 70 percent of all common shares.
- 2019** The Company has started providing high-speed internet service within the project contract to provide high-speed internet service in remote areas in the northeastern region with the NBTC Office.

**2022** The Company expanded its business to the cable TV business by investing in the shares of Digital Cable Communication Company Limited (DCOM), 50 percent of all common shares and has expanded its business to the renewable energy business and engineering by jointly investing in establishing Natural Power Energy Company Limited (NPE), amounting to 60 percent of all common shares.

**2024** The Company supports the plan to issue and offer newly issued ordinary shares of HST and to list the shares on the MAI Stock Exchange (MAI) to support further business expansion plans and enter foreign markets in the future. The Company has increased capital in Natural Power Energy Company Limited (NPE) to be 84 percent of all common shares . Then, Natural Power Energy Company Limited (NPE) has invested the raised capital in solar energy project producing energy and selling to customers, amounting to a total of 8 projects.

## 1.1 Policy and overview of business operations

### 1.1.1 Vision, objectives, goals and strategies

The Company has set goals for sustainable business growth and development within the next 5 years as follows:

- Focus on expanding business in government projects related to providing high-speed internet and information technology.
- Focus on the business of renewable energy, batteries, electric vehicle chargers , electric cars , and carbon credit business.
- Reduce the size of the high-speed internet service business in the consumer market adjusting to market conditions and competition while deciding to expand into the corporate customer market, a target with good profits and stable income
- Develop label product business and silkscreen achieving high-quality products with specific features according to the needs of customers in the electrical and electronic appliances group.
- Carry out mergers and acquisitions to expand business into related businesses.
- Leading Hinsitsu (Thailand) Public Company Limited (HST) , which is a subsidiary of the Company to list on the Market for Alternative Investment (MAI) , such spin-off will help strengthen its finances by raising funds on the stock exchange by itself to support the business expansion of HST and HST's subsidiaries in the future, reducing dependence on funding sources from the Company. This will benefit HST and its shareholders in the long run.

The Company has set a strategy for operating its business, emphasizing strategies and differentiation. In order to make the Company's business achieve core competency and competitive advantage over competitors, the Company has been positioning itself in the market without focusing on achieving low prices but providing high quality service and products.

### 1.1.2 Important changes and developments

#### Power to control of the Company in the past year

In the past year, there were no persons or juristic persons that has majority control over the business, that is, there are no shareholders with voting rights in the Company exceeding 50 percent of the total number of voting rights. Therefore, there is no one directly or indirectly with majority votes at the shareholders meeting.

### Nature of business operations in the past year

1. Government project business
2. Producing and distributing label products business
3. Silk Screen printing business
4. Broadband internet service business
5. Renewable energy business
6. IT business
7. Trading business

Changes in shareholding structure, management or business operations or other important events

In the past year, the Company has purchased 3 percent of the common shares of Hinsitsu (Thailand) Public Company Limited from One to One Contacts Public Company Limited, resulting in the proportion of shareholding in Hinsitsu (Thailand) Company Public Company Limited to change from 60 percent to 63 percent. (no effect on control). The Company has disclosed such information, impact on financial position and operating results in the management discussion and analysis report.

### 1.1.3 Commitments that the Company promises in the securities offering form

-None-

### 1.1.4 Company's name, location of head office, type of business, registration number, telephone, website, and total number and type of shares sold.

<b>Company name</b>	Simat Technologies Public Company Limited
<b>Business type</b>	1. Providing complete information technology services 2. Providing broadband internet service
<b>Location: Head office</b>	No. 123 /143-144 Chalongkrung Road, Lamplatew, Ladkrabang, Bangkok 10520 Telephone : ( 66 ) 0 2326 0999
<b>Registration date</b>	Registered as a public Company on July 18, 2006. Registration number 0107549000122 Listed on the MAI stock exchange on December 12, 2007.
<b>Company website</b>	www.simat.co.th
<b>Paid-up capital</b>	648,564,609.00 baht ( 648,564,609 common shares at a par price of 1 baht per share)
<b>Registered capital</b>	860,870,005 common shares

## 1.2 Nature of business

### 1.2.1 Income structure separated by business group according to consolidated financial statements.

Product/Service	Operate By	2023		2022		2021	
		THB million	%	THB million	%	THB million	%
1. Information Technologies Solution Services	Simat Technologies Plc.	2	0%	3	0%	28	3%
2. Production and Sales Of Label Product	Simat Label Co.,Ltd.	236	27%	239	26%	178	18%
3. Silkscreen Printing	Hinsitsu (Thailand) Plc. Hinsitsu Precision (Thailand) Co.,Ltd.	194	22%	338	37%	420	43%
4. Broadband	Simat Technologies Plc. Digital Cable Communication co.,Ltd.	56	6%	57	6%	65	7%
5. Government Project	Simat Technologies Plc.	271	31%	271	29%	266	27%
6.Sales, install and maintain engineering systems and electrical equipment, renewable energy	Simat Technologies Plc. Natural Power Energy Co.,Ltd.	44	5%	-	0%	-	0%
7. Other	Simat Technologies Plc. Hinsitsu (Thailand) Plc. Simat Telecom Co.,Ltd.	68	8%	14	2%	15	2%
<b>Total Revenue</b>		<b>871</b>	<b>100%</b>	<b>922</b>	<b>100%</b>	<b>972</b>	<b>100%</b>

From the table of income structure, the silk screen printing business and label products are the businesses that generate the highest income according to the consolidated financial statements at 49 percent in 2023. It is characterized as a recurring income as the product is a part of electrical appliances and parts. But due to Hinsitsu (Thailand) Public Company Limited (HST) had moved to a new factory, this caused production to be discontinuous during the transfer of production lines and led to lost opportunities. Anyhow, in the 4th quarter, operations has returned to normal. Products in this category are in increasing demand, both replacements for old and deteriorated productions and development of new product lines. The Company expects to grow in line with the growth of the economy.

Government projects are a business that generates the second highest income at 31 percent in 2023, with revenue from a project contract to provide high-speed internet service in remote areas (Zone C), Group 4, Northeastern Region 2, with the Office of The National Broadcasting and Telecommunications (NBTC). The revenue recognition in 2023 is revenue recognition in Phase 2 as continuous revenue for providing internet services and maintenance for a period of 5 years after transmission the completed work in Phase 1.

In 2023, the Company has invested in the renewable energy business, solar energy which investing in the project to sell electricity produced from private power purchase agreements (PPA), system installation (EPC), and trading. All new business generated income for the Company of approximately 100 million baht, accounting for 10 percent of total income.

## 1.2.2 Product Information

### 1) Product and service characteristics

#### Production and Distribution of Label Products

Label business is operated by Simat Label Company Limited (subsidiary) providing services in the design, development and processing of adhesive printed materials for customers in the electrical and electronics industry by procuring and developing raw materials and designing the production process to create product with specific properties to meet customer needs. Receiving recurring income (repetitive orders) as the product is a printed matter with adhesives used for attaching to the workpieces of electrical appliances and electronic components which is an essential part of electrical appliances. This business generated higher profit than the businesses that sell low-grade or cheaper label products. This is because the Company's products must have specific properties according to customer needs, such as heat resistance, flexibility, or low tolerance values, etc. The customers are electrical appliances, electronic devices, and smartphone business groups



#### Silk screen printing business

Silk screen printing business is operated by Hinsitsu (Thailand) Public Company Limited (subsidiary) and Hinshitsu Precision (Thailand) Co.,Ltd. (subsidiary) providing design, development, and production services for silk screen and label stickers used in the electrical appliance industry, electronic equipment and various communication devices for customers in the electrical and electronics industry by procuring and developing raw materials and designing the production process to create product with specific properties to meet customer needs. The income is characterized as recurring income (repetitive order) because the products are considered part of electrical appliances and electronic components, which are needed in accordance with the demand for the customer's product. The customers are electrical appliances and electronic equipment business group.



## Government Projects Service

The Company signed the project contract to provide high-speed internet service in remote areas (Zone C), Group 4, Northeastern Region 2, with the Office of The National Broadcasting and Telecommunications (NBTC). The project value is 2,248 million baht. The project has brief details as follows:

<b>Project name :</b>	Project to provide high-speed internet service in remote areas (Zone C), Group 4 , Northeastern Region 2
<b>Target area :</b>	The provinces of Kalasin, Mahasarakham, Yasothon, Roi-et, Sisaket, Amnatcharoen and Ubonratchathani.
<b>Project value :</b>	2,248 million baht
<b>Scope of work :</b>	Divided into 5 types of services as follows: 1) Providing public high-speed internet service (Wi-Fi) in target villages. 2) Providing public high-speed internet service center buildings (USO Net). 3) Providing public high-speed internet service rooms (USO Wrap). 4) Providing public high-speed internet service for schools. 5) Providing public high-speed internet signal service for the subdistrict health promoting hospitals.
<b>Operational period :</b>	Divided into 3 phases as follows: 1) Phase 1 : Procurement of service equipment, installation, and readiness testing before service (300 days). 2) Phase 2 : Management and maintenance for 5 years (60 months). 3) Phase 3 : Delivery of equipment after the end of Phase 2 (within 60 days).
<b>Revenue recognition :</b>	Begin to recognize revenue in the 1st quarter of 2019 onwards.

Solution & Services  
**GOVERNMENT PROJECT**



**USO Project**  
บริการอินเทอร์เน็ตความเร็วสูง ในพื้นที่ห่างไกล Zone C กลุ่มที่ 4 ภาคตะวันออกเฉียงเหนือ 2 มูลค่าสัญญารวม 2,100 ล้านบาท

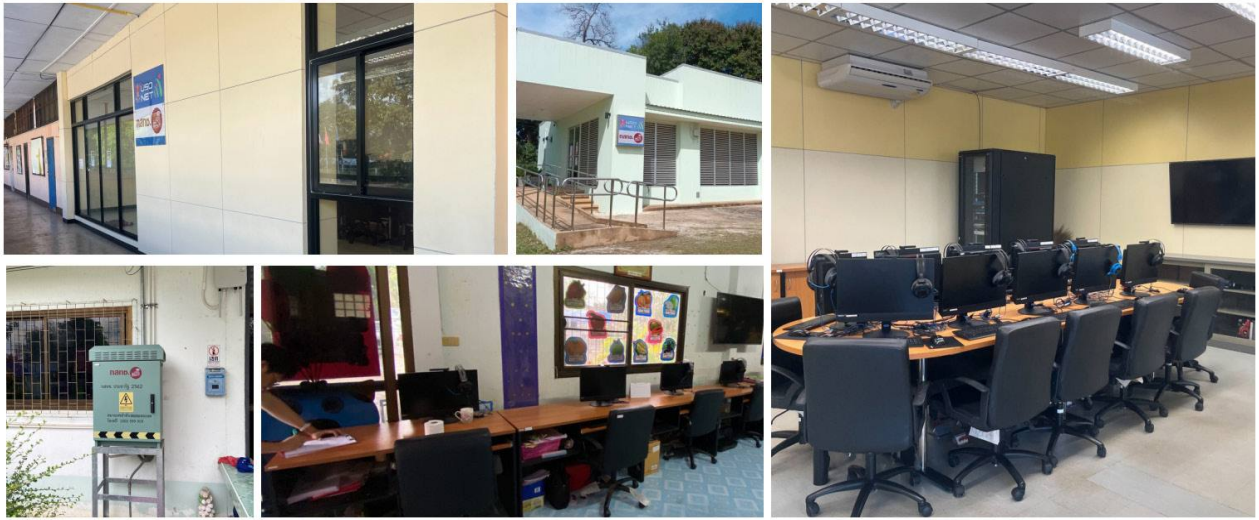
**ระยะเวลาดำเนินงาน**

ระยะที่ 1 การจัดหาอุปกรณ์บริการ การติดตั้ง การทดสอบความพร้อมก่อนการให้บริการ (300 วัน) มูลค่า 630 ล้านบาท (95% รับรู้รายได้ ณ สิ้น Q1/21)

ระยะที่ 2 การบริหารจัดการและบำรุงรักษาต่อเนื่อง 5 ปี (60 เดือน) มูลค่า 1,470 ล้านบาท (รอรับรู้รายได้)

ระยะที่ 3 การมอบอุปกรณ์หลังจากสิ้นสุด ระยะที่ 2 (ภายใน 60 วัน)





Business, renewable energy and engineering

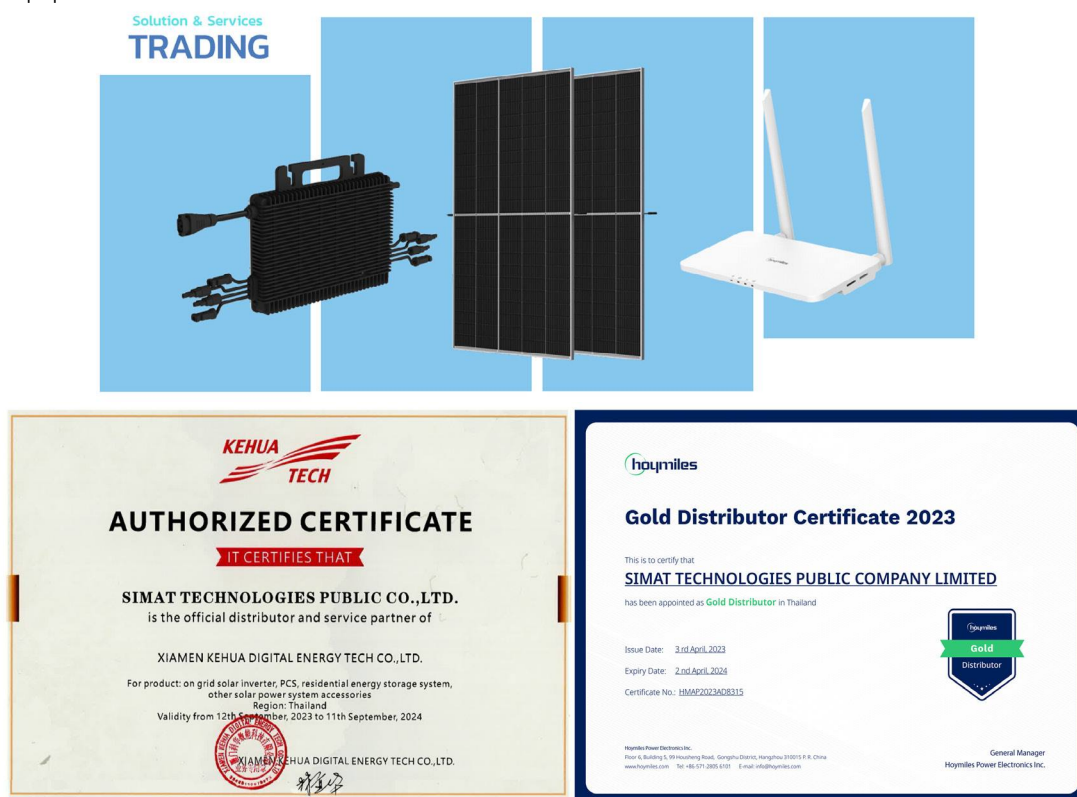
The Company jointly invested in establishing Natural Power Energy Company Limited (NPE) to conduct business in selling electricity, power plant, businesses related to electricity generation, engineering and related businesses. Presently the capital has been invested to generate electricity from solar energy amounting to a total of 8 projects.

Solution & Services  
**SOLAR PROJECT**

<p>PPA <b>MAHACHAI PETCHARACH HOSPITAL</b> บริษัท เพชรบุรีเวชกิจ จำกัด</p> <p>Install Capacity <b>360</b> kWp</p> 	<p>PPA <b>XINTHAI WOOD</b></p> <p>บริษัท อินทไม้ภูเก็ต จำกัด</p> <p>Install Capacity <b>714</b> kWp</p> 
<p>PPA <b>NEOTECH PLYWOOD - LAMAE</b> บริษัท นีโอเทค พลาญภูเก็ต จำกัด สาขาละแม</p> <p>Install Capacity <b>504</b> kWp</p> 	<p>PPA <b>NEOTECH PLYWOOD - LANGSUAN</b> บริษัท นีโอเทค พลาญภูเก็ต จำกัด สาขาหลังสวน</p> <p>Install Capacity <b>702</b> kWp</p> 
<p>EPC <b>WITMONGKOL</b></p> <p>บริษัท วิทย์มงคล จำกัด</p> <p>Install Capacity <b>30</b> kWp</p> 	<p>PPA <b>T.M.C INDUSTRIAL</b></p> <p>บริษัท ที.เอ็ม.ซี.อุตสาหกรรม จำกัด (ตาบะ)</p> <p>Install Capacity <b>312</b> kWp</p> 
<p>PPA <b>PROMPAET HOSPITAL</b></p> <p>บริษัท พรหมแพทย์ราษฎร์ จำกัด</p> <p>Install Capacity <b>241.2</b> kWp</p> 	<p>PPA <b>MAEKLONG HOSPITAL</b></p> <p>บริษัท แมกสองเวชกิจ จำกัด</p> <p>Install Capacity <b>238.8</b> kWp</p> 

## Business of buying and selling

Due to the renewable energy business, the Company has been appointed as a distributors for equipment manufacturers for the business of producing electricity from solar energy. And also sell the other equipment.



## Integrated information technology service business

Group of Companies provide complete information technology services. Services include the distribution of computer hardware along with the development of computer programs and providing maintenance services throughout the country. Target customers are large retail businesses, warehouses, transportation businesses, manufacturing businesses and government businesses that require an efficient data storage system.

(1) Hardware products refers to the hardware product combined with the software operated under Simat Technologies Public Company Limited, focusing on distributing computers, CCTV cameras, CCTV equipment, billboard media, advertising , public relations, WiFi connection devices, and various communication devices.

(2) Software products are focused on software development by analyzing and designing programs that are consistent with the needs of each customer (Solution Provider), including developing software applications related to information technology that helps keep data in the organization up-to-date ( Real time) and more accurate, especially information related to inventory or various resources that are large in number and difficult to verify. The software will make the organization's operations more efficient.

(3) Maintenance service for hardware equipment and software programs that the Company distributes, including customers' equipment and systems used in conjunction with products distributed by the Company.



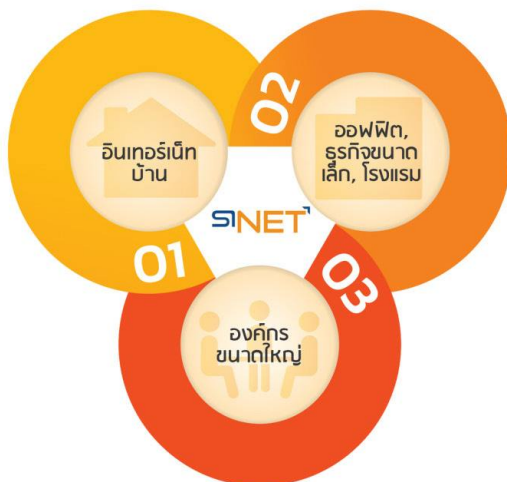
## SYSTEM INTEGRATOR



### Broadband Internet service business

The Company provides high-speed internet service via fiber optic network (FTTx) to urban areas in Nakhonratchasima, Chiangmai, Khonkaen, Bangkok Metropolitan areas under the brand "Sinet". The customers are household consumers (Home-use) and small and medium enterprises (SME).

## BROADBAND INTERNET



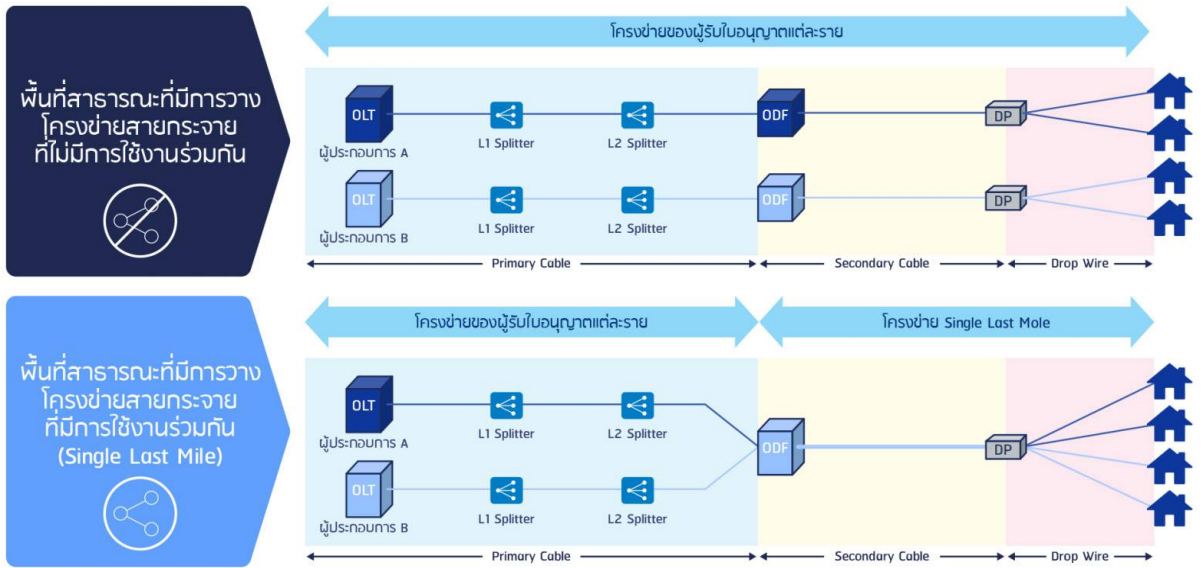
Target Groups : กลุ่มเป้าหมาย

### FTTx : Fiber To The X

FTTx ย่อมาจาก Fiber to the x คือ อินเทอร์เน็ตความเร็วสูง โดยใช้สายเคเบิลใยแก้วนำแสง (Fiber Optic) เป็นตัวกลางส่ง หรือ ต่อตรงไปยังสถานที่ปลายทาง (x)

ข้อดีของ FTTx คือ สามารถส่งและรับข้อมูลได้ในปริมาณมาก ส่งข้อมูลได้ในระยะทางไกล เป็นกิโลเมตร การถูกสัญญาณภายนอกรบกวนก็มีน้อยมาก อาจกล่าวได้ว่า FTTx คือ การนำสายไฟเบอร์ออฟติกมาใช้เป็นตัวกลางในการเชื่อมอินเทอร์เน็ตนั่นเอง ซึ่งเป็นสายที่เร็วและดีที่สุด ในยุคปัจจุบันนี้ เพราะมีความเร็วถึง 100 -1000 Mbps เมื่อเปรียบเทียบกับ ADSL ที่เป็นการส่งสัญญาณไฟฟ้าผ่านสายเคเบิลทองแดงแบบเดิม มีความเร็วในการรับส่งข้อมูลโดยเฉลี่ยเพียง 10 -150 Mbps

## รูปแบบ การวางระบบ FTTr แบบแนวราบ



## 2) Market conditions and competition

### Producing and distributing label products and silk screen printing business.

The label and silk screen printing business is operated by Simat Label Company Limited and Hinsitsu (Thailand) Public Company Limited (subsidiaries). Having been in this business for more than 10 years, it is accepted by customers for the quality of its products and services. The group of companies emphasizes on developing quality products according to customer needs and emphasis on after-sales service to maintain the main customer base, mostly manufacturers of electrical appliances, electronics, and office supplies from leading brands from abroad such as Japan, Korea, China and Europe, including customers who assemble the products and forward them to the above leading brands. Most of customers have production bases and factories in Thailand. In addition, the Company and its subsidiaries have established policies and strategies for conducting business to maintain the existing customer base and expand the market to new customers, so the group of companies can compete in the long term and continuously develop the production capabilities .

### *Customer characteristics and target customer groups.*

The customer groups are mostly foreign companies with production bases in Thailand. The produce and export but some is sold within the country. The customers could be separated according to industry in 4 major groups:

- 1) Electrical appliances industry group.
- 2) Office equipment product group.
- 3) Electronics product group.
- 4) Other groups such as automotive parts product, trading group, a group of customers who buy and resell products such as blank labels or color-printed, cut-to-size products, double-sided tape or other raw materials , etc.

## ตัวอย่างผลิตภัณฑ์ของลูกค้า



The Company's customer groups are quite diverse with more than 200 customers. In 2021, there was 1 major customer that generated sales for the Company accounting for more than 10 percent of total sales. While in 2022 and 2023, there was no major customer with sales accounting more than 10% of total sales.

Most of the main income of the Company comes from existing customers which has a good, long-lasting relationship. The customers have continuous orders and are regular customers of the Company. In the meanwhile, new customers will not be able to create significant sales for the Company at this moment, but it is likely that sales will grow more over time. In addition, if there is the movement of production base in the electrical appliances and electronic parts industry to Thailand in the future, more electrical appliances and electronic parts industry from foreign countries are coming to produce in Thailand. The Company is ready and has the opportunity to offer products and services to those companies that may be potential customers in the future.

### Competition within the industry

The competition situation for silk screen and label sticker products for the electrical appliance and electronics industry in Thailand is currently not very intense. This is because it is an industry that requires a lot of technology and expertise in production, requires a relatively high investment. Therefore, the number of competitors are quite limited. Especially the customers in the electrical appliance and electronics industry are large foreign companies which need high quality products and services. There are detailed and intensive selection and testing in many steps to be approved as a seller. Register as a seller (approved vendor list), which usually has a small number for each type of product. In general, when selected as a seller, you will receive orders from customers continuously and customers are loyal to sellers because buyers want to maintain the quality of their products. Therefore, the opportunity for new competitors is quite low.

Competitors that have the potential to compete and in the same market as the Company are both

Thai companies and multinational companies that have established production plants in Thailand, such as Japan, China, Korea, Taiwan, etc., They are considered as competitors with high potential and have technical knowledge in production and quality control, good access to customers who are multinational companies with production bases in Thailand. Therefore, they are able to compete in offering products to large international customers and being a trading partner that has been registered by customers (approved vendor list) as the Company.

#### Status and competitive potential

The Company has expertise in silk screen products and label stickers which is characterized by high quality printing and has been known in the industry for more than 10 years. The status and competitive potential of each product are as follows:

**Silk screen products:** The Company is one of the leaders in producing quality silk screen work according to the size and style that customers need. Silk screen producing requires specific skills, experience, and specialist expertise, such as product design, block screens preparation, colors and materials analysis to meet customer requirements, quality molds providing, expertise in printing planning and formatting, waste reducing from printing, including production quality control steps and finishing product examining before delivering to customers. The Company places importance to and sets as KPIs for the production department including delivering products on time. As a result, the Company's products are accepted by customers and there is a loyalty.

**Label Sticker Products:** The Company is a high quality printing manufacturer and accepted that the quality meet the standard which set by customers. The Company focuses on customers in the electrical appliance, electronics industry, and office supplies. The characteristics of products or workpieces will have different characteristics according to each industry and use. This is because the Company has been in the business of high quality printing for a long time, making the Company to be accepted and trusted by customers. The Company has developed products to meet market needs, well-known, and accepted by customers.

**Press/die-cut products:** The Company produces and sells press/die-cut products according to the format that customers need. Most are sold to customers of silk screen products and sticker labels which is a group of electrical appliances customers and electronics group mainly. Being a registered trading partner (approved supplier list) with the customer groups makes the Company selling this product to customers. This is in line with the strategy of offering many types of products to the existing customer base of the Company.

**Stamping products :** The subsidiary is a manufacturer of susplates, used in strengthening the electrical circuits inside smartphones. The only one customer of the subsidiary is a Japanese large electrical parts manufacturing company with a production plant in Thailand. There are 3 competitors for such products, who are foreign companies with production plants in Thailand. Since 2020, the competition has become more intense, along with customers. There is a decrease in orders. Therefore, there is not much bargaining power. The management considers that due to such intense competition, susplate may not be in line with the long-term future business strategies and plans of the group. As such, The management considers to reduce production capacity and be in the process of negotiating with customers to stop producing and selling susplate.

From considering the information of sales of competitors in silkscreen products, label stickers and susplates in Thailand are as follows:

#### Competitors of silkscreen products

Number	Company name	Sales income (million baht)	
		Year 2021	Year 2022
1.	Fancy Industry Thai Company Limited	283.47	353.75
2.	Thai Technoplate Company Limited	335.27	350.02
3.	S.Sahathara (Thailand) Company Limited	306.62	295.60
4.	Gaoqi Electronics (Thailand) Company Limited	163.15	204.02
5.	Kakihara Meiban (Thailand) Company Limited	171.37	178.28
6.	Thai Sung Soo Company Limited	223.12	153.21

Source: Name list information from executives and income data collection from Corpus BOL.

Note: \* Sales revenue data for each Company may include many types of products.

\*\* There is no information for 2023 yet because the financial statements for the year 2023, ending on December 31, 2023, have not yet been submitted to the Department of Business Development, Ministry of Commerce.

#### Competitors of label sticker products

Number	Company name	Sales income (million baht)	
		Year 2021	Year 2022
1.	CPC Decal Company Limited	329.11	314.35
2.	Adampack (Thailand) Company Limited	295.32	282.39
3.	Ibrane Advance and Technology Company Limited	173.63	202.09
4.	Copack Company Limited	117.99	110.27
5.	Code Label Company Limited	82.55	84.11
6.	Brady (Thailand) Company Limited	40.86	72.82
7.	Management of Art and Design Company Limited	5.42	54.65

Source: Name list information from executives and income data collection from Corpus BOL.

Note: \* Sales revenue data for each Company may include many types of products.

\*\* There is no information for 2023 yet because the financial statements for the year 2023, ending on December 31, 2023, have not yet been submitted to the Department of Business Development, Ministry of Commerce.

#### Competitors of Susplate Products

Number	Company name	Sales income (million baht)	
		Year 2021	Year 2022
1.	Mitsui Precision Thai Company Limited	490.94	409.94
2.	Company TSKT Company Limited	304.34	304.34
3.	Unitech TH Company Limited	291.08	291.08

Source: Name list information from executives and income data collection from Corpus BOL.

Note: \* Sales revenue data for each Company may include many types of products.

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### Industry trends

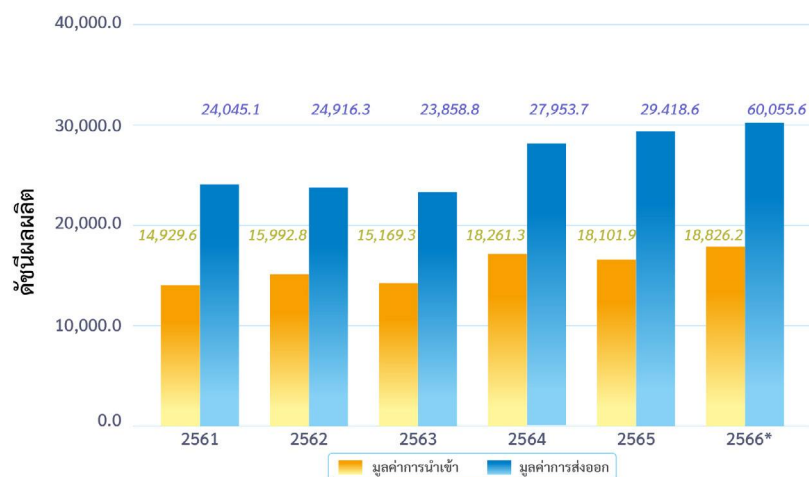
The Company's subsidiaries' products are mainly used in the electrical appliance and electronics industries with a proportion of revenue from customers in the electrical and electronic appliances group of not less than 80 percent over past 3 years.

Production of electrical appliances in 2023 compared to 2022 shrank by 5.6 percent due to electric motor products, thermoses, compressors, microwave ovens, refrigerators, rice cookers, fans, and electrical transformers that have decreased. This is due to the continuous increase in production costs. In addition, demand in the world market has decreased and the world economy has not yet recovered. However, there has been an increase in the export of washing machines and transformers according to the needs of the industrial production chain

### Electrical appliance industry production index



### Import and export value of electrical appliances



Source of production information : Office of Industrial Economics.

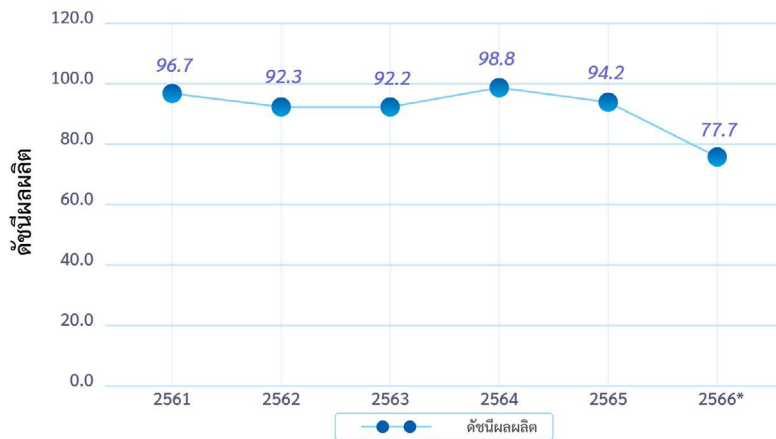
Import and export information : Electrical and Electronics Institute.

Forecast for 2023 and 2024 : Office of Industrial Economics and the Electrical and Electronics Institute.

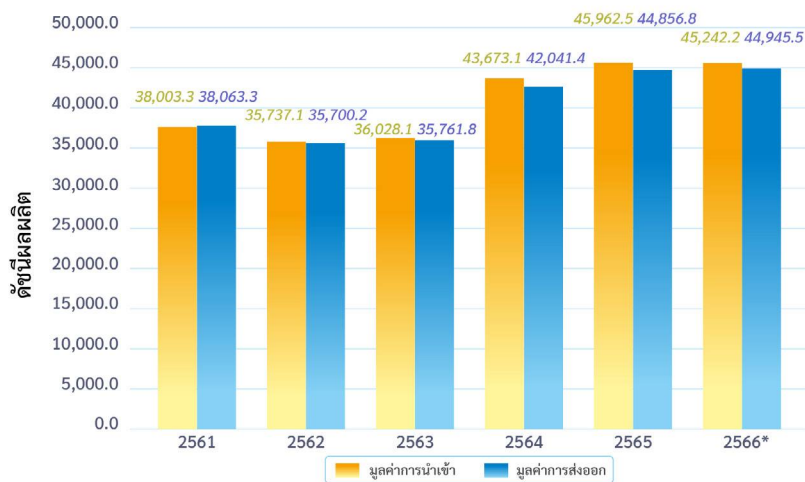
For the electrical appliance industry in 2024, it is expected that production will shrink by approximately 1.0-3.0 percent compared to the previous year. This is because uncertain production costs or raw material prices and the global economic situation slow down. Meanwhile, exports are expected to expand by approximately 2.0-8.0 percent compared to last year. The demand for electrical appliances products and services is expected to continue growing in developing countries such as India and Vietnam due to consumers and businesses in the region are looking to develop the technological infrastructure in the country and more amenities for citizens or consumers.

Production of electronic products in 2023 shrank by 17.5 percent compared to 2022, with a decrease in printer, HDD, semiconductor devices transistors, PWB, PCBA and IC products as a result of a shortage of raw materials for production and higher costs. Exports of computer products and integrated circuits have increased due to the need to develop new IT infrastructure technology and innovative equipment. This creates a continuous demand for electronic component products.

Electronic industry production index  
อุตสาหกรรมอิเล็กทรอนิกส์



Import and export value of Electronics industry



Source of production information : Office of Industrial Economics.

Import and export information : Electrical and Electronics Institute.

Forecast for 2023 and 2024 : Office of Industrial Economics and the Electrical and Electronics Institute.

For the electronics industry in 2024, it is expected that the production and export of electronic products will increase by approximately 1.0-5.0 percent compared to the previous year. This is because the demand for electronic products in developing countries continues to grow in terms of infrastructure and the development of information technology. Consumer demand for electronic products may decrease due to higher capacity technology and the durability of equipment such as computers and components, coupled with geopolitical uncertainties such as the Ukraine-Russia war and the trade war between the United States and China. Those may create obstacles to industrial development or affect Thai entrepreneurs. Therefore, it is still necessary to continue to monitor the situation.

#### Renewable energy, engineering and information technology business

Nature of competition in the business regarding engineering system, the Company conducts business without focusing on price competition but instead focusing on offering solutions, products, and equipment that are internationally accepted to suit the needs of customers in each project to provide customers with an efficient and quality work system. Providing after-sales care and service creates satisfaction and continuous relationship with customers. The majority of the Company's customers are government and private sector organizations. The Company focuses on customers who have value reliability, work experience, including the opportunity to complete the project primarily rather than focusing on price only. The Company has reliable business partners such as Hoymiles, KEHUA TECH, ReneSola, and COMSYS SOLAR.



From the trend of competition in the industry, due to there are an increasing number of entrepreneurs in line with the expansion of macro businesses, resulting in intense competition, especially with modern technology because the customers can access more information, mostly a price competition. However, renewable energy, engineering, and system integration technology services should continue expanding to meet the needs of the development of renewable energy systems, engineering work and system integration technology which be adjusted according to the demand for renewable energy and the need of information for business expansion, the complexity of rapidly changing information and technology systems, including the demand for others solutions and services. Government customers will tend to grow more than other customer groups due to the government's policy which support the use of clean energy and reduce greenhouse effect.

#### **renewable energy and engineering industry trend.**

At present, the role of electricity users, from being only purchasers of electricity (consumers), has changed to being producers of electricity both for their own use and selling into the system (prosumers), growing only in the production of electricity from solar energy installed on rooftops. Solar rooftop on household and industrial sectors are increasing due to decreasing investment costs. Users may produce electricity for their own use during times when there is sunlight and purchase electricity during periods when not enough electricity is produced. In addition, some types of electricity users are able to sell electricity that is produced in excess of demand into the system to the Electricity Authority as well, resulting in a decrease in the amount of electricity purchased from the Electricity Authority. And this makes the electric power system planning to support future electricity demand more complicated

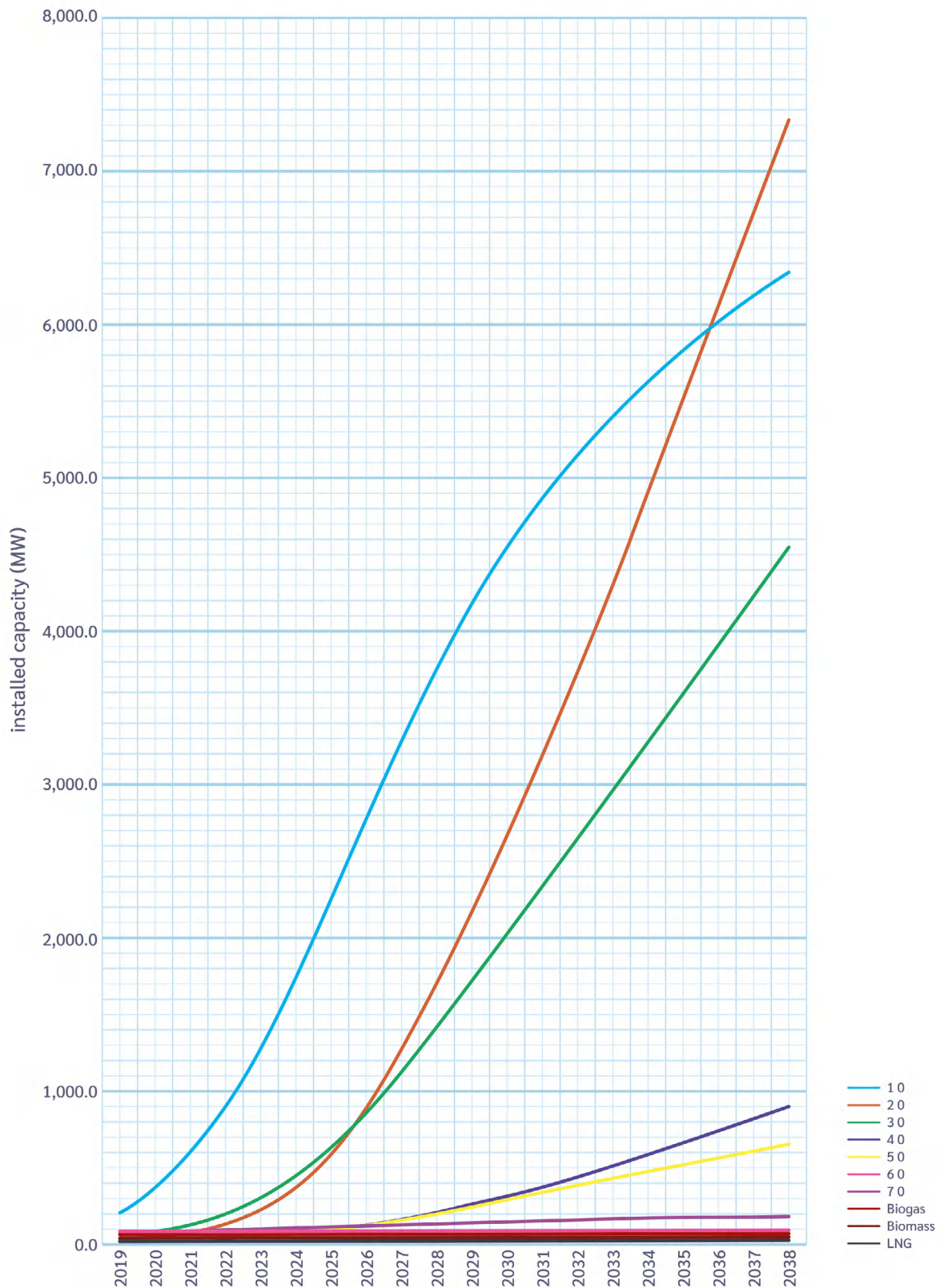


Currently, Thailand has prosumers, electricity users who have their electricity production systems paralleled with the electricity grid and electricity consumers who have an electricity production system but do not run their systems in parallel systems with the electricity grid of the Electricity Authority. This latter type of prosumer currently does not have measures to control the reporting of electricity production information to the government sector, which greater numbers may affect the stability and quality of the overall electrical system. It also results in a decrease in the purchase of electricity from the electricity authority. Therefore, operational guidelines must be established to support this.

#### Prosumer installed capacity forecast results classified by each type of PEA user.

Year	Installed capacity (MW) of each type of prosumer.										Total PEA
	10	20	30	40	50	60	70	Biogas	Biomass	LNG	
2019	16.67	9.16	22.78	199.72	4.02	0.06	0.39	32.21	38.93	92.32	416.26
2020	19.69	28.24	48.44	342.46	9.98	0.17	0.97	33.07	39.46	92.53	615.00
2021	24.44	63.24	95.41	564.52	19.14	0.36	1.80	34.17	40.19	92.83	936.10
2022	31.96	120.92	171.81	878.32	32.22	0.67	3.00	35.55	41.18	93.26	1,408.88
2023	43.53	212.19	284.34	1,280.76	49.49	1.13	4.65	37.22	42.51	93.88	2,049.70
2024	60.57	355.93	437.50	1,755.94	71.56	1.78	6.83	39.13	44.27	94.77	2,868.28
2025	84.39	569.41	631.16	2,273.53	98.14	2.64	9.54	41.19	46.54	96.04	3,852.57
2026	115.96	862.50	863.37	2,798.73	128.91	3.70	12.62	43.28	49.37	97.81	4,976.25
2027	115.86	1,238.45	1,132.76	3,301.95	164.96	4.96	15.75	45.22	52.74	100.28	6,212.93
2028	204.30	1,695.60	1,438.08	3,766.45	207.59	6.55	18.53	46.89	56.54	103.64	7,544.17
2029	257.45	2,184.65	1,752.47	4,180.96	251.53	8.31	20.64	48.20	60.54	108.10	8,872.85
2030	314.77	2,698.97	2,070.54	4,545.70	294.21	10.21	22.03	49.18	64.42	113.78	10,183.81
2031	375.78	3,233.46	2,388.74	4,867.29	336.27	12.26	22.84	49.85	67.87	120.67	11,475.03
2032	440.08	3,784.28	2,704.80	5,150.63	378.03	14.44	23.27	50.29	70.66	128.49	12,744.97
2033	507.36	4,350.77	3,019.46	5,401.76	422.65	16.75	23.50	50.58	72.74	136.62	14,002.19
2034	577.62	4,930.64	3,331.76	5,626.09	466.82	19.20	23.61	50.76	74.19	144.28	15,244.96
2035	652.18	5,524.15	3,642.81	5,828.21	513.32	21.77	23.66	50.87	75.14	150.73	16,482.84
2036	731.01	6,128.56	3,950.89	6,015.12	558.52	24.47	23.69	50.94	75.74	155.59	17,714.53
2037	814.20	6,744.63	4,257.12	6,190.58	604.16	27.28	23.70	50.99	76.11	158.90	18,947.67
2038	903.48	7,333.67	4,548.20	6,346.52	650.87	30.21	23.71	51.01	76.33	161.00	20,125.00

Prosumer installed capacity forecast results classified by each type of PEA user.



Source: The research and development project for expertise in electrical power, Faculty of Engineering, Kasetsart University.

### 3) Assets used in business operations

Main fixed assets used by the Company in conducting business as of December 31, 2023 are as follows:

Asset type	Characteristics Ownership	Assets (million baht)	Obligation
1. Land and land improvements	Company owned	57.45	The Company and its subsidiaries use it as collateral for some loans.
2. Building	Company owned	273.54	The subsidiary uses it as collateral for some loans.
3 office equipment	Company owned	2.47	no obligation
4. Tools and equipment	Company owned	7.82	no obligation
5 decorations and installation	Company owned	4.94	no obligation
6. Machinery	Company owned	169.02	The subsidiary uses it as collateral for some loans.
7. Vehicles	Company owned	7.26	no obligation
8. Rental building improvements	Company owned	59.15	no obligation
9. Cost of developing computer programs for sale	Company owned	1.10	no obligation
10. Fiber optic network equipment Before deducting allowance for impairment	Company owned	690.16	no obligation
11. Right to use assets	Under the lease agreement	22.94	no obligation

#### Rent spaces for conducting the business

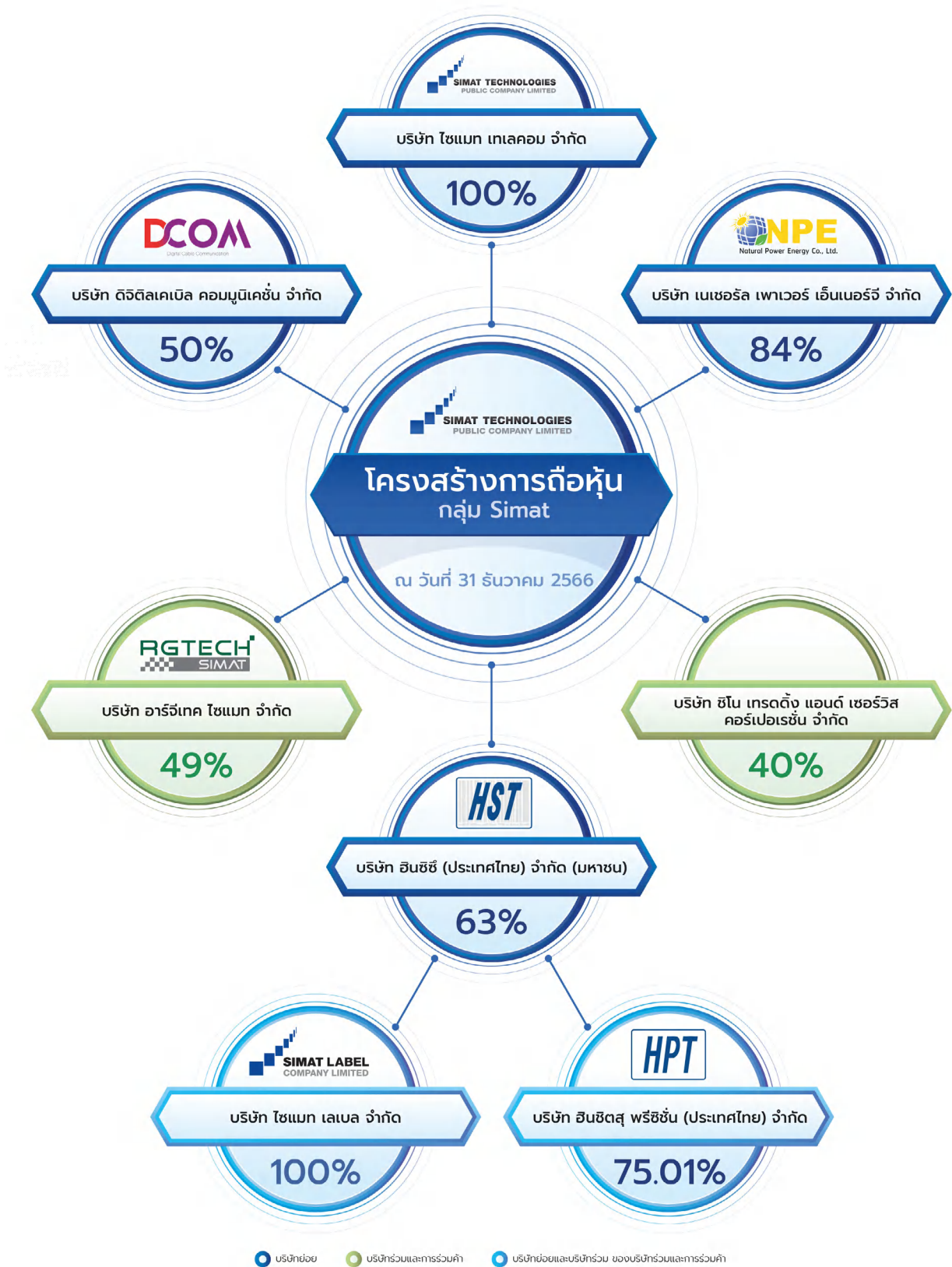
The Company and subsidiaries Office space has been rented for use in conducting business. The details are summarized as follows.

office space	Contract details
<p>Simat Technologies Public Company Limited No.183, Regent House Building, 9th Floor, Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330</p>	<p>Contract party : Ratchadamri Commercial Building Co.,Ltd. Duration : December 16, 2021 – December 15, 2024 Rent : 35,475.00 baht per month Service fee : 119,325.00 baht per month</p>

<u>Simat Technologies Public Company Limited</u> Branch 1, 2 commercial buildings, No. 179/ 69-70 Soi Mittraphap 4, Naimueang, Mueang- nakhonratchasima, Nakhonratchasima	Contract party : Mr. Krit Lertyingyot Duration : January 1, 2020 – December 31, 2024 Rent : 46,315.79 baht per month
<u>Simat Technologies Public Company Limited</u> Branch 2, MODE OFFICE Project, No. 68 Moo 4, Nonghoi, Mueangchiangmai, Chiangmai	Contract party : Jira Property Co.,Ltd. Duration : May 1, 2021 – April 30, 2024 Rent : 36,000 baht per month Service fee : 2,250 baht per month
<u>Simat Technologies Public Company Limited</u> Branch 3, 2 commercial buildings, No. 251/8, Theparak Road, Naimueang, Mueangkhonkaen, Khonkaen	Contract party : Mrs. Ratchanee Manosudprasit Duration : November 1, 2022 – October 31, 2024 Rent : 27,789.48 baht per month
<u>Simat Technologies Public Company Limited</u> Warehouse, Building No. 1/7 Thewapiban Road, Naimueang, Mueangroi-et, Roi-et	Contract party : Mr. Sanya Tantasin Duration : November 1, 2021 until the contract is terminated Rent : 31,587.95 baht per month

### 1.3 Group of Shareholding structure

#### 1.3.1 Group of shareholding structure



## Subsidiary companies

<b>Company name</b>	<b>Simat Telecom Company Limited</b>
Business type	Providing maintenance services for fiber optic network systems.
Office address	No. 123/143-144, Chalongkrung Road, Lamplatew, Ladkrabang, Bangkok 10520 Telephone: (66) 0 2326 0999
Registration date	Registered as a limited company on the March 13, 2009 Registration number 0105552026640
Paid-up capital	5,000,000 baht (500,000 common shares at a par price of 10 baht per share) Registered capital: 500,000 shares
Proportion of investment by major companies	100% of the shares.

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<b>Company name</b>	<b>Digital Cable Communication Company Limited</b>
Business type	Providing cable television, telecommunications and communications via cable.
Office address	No. 19/117, Sukhumvit Suite Building, 12th Floor, Soi Sukhumvit 13, Sukhumvit Road, Khlongtoei Nuea, Watthana, Bangkok 10110
Registration date	Registered as a limited company on November 9, 2017 . Registration number 0205560336968
Paid-up capital	12,500,000 baht (1,250,000 common shares at a par price of 10 baht per share) Registered capital: 1,250,000 shares
Proportion of investment by major companies	50% of the shares.

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<b>Company name</b>	<b>Natural Power Energy Company Limited</b>
Business type	Renewable energy PPA and EPC
Office address	No. 183 Regent House Building, 9th Floor, Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330
Registration date	Registered as a limited company on June 24, 2022 Registration number 0105565101963
Paid-up capital	25,000,000 baht (250,000 common shares at a par price of 100 baht per share) Registered capital: 250,000 shares
Proportion of investment by major companies	84% of the shares.

<b>Company name</b>	<b>Hinsitsu (Thailand) Pubic Company Limited</b>
Business type	Producing stickers / labels and silkscreen printing, commonly used in the industry electrical appliances, electronic equipment, and various industries
Office address	No. 883, Bangsaothong, Bangsaothong, Samutprakan 10570
Registration date	Registered as a public company on February 25, 2021 Registration number 0107564000057
Paid-up capital	100,000,000 baht (200,000,000 common shares at a par value of 0.50 baht per share) Registered capital: 252,000,000 shares
Proportion of investment by major companies	63 percent

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<b>Company name</b>	<b>Simat Label Company Limited</b>
Business type	Producing stickers, label, barcode paper, and related equipment
Office address	No. 123, Soi Chalongkrung 31, Ladkrabang Industrial Estate, Chalongkrung Road, Lamplatew, Ladkrabang, Bangkok 10520
Registration date	Registered as a limited company on April 9, 2008 Registration number 0105551041025
Paid-up capital	34,000,000 baht (3,400,000 common shares at a par price of 10 baht per share) Registered capital: 3,400,000 shares
Proportion of investment by major companies	63 percent, indirectly holding shares through Hinshitsu (Thailand) Company Limited, in which Hinshitsu holds 100 percent of the shares.

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<b>Company name</b>	<b>Hinshitsu Precision Co., Ltd. ( Thailand ) Co., Ltd.</b>
Business type	Producing and trading stickers, labels, name plates, and raw materials for making stickers.
Office address	No. 20/2 (A 12), Moo 4, Theparak Road, Bangphli Yai, Bangphli, Samutprakan 10540
Registration date	Registered as a limited company on April 8, 2019 Registration number 0115559007594
Paid-up capital	40,000,000 baht (400,000 common shares at a par price of 100 baht per share) Registered capital: 400,000 shares
Proportion of investment by major companies	47 percent, held indirectly through Hinshitsu (Thailand) Company Limited, in which Hinshitsu holds 75 percent of the shares.

## Associate companies

<b>Company name</b>	<b>RG Tech Simat Company Limited</b>
Business type	Providing system integration technology, selling hardware equipment, software development, and maintenance services
Office address	No. 1087/7, Kheha Romklao Road, Khlong Songtonnun, Ladkrabang, Bangkok 10520
Registration date	Registered as a limited company on January 7, 2020 Registration number 0105563002283
Paid-up capital	2,500,000 baht (1,000,000 common shares at a par price of 10 baht per share) Registered capital : 1,000,000 shares
Proportion of investment by major companies	49 percent

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<b>Company name</b>	<b>Sino Trading and Service Corporation Company</b>
Business type	Providing hardware equipment, software and comprehensive maintenance services for data storage systems in organizations Brokers of all types of goods
Office address	No. 27, Dang Tat street, Tan Dinh Ward, District 1, Ho Chi Minh City, Vietnam Telephone : +84-8-38482619 Fax : +84-8-38437064
Registration date	Registered on December 25, 2008 Registration number 4103012126
Paid-up capital	6,300,000,000 Vietnamese Dong (630,000 ordinary shares at a par price of 10,000 Vietnamese Dong per share)
Proportion of investment by major companies	40 percent



1.3.2 Persons who may have conflicts, hold shares in subsidiaries or joint ventures in total exceeding 10 percent of the number of shares with voting rights of such companies.

-None-

1.3.3 Relationship with the business group of the major shareholder.

-None-

### 1.3.4 Shareholders

#### List of major shareholders

Top 10 shareholders, number and proportion of shareholding by including the shareholdings of related persons as the same group as of the closing date of the register on December 13, 2023.

Rank	Shareholders	Shares	% Shares
1	MR. NATTAPONG SEETAVORARAT	56,857,142	8.77%
2	MR. THONGKAM MANASILAPAPAN	28,313,801	4.37%
3	MR. APISIT HONGLAWAN	27,634,800	4.26%
4	MR. AMORNTHAP WATCHARAPRUEKSADEE	18,984,700	2.93%
5	MR. BOONLERD IEWPORNCHAI	18,200,000	2.81%
6	MISS CHUTIKAN MANASILAPAPAN	14,380,122	2.22%
7	MR. VIRAT ANURAKPUTTI	11,450,000	1.77%
8	MR. TANAKORN JIRAPINTU	10,851,500	1.67%
9	MR. NATTAPAS MANASILAPAPAN	9,882,093	1.52%
10	MR. NORNTAWAT ANANPORNCHINDA	9,607,200	1.48%
	Other Shareholders	442,403,251	68.21%
	<b>Total</b>	<b>648,564,609</b>	<b>100.00%</b>

## 1.4 Number of Registered Capital and Paid-up Capital

### 1.4.1 Common Shares

The Company has registered capital of 860,870,005 baht and has paid-up capital of 648,564,609 share, divided into 648,564,609 common shares with a par value of 1 baht per share, equivalent to 648,564,609 baht which is listed on the MAI stock exchange.

### 1.4.2 Other types of shares with rights or conditions different from ordinary shares.

-None-

### 1.4.3 The Company's shares or convertible securities are the underlying securities for issuing investment units of mutual funds for foreign investors.

-None-

## 1.5 Issuance of other securities

### 1.5.1 Convertible securities

#### 1) Warrants to purchase common shares of the Company No. 3 (SIMAT-W3)

The Company issued and offered warrants to purchase common shares of Simat Technologies Public Company Limited No. 3 (SIMAT-W3) in the amount of 37,813,712 units, allocated to the existing common shareholders of the Company whose names appear listed in the shareholder register as of May 13, 2015 without charge at the ratio of 10 ordinary shares subscribed to 1 unit of warrant. The details of the warrants are as follows:

Type of warrant	:	Warrant to purchase common shares of Simat Technologies Public Company Limited No. 3 (SIMAT-W3)
Warrant type	:	The holder's name is specified and is transferable.
Warrant issuance date	:	May 19, 2015
Term of the warrant	:	10 years from the date of issuance of the warrant.
Number of warrants offered for sale	:	37,813,712 units
Number of warrants rights not yet exercised	:	37,811,271 units
Exercise ratio per unit	:	1 unit of warrant per 1.3765 common shares .
Exercise price	:	21.7941 baht per share (Rights adjusted on August 18 , 2021)
Period of exercise of rights	:	Warrant holders can exercise their rights under the warrants on every last business day of January, April, July and October after the date of issuance of the warrants. Until the expiration of the term of the warrant (“Exercise Date”) where the first exercise date will be on July 29, 2015 (since July 30-31, 2015 are holidays, so moved to the previous business day) and the last exercise date will be is the date the warrant expires for 10 years from the date the warrant

is issued which falls on May 19, 2025. If the last exercise date does not fall on a business day, the said last exercise date will be postponed to the previous last business day instead.

## 2) Warrants to purchase common shares of the Company No. 5 (SIMAT-W5)

The Company issues and offers warrants to purchase ordinary shares of Simat Technologies Public Company Limited No. 5 (SIMAT-W5) to be allocated to the Company's existing shareholders in proportion to their shareholding (Right Offering), amount not exceeding 160,000,000 units (without charge), allocated to existing common shareholders of the Company whose names appear in the shareholder register as of August 19, 2021 at the ratio of 4.07 common shares to 1 unit of warrant. The details of the warrants are as follows:

Type of warrant	:	Warrant to purchase common shares of the Company. Simat Technologies Public Company Limited No. 5 (SIMAT-W5)
Warrant type	:	The holder's name is specified and is transferable.
Warrant issuance date	:	September 3, 2021
Term of the warrant	:	3 years from the date of issuance of the SIMAT-W 5 warrant. (Expiration date: September 2, 2024)
Number of warrants offered for sale	:	159,347,695 unit
Number of warrants rights not yet exercised	:	159,347,695 units
Exercise ratio per unit	:	1 unit of warrant per 1 ordinary share.
Exercise price	:	2 baht per share
Exercise period	:	Warrant holders can exercise their rights under the warrants only once on the expiration date of the warrants. This is the date that is the expiration date of 3 years from the date of issuance of the warrants. However, if the exercise date falls on a holiday of the Company, such exercise date shall be postponed to the business day preceding such exercise date.

### 1.5.2 Debt securities

-None-

## 1.6 Dividend payment policy

Simat Technologies Public Company Limited has a policy of paying dividends at a rate of not less than 50% of net profit after corporate income tax and legal reserves. However, the Company may pay dividends at a lower rate if it needs to use such net profits for future expansions.

The proposal will be presented at the annual general meeting of shareholders on April 26, 2024 to consider and approve the omission of dividend payment for the fiscal year 2023 due to the Company's desire to maintain liquidity for operations and to expand the investments in 2024.

## 2. Risk Management

The Company recognizes the importance of risk management amidst changes that may affect the business due to both internal and external factors. Therefore, there is a risk management system integrated with strategic planning and performance.

The Executive Committee and the Board of Directors are responsible for reviewing and presenting risk management policies and acceptable risks. They oversee the development of processes and ensure compliance with the risk management framework across the organization. They review risk management reports to follow up on significant risks by evaluating the overall business situation, analyzing both external and internal risks, and the potential impact on achieving the Company's main goals and stakeholder interests. Measures are determined to reduce risk to an appropriate level, ensuring risk management is adequate, appropriate, systematic, continuous, efficient, and effective, thus maximizing benefits and aligning with the Company's strategic plan and business objectives.

Additionally, risk management and control are assessed by the internal audit department, which presents its findings to the audit committee and management. This collaborative effort seeks ways to mitigate foreseeable risks, including continuous monitoring and review of evaluation results. The Company also prioritizes personnel development to enhance skills and adaptability to rapidly changing technology, fostering awareness and emphasizing the organization's risk management practices as part of good corporate governance. This forms a crucial foundation for achieving organizational goals.

### 2.1 Risk Management Policy and Plan

The Group acknowledges the importance of sound organizational management to foster growth and expansion in alignment with its objectives, ensuring appropriate returns for shareholders while considering sustainable development in terms of environment, society, and corporate governance (ESG) as a guideline for business operations. Given the rapidly changing business competition, often influenced by uncontrollable external factors, the Company's Executive Committee has established a risk management policy outlining strategies for managing potential organizational risks as follows:

- 1) Every employee and executive must play a role and participate in the organization's risk management. Including understanding of duties and responsibilities related to risk management
- 2) Establish risk management procedures It has the following main components:
  - (a) Set objectives
  - (b) Identify events or risk factors that affect the objectives.
  - (c) Evaluate the likelihood that this may occur (Likelihood) and the impact of the event (Impact).
  - (d) Determine how to respond to risks.
  - (e) Monitor and evaluate
- 3) Report to the board of directors at least once a year.

### 2.2 Risk factors for the Company's business operations.

#### 2.2.1 Risks to the business operations of the Company or group of companies.

##### Producing and distributing label products business

- 1) Risk from relying on customers in the electrical appliance and electronics industry.

Business producing and distributing label products is at risk from reliance on customers in the electrical appliance and electronics industry, which constitutes a significant portion of the Group's sales revenue. The Group faces risks related to dependency on such customer groups, especially if changes in government policy or investment climates occur, potentially leading to customers relocating their production bases, which could significantly impact the group's operations. However, the Company mitigates these risks by diversifying its customer base and maintaining strong relationships with its clients.

In addition, because most of the group's customers are multinational companies that have invested in setting up production bases in Thailand, the group is therefore exposed to risks related to reliance on such customer groups. If there is a change in government policy and laws related to investment by foreign investors. Including Thailand's competitiveness. Not consistent with the investment policy of foreign investors It may have an effect on the Company's customer group. Move production base to another country This may significantly affect the operating results of the group of companies.

The Company is aware of such risks. This is a factor beyond the control of the Company. The Company has arranged for a marketing team to always find new customers as well as building good relationships with all customers, most of whom are regular customers who have been trading with each other for a long time. In addition, the Company is studying and considering expanding investments to neighboring countries that have the potential to attract investors from Foreign countries such as Vietnam, etc.

## 2) Risk from reliance on foreign workers or labor shortage.

Currently, the Company's production process requires significant labor across various stages. The majority of production employees are foreign workers, paid at rates that comply with legal standards and are competitive with other employers. Thus, changes in laws related to foreign workers, increases in the minimum wage, impacts of international relations, economic development in neighboring countries, and scenarios where workers seek employment elsewhere for better compensation could potentially lead to labor mobility or shortages. This, in turn, might affect the Company's product production. However, the Company has yet to face a labor shortage that significantly impacts the production and delivery process of its products. The Company employs two strategies for its labor recruitment process:

- (a) Hiring agents to source foreign workers for the Company, which offers convenience, speed, and reduces the Company's burden in recruiting daily labor, given the high turnover rate in this workforce.
- (b) Standard recruitment, which depends on recommendations from existing employees within the Company. Moreover, the Company provides fair and competitive welfare benefits without discriminating based on nationality, including creating manuals and documents in three foreign languages: Burmese, Cambodian, and Lao, to ensure clear, equal, and fair communication with foreign workers.

However, an increase in the minimum wage would directly impact the Company's production costs. The parent and subsidiary companies believe they can negotiate with customers to pass on these increased costs.

Additionally, the Company is exploring solutions to reduce its reliance on foreign labor or mitigate long-term labor shortages by considering the adoption of new technologies that can decrease labor dependency in production processes, such as automation systems and other related technologies. These improvements are expected to enhance the efficiency of product production, reduce loss rates during production, and lower production costs. With these measures, the Company is confident it can mitigate

the impact of potential risks without significantly affecting its operational results.

3) Risk from fluctuations in raw material costs and there is no long-term contract with raw material suppliers

The primary business of the Group involves manufacturing and distributing silk screen products, nameplates, and sticker labels. The prices of many essential raw materials, such as various types of plastic films, stickers, adhesive tapes, and printing ink, tend to fluctuate based on oil prices or commodity markets. These prices are influenced by economic factors, geopolitical conflicts, wars, and the global demand and supply of various commodities, which are external factors beyond control. Therefore, an increase in the price of oil or commodities could lead to higher raw material costs. If the Group is unable to adjust its selling prices accordingly, the gross profit margin and operating results could be adversely affected.

Furthermore, the Group does not engage in long-term contracts for the procurement of raw materials with its trading partners; purchases are made through orders (Purchase Orders) each time. However, due to the Group's longstanding good relationships with trading partners, coupled with constant communication and exchange of information regarding price adjustments, production, and delivery times, partners typically notify the Group in advance of any likely price adjustments for main raw materials. This allows the Group to plan and place orders for such materials in quantities sufficient for production, based on advance order predictions from customers. The Group manages the gradual delivery of raw materials to align with the production schedule.

Nevertheless, in the event of a significant increase in raw material costs, the Group is confident it can negotiate sales price adjustments with customers to pass on the increased costs of raw materials.

4) Risk from management that relies on executives

Mr. Chen Kwan Sin is one of the co-founders of the Company and currently serves as the Director, Executive Chairman, and Chief Executive Officer. He has played a crucial role in the development of the Company's business operations and has been instrumental in establishing strong relationships with many customers from the onset of the label, sticker, and silkscreen business operations. He has also been pivotal in enhancing product quality, earning customer and industry recognition, and securing the Company's registration as an approved supplier for numerous significant customers, thereby continuously driving the Company's sales and growth. Meanwhile, Mr. Vincent Lua Bick Yeong occupies the position of Vice Chairman of the Company's Board of Directors, Executive Committee, and Managing Director. He is a highly knowledgeable executive with direct experience from various countries in techniques for improving the quality of silkscreen products and holds a reputable standing in the industry.

The loss of these two executives could potentially impact the Company's management and operating results. Recognizing the risk of dependency on these individuals, the Company has restructured its management to decentralize decision-making power, approval authority, and to define the scope of authority, duties, and responsibilities of its executives. This includes preparing organizational personnel to support the work of these high-level executives, recruiting professional personnel for management, fostering good relationships between senior executives, middle management, and the operational level, and implementing a succession plan policy for critical positions to mitigate the risk of reliance on these key executives.

5) Risks related to environmental impacts

In the Company's production process, especially for silkscreen products, the use of certain hazardous chemicals, which are components of raw materials, paints, and other substances, is required. These

chemicals may pose risks to both the environment and employee health, and their usage may not always align with legal standards. Furthermore, some customers also impose regulations regarding the use of hazardous chemicals. Failure to comply with these standards could impact the Company's orders and revenue. To address this, the Company has established a working group dedicated to environmental management, tasked with monitoring and mitigating environmental impact issues. The Company has equipped employees who handle chemicals with appropriate protective gear and established protocols for the storage and disposal of chemicals, including the segregation and disposal of hazardous waste through specialized external firms. Moreover, the Group contracts expert companies to annually monitor, measure, and analyze the concentration levels of hazardous chemicals in the air, workplaces, and storage areas. This includes assessing air quality, lighting, sound, and wastewater quality, with chemical concentration measurements conducted at least bi-annually. These findings are reported to the relevant government bodies. Over the past three years, environmental quality measurements, including chemical concentration levels, have met both governmental and customer standards. Additionally, the Company and its subsidiaries have not received any environmental complaints from the surrounding communities.

The Company has been recognized for its environmental efforts, achieving Level 3 Green Industry and Green System certification from the Ministry of Industry, demonstrating effective, systematic environmental management practices. This includes ongoing monitoring, evaluation, and improvement efforts, as well as employee training on environmental impact awareness. Furthermore, the Company has obtained ISO 14001:2015 certification and RoHS (Restriction of Hazardous Substances) compliance, the latter being an EU standard that regulates the use of hazardous substances in electrical and electronic equipment to mitigate environmental impacts from electronic waste management and disposal. These certifications underscore the Company's commitment to implementing measures that adequately protect and manage the environment.

#### 6) Financial Risk

Credit agreements with certain financial institutions require Hinsitsu (Thailand) Public Company Limited to (HST) and Simat Label Company Limited (SL) Must maintain the ratio of total debt to shareholders' equity (D/E Ratio : Debt to Equity Ratio) not more than 2 to 1 and not more than 1.5 to 1, respectively. In addition, it is also required to maintain the ratio of ability to Debt repayment (DSCR: Debt Service Coverage Ratio) not less than 1.25 times and not less than 1.5 times, respectively. The above financial ratios will be determined from the annual financial statements or consolidated financial statements.

Company	Contractual Conditions	At the end of 2022	note
HST	D/E Ratio not more than 2	D/E Ratio= 1.27	According to the conditions of the loan contract
	DSCR not less than 1.25	DSCR = 1.85	
SL	D/E Ratio not more than 1.5	D/E Ratio = 2.01	SL has received a letter waiving the breach of conditions from the financial institution.
	DSCR not less than 1.25	DSCR = 1.08	

However, after the initial public offering of additional common shares (IPO) HST will use part of the capital increase to pay off SL 's debt . This will result in the total debt to equity ratio and debt service ability ratio of HST and SL improving. In addition, HST and SL have a division. Financial account responsible for monitoring compliance with the terms of the credit contract and for coordinating with the financial

institution providing the loan. If there is an operation that may violate the conditions To ensure that HST and SL can comply with various conditions and regulations. of the loan contract.

In additionally, a financial institution that provides loans has specified that the shareholding percentage in HST by the Company, Mr. Vincent Lau Bick Yeong, and Mr. Chen Kwan Sin, both directly and indirectly, must not fall below 55 percent of the total number of shares unless approval is obtained from the lender. This stipulation includes specifying that changes in the Company's directors or executives could trigger a default on the loan. If HST fails to comply with these conditions, it may result in a breach of the credit agreement's terms, necessitating the repayment of all outstanding debts, which could significantly impact liquidity. However, HST is currently negotiating with financial institutions to request a waiver for amending the default condition terms, particularly regarding changes in directors or executives. The negotiation aims to limit changes exclusively to directors with signatory authority to mitigate such risks. The Company plans to establish an agreement among shareholders, including the companies, Mr. Vincent Lau Bick Yeong, and Mr. Chen Kwan Sin, to act in accordance with the financial institution's requirements. This agreement will cover maintaining the shareholding proportion in HST and not altering the authorized directors without prior consent from the financial institution. Should any shareholder breach these conditions and cause damage to the Company, the Company retains the right to seek damages from that shareholder, should there arise a future need to reduce their shareholding proportion below the stipulated level or to change the authorized director. The Company will maintain close communication with the financial institution to discuss the reasons and necessity for such changes and to seek approval. Historically, the Company has always adhered to the critical conditions of the credit agreement and has continuously fostered positive relationships with its lending institutions. This track record bolsters the Company's confidence in its ability to negotiate changes to the conditions with the lending institution. Nevertheless, if the financial institution declines the Company's request to amend the conditions, the Company believes it can secure financing from other financial institutions to repay the outstanding loans with the current lender.

#### Government project business.

Risk from reliance on large customers.

Since the Company derives 31 percent of its total income from government projects, specifically from a contract project providing high-speed internet service in remote areas (Zone C) of Group 4, Northeastern Region 2, in collaboration with the Office of the Broadcasting Commission, Television Business, and the National Telecommunications Commission (NBTC), there are associated risks.

These risks could potentially disrupt the Company's cash flow due to the contract's payment terms, which are scheduled biannually. Consequently, the Company needs to effectively manage its liquidity. In 2023, the Company ventured into expanding its business into cable TV, renewable energy, and engineering sectors.

#### Renewable energy, engineering work, and integrated information technology business.

1) Risk from changes in technology and variety of services.

The Company offers consulting services, design, installation, training, system maintenance, procurement, and distribution of products and equipment related to the renewable energy business, engineering work, and integrated information technology. Given the rapidly evolving nature of technology, it's crucial for the Company to efficiently serve customers and stay abreast of industry developments. Failure to keep



pace with such changes may lead to customers opting for services from competitors, potentially affecting the Company's client base and overall revenue. Additionally, the risk posed by swift and ongoing technological advancements can lead to a depreciation in the value of inventory if not managed properly.

To manage risks associated with technological change, the Company proactively monitors information, news, and trends in the industry and adapts accordingly. This includes offering in-demand products and services to avoid missing business opportunities or falling behind competitors.

Furthermore, the Company mandates that all technical staff, engineers, and sales personnel are committed to ongoing learning, knowledge development, and participation in training seminars. This ensures they are well-informed about technological advancements and can select appropriate products and equipment. It also aids in enhancing service offerings to be contemporary and responsive to changes, thereby improving operational efficiency for both customers and business partners.

## 2) Debtor Risk

The Company adopts a stringent approach to customer credit evaluation, setting credit limits for each customer's business and conducting appropriate follow-ups. In instances where a debtor's payment is overdue, measures are taken to minimize the risk of significant bad debts or doubtful debts, which could impact the Company's liquidity, working capital procurement, and overall operating performance.

## 3) Risks from the economic slowdown and changing market demands

The economic slowdown has impacted the integrated information technology service business, leading to a decrease in the number of orders and a downward trend in equipment prices. To adapt to market conditions and help customers reduce burdens and expenses, the Company has expanded into new business areas, such as the solar energy business and WiFi system rental services. These additions eliminate the need for customers to make large upfront investments.

### Broadband internet business

#### Risk from competition

The business of providing broadband internet services through a fiber optic network is facing increased competition. This surge in competition is attributed to competitors significantly boosting their investments in fiber optic networks across various areas. Particularly, large telecommunications companies are offering bundled services of mobile broadband and fixed broadband at discounted rates, integrating mobile and fixed internet services. Consequently, the Company has experienced a decrease in customer numbers and a reduction in selling prices, adversely affecting its income and profits.

The Company prioritizes enhancing and maintaining the quality of internet signals and providing exemplary installation and after-sales services, which are considered the cornerstone of the business. The strategy is to not compete on price alone but to emphasize the provision of high-quality internet signals at reasonable prices. It has decided to downscale and halt expansion in the consumer market, choosing instead to concentrate on the business sector. In 2022, the Company diversified into the cable TV business by acquiring a 50 percent stake in Digital Cable Communication Company Limited (DCOM). This move is aimed at leveraging the fiber optic network for the cable TV business, illustrating the Company's strategic pivot towards exploiting its existing infrastructure in new, potentially profitable avenues.

### 2.2.2 Risks to investment by security holders.

Risk from uncertainty of returns involves the Company's stock price being influenced by various factors, many of which are beyond the Company's control, such as:

- 1) Economic conditions, crises, and abnormal situations.
- 2) Changes in policies, rules, and regulations, or various conditions affecting the industry.
- 3) The Company is in the process of applying for permission to list Hinsitsu (Thailand) Public Company Limited (HST), a subsidiary of the Company, on the Market for Alternative Investment (MAI).

These factors could lead to fluctuations in the stock price, potentially dropping below or rising above investor expectations, thereby causing uncertainty in investor returns.

## 3. Driving Business towards Sustainability

The Company prioritizes adherence to the principles of good corporate governance, emphasizing disclosure, transparency, board responsibilities, and environmental and social stewardship. It is committed to continuously enhancing its governance practices alongside pursuing business growth objectives. This approach aims to generate value and benefits for the business, stakeholders, society, the environment, and the nation in a sustainable manner.

### 3.1 Sustainability management policy and goals

The Company is dedicated to operating its business grounded in the principles of good corporate governance, aiming for organizational sustainability that fosters economic, social, and environmental values. Thus, the Company has set forth a sustainability policy to serve as a guideline for managing The group's businesses. The action guidelines are as follows:

- 1) Conduct business with integrity and morality, adhering to legal and trade compliance. Promote organizational transparency following good corporate governance practices, including supporting anti-corruption efforts, preventing exploitation, and abuse of power to maximize stakeholder benefits.
- 2) Uphold human rights principles, respecting human dignity, rights, freedom, and equality as protected under the Constitution of the Kingdom of Thailand and relevant international laws.
- 3) Emphasize the continuous improvement and development of work processes and services across the value chain, following quality management principles organization-wide to foster a quality mindset among staff, thereby enhancing customer value and achieving long-term organizational growth.
- 4) Advocate for the efficient and meaningful use of resources, including selecting environmentally and socially responsible raw materials and optimizing energy use.
- 5) Prioritize employee safety, occupational health, and workplace environment, including that of visiting partners, to prevent loss of life, property damage, and work-related injuries or illnesses.
- 6) Treat personnel fairly, focusing on labor skill development and promoting workplace happiness to drive efficient organizational performance.
- 7) Encourage socially responsible innovation to improve efficiency and effectiveness, creating value for the organization and its stakeholders.
- 8) Generate sustainable benefits for the community and society, supporting and participating in public benefit activities, and motivating employees to contribute positively to society.
- 9) Commit to comprehensive risk management to enhance the likelihood of success and minimize potential failures or losses.

### 3.2 Managing impacts on stakeholders in the business value chain.

#### 3.2.1 Business Value Chain

The group places importance on management throughout the business value chain (value chain) from upstream to downstream processes. To create value for products and services as well as meeting the expectations of relevant stakeholders throughout the value chain.



The Company's value chain Consists of activities as follows:

Management of factors of production	operations	Product and service development, sales and distribution channels	After-sale service	Other supporting activities
<ul style="list-style-type: none"> <li>● Procurement of computer equipment and computer programs and network equipment Development of computer information technology systems (IT business)</li> <li>● Procurement of network equipment and communication equipment</li> </ul>	<ul style="list-style-type: none"> <li>● (1) Selling computer equipment such as desktop computers, notebooks , printers and other equipment. In the form of selling as a large project to government agencies. and large private companies providing complete information technology services,</li> </ul>	<ul style="list-style-type: none"> <li>● Collaborating with partners in various businesses industry to develop products and services that meet the needs of living and doing business in the digital age</li> <li>● Selection of areas to set up base stations By evaluating the impact on the community and environment.</li> </ul>	<ul style="list-style-type: none"> <li>● Providing after-sales service to create satisfaction There are various channels such as call centers and various social media.</li> <li>● Maintaining standards and controlling safety in the installation of high-speed internet services by subcontractors.</li> </ul>	<ul style="list-style-type: none"> <li>● Fair human resource management and aims to promote and develop the potential of employees To support the vision for business growth There is an appropriate compensation and welfare system. Create safety and good hygiene at work.</li> </ul>

Management of factors of production	operations	Product and service development, sales and distribution channels	After-sale service	Other supporting activities
<p>To provide high speed internet service</p> <ul style="list-style-type: none"> <li>● Requesting a telecommunications business license from the government (NBTC)</li> </ul>	<p>including hardware equipment sales software development and providing maintenance services throughout the country</p> <p>(2) Providing information technology services and providing internet installation services, the Company will provide its employees and hire outsiders is the operator But for outsourcing, there is only a small percentage.</p> <ul style="list-style-type: none"> <li>● Fiber optic network system in Nakhon Ratchasima, Khon Kaen, Chiang Mai and Bangkok under the brand “SINET” for most of Bangkok. Will provide services in charter buildings and high-rise buildings such as apartments and dormitories, etc.</li> <li>● Government projects: The Company can bid on projects to provide high-speed internet service in remote areas ( Zone C ), Group 4, Northeastern Region. of the National Broadcasting and Telecommunications Commission There is a written contract.</li> </ul>	<p>Ready to build a base station and networks that are resistant to natural disasters and changes in climate from global warming, such as floods and storms, in order to provide continuous service to customers.</p>		<ul style="list-style-type: none"> <li>● Good corporate governance according to the principles of good governance and business ethics.</li> </ul>

### 3.2.2 Analysis of stakeholders in the business value chain.

The Company places importance to stakeholders, both internal and external to improve operations, the Company believes that responding appropriately to the expectations of stakeholders will help promote sustainability in The group's business operations.

Stakeholders	Communication channels	Expectations	Operation
Employee	<ul style="list-style-type: none"> <li>• Meeting with management</li> <li>• Public relations board</li> <li>• Website / Email / Line Group</li> <li>• Comment box</li> <li>• Organizing training seminars</li> <li>• Satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>• Receiving good and appropriate compensation and benefits</li> <li>• career advancement</li> <li>• Development of knowledge, skills, and abilities</li> <li>• Good quality of life at work</li> <li>• Equal treatment Does not discriminate according to race/ nationality</li> </ul>	<ul style="list-style-type: none"> <li>• Management of compensation and benefits that are appropriate and fair</li> <li>• Promote opportunities for advancement in careers that are consistent with knowledge and abilities.</li> <li>• Organize training and promote the development of knowledge and potential of employees regularly.</li> <li>• Arrange vaccination against COVID- 19</li> <li>• Treating all employees equally and respect basic human rights</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Annual report ( one report )</li> <li>• Report news and information through the stock exchange channels</li> <li>• Company website</li> <li>• Investor Relations Department</li> <li>• Opp day activities</li> </ul>	<ul style="list-style-type: none"> <li>• Steady growth in operating results</li> <li>• Conducting business according to good corporate governance guidelines and develop businesses for sustainability</li> <li>• Disclosing information that is accurate, complete, and sufficient for decision making. and up to date</li> </ul>	<ul style="list-style-type: none"> <li>• The Company has a policy to pay dividends of not less than 50 percent of net profits after deducting corporate income tax. and reserve according to law</li> <li>• The Company's performance over the past 3 years has grown continuously.</li> <li>• The Company is committed to conducting business in accordance with the principles of good corporate governance. Including respecting the rights of shareholders to receive accurate and complete information according to the rules of the Stock Exchange.</li> </ul>

Stakeholders	Communication channels	Expectations	Operation
<b>Customer</b>	<ul style="list-style-type: none"> <li>Organize activities with customers</li> <li>Meeting to acknowledge customer needs</li> <li>Customer satisfaction survey</li> <li>After-sales service</li> <li>Listening to opinions and complaints</li> </ul>	<ul style="list-style-type: none"> <li>Delivering quality products and services and delivered on time at a reasonable price</li> <li>Maintaining customer confidentiality</li> <li>Contact, follow up, and good after-sales service.</li> </ul>	<ul style="list-style-type: none"> <li>The Company places importance on the continuous development of product and service quality. To meet the needs of many different customers Including adhering to business ethics By keeping the business secrets of customers</li> <li>Pay attention to service and create cooperation in mutual development To build long-term relationships</li> <li>Customer satisfaction surveys are conducted regularly. including responding to and resolving complaints urgently</li> </ul>
<b>Partners</b>	<ul style="list-style-type: none"> <li>Performance evaluation and listening to opinions Including suggesting ways for improvement.</li> </ul>	<ul style="list-style-type: none"> <li>Selection and treatment are fair and transparent.</li> <li>Compliance with trade conditions</li> <li>Scheduled payments</li> <li>long term partnership</li> </ul>	<ul style="list-style-type: none"> <li>Treat trading partners equally and fairly. Taking into account long-term mutual benefits</li> <li>Conduct the selection of business partners with honesty, transparency, and do not demand undue benefits.</li> <li>Commit to and maintain long-term business relationships and partnerships. By following Agreed laws and trading conditions</li> <li>Organize seminars to exchange knowledge mutual understanding</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Survey and listen to opinions and suggestions.</li> <li>Participating in social activities</li> <li>Line group</li> </ul>	<ul style="list-style-type: none"> <li>Helping support activities in the community such as education and the environment</li> <li>Employment</li> <li>Does not create a negative impact on the community and complaint management</li> <li>There is transparency in operations.</li> </ul>	<ul style="list-style-type: none"> <li>Support employment within the community including employment of people with disabilities</li> <li>Give importance to urgent resolution of complaints (if any).</li> <li>Follow the social responsibility policy By taking care of every stakeholder group. and adhering to the principles of transparent management</li> </ul>

## 3.3 Sustainability management in the environmental dimension.

### 3.3.1 Environmental policies and practices.

The Company's subsidiaries, including Hinsitsu (Thailand) Public Company Limited group, specialize in the production of silk screen labels, cutting stamping stickers, and stamping, primarily serving as components for electrical appliances and electronic parts. The group is dedicated to producing quality products and places a high emphasis on the sustainable use of natural resources, considering environmental and social impacts for sustainable growth. It focuses on the development and efficient management of the environment in compliance with the ISO 14001:2015 standards and is committed to the continuous development and improvement of environmental impacts. This dedication has led to achieving the Green Industry level 3 (Green System) certification from the Ministry of Industry.

Moreover, being listed on the Approved Supplier List by world-leading multinational corporate customers mandates adherence to their environmental standards. The group has earned the trust of these leading multinational companies, engaging in activities to assess and enhance environmental quality and consistently meeting the environmental criteria set by these customers.

As a member of Thai society, the Company and its subsidiaries prioritize social responsibility, particularly in environmental stewardship. They operate and manage their activities in full compliance with all environmental protection laws, aiming to preserve and protect the environment. This includes establishing an environmental protection system with clear guidelines. Furthermore, the Company has been recognized with certifications of environmental standards from nationally and internationally accredited institutions, such as:

- Environmental management system certification ISO 14001 : 2015.
- Green Industry Certification Level 3 ( Green System ) from the Ministry of Industry.
- Environmental management system certification and management of hazardous chemicals from customers.
- The Company has got the Best Improvement Level award from customers' participation in the Green Excellent Activity Y2018 activity and has followed up on performance every year. In order to maintain a sustainable environmental and chemical management system.

The group's environmental practices are as follows:

- 1) Support, promote, and educate workers and stakeholders about environmental impacts. Making the most of limited resources Using clean energy or alternative energy, including reducing garbage or waste generation. and cooperate in eliminating garbage or waste using the correct method.
- 2) Comply with the law as well as the requirements of stakeholders involved in environmental management. strictly
- 3) Assessment of environmental risks and impacts health and safety Before investing or joint ventures in other businesses, the Company adheres to the principles of conducting business with care and preserving the environment.
- 4) Set guidelines for the efficient and effective use of natural resources, materials or equipment. Including implementing projects or activities to reduce waste or waste generation in the production process. and office area and cooperate in separating waste, disposal of garbage or waste using the correct method.
- 5) Three types of waste management systems : general waste, recyclable waste, and hazardous waste.



To be in accordance with the law Including compliance with the requirements of government agencies as follows:

- (a) 13- digit identification number for hazardous waste generators.
  - (b) Request permission from SorKor.2 to take waste or unused materials out of the factory area.
  - (c) Request permission from SorKor.1 to extend the period for storing waste or unused materials in the factory area.
  - (d) Notification of SorKor. 3 regarding notification of details of waste or unused materials.
  - (e) Apply for permission from the A.P.O. 2 , a license to operate a business that is hazardous to health.
  - (f) General garbage collectors are hired. that is allowed by law.
- 6) Arrange for inspection of the working environment twice a year , such as measuring chemical concentrations, light, sound, ventilation shafts, and wastewater.
  - 7) Carry out water treatment before releasing it into the central sewer.
  - 8) Set up garbage disposal points for employees. By clearly separating them into sections such as general waste, hazardous waste, and recycled waste , and providing a grid tray to prevent spills.
  - 9) Arrange for an evaluation of the amount of chemicals in raw materials, printing ink,etc. and take action correctly as required by law. before being put into the production process In order to confirm that there are no hazardous chemicals contaminated beyond the prescribed limit in products sent to end users.
  - 10)Support the efficient use of natural resources, such as saving electricity. Reduce paper use, save water, etc.

### 3.3.2 Environmental performance results.

The group of companies is aware of operating in tandem with resource management. and the environment efficiently by setting up a working group to campaign Promote awareness about the value of resources and the environment. Including determining related activities both inside and outside the organization.

#### Reducing paper use

The Company is aware of the impact on the environment. Using reused paper helps reduce the use of natural resources that are currently scarce. Since the main raw material for producing various types of paper is trees, reusing paper is one option to reduce pollution from paper destruction, such as burning, which causes air pollution. The Company has set up activities. Reducing the use of paper within the organization To encourage employees to use paper efficiently. Use double-sided paper. Document envelopes can be reused again. Continuously campaign to create awareness of saving paper through various methods such as posting public relations stickers, setting up boards, etc., and creating awareness of reducing forest destruction. Including reducing the cost of the organization.

The winning employee of the slogan contest is an employee from the quality control department. which has content that

## “ Forest has benefit that support all beings, consume consciously cultivate a conscious ”

### Reducing electricity use.

The Company continuously campaigns to reduce electricity use within the organization through work routines such as turning off the air conditioner 15 minutes before lunch time and before work ends, turning off electricity during lunch breaks, including turning off the air conditioner, computers and other electrical appliances everytime its not in use.

In addition, The group is able to reduce costs regarding electricity which uses fossil energy sources. By installing solar panels on the roof of the head office from the beginning of 2023 , the amount of electricity purchased from the electricity authority has decreased by 16,130 units, and there is a plan to install solar panels on the roof of the factory. To help reduce the use of electricity from fossil energy and increase the overall expenses of The group of companies. In addition, the Company It will use electricity from solar energy, which is more clean energy. This is a part that will help reduce the greenhouse gas problem from the release of carbon dioxide into the atmosphere.

### Waste management from the production process.

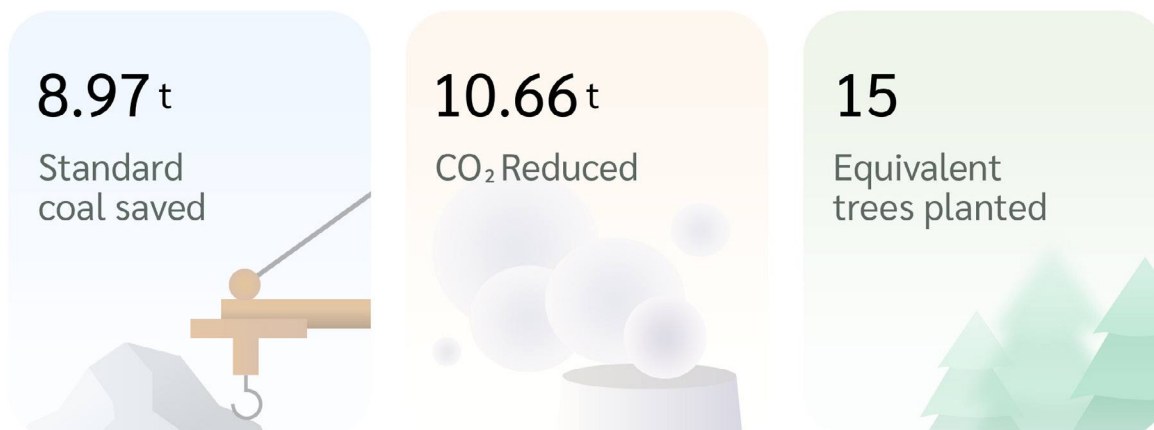
The Company adheres to guidelines for systematically managing trash and waste generated from business operations with the principle of 3R: Reuse Reduce Recycle. Hinsitsu (Thailand) Public Company Limited Group is a group of subsidiaries. which is in the production industry There is a waste separation system such as general waste, recyclable waste, and hazardous waste, etc., and experts are hired to dispose of each type of waste to remove and dispose of according to the law. Except that recycled waste will be sold to the next buyer. Including creating awareness and participation with those involved to reduce the amount of waste and use resources efficiently.

### Management to reduce greenhouse gas problems.

The Company prioritizes management efforts to mitigate greenhouse gas emissions. It undertakes various activities aimed at reducing its impact on greenhouse gas levels, such as minimizing electricity and paper usage. Currently, the Company is initiating the process of examining and gathering data to establish objectives, guidelines, and strategies for mitigating greenhouse gas issues, including commencing the measurement of its greenhouse gas emissions. In 2023, it was determined that the Company and its non-manufacturing subsidiaries emitted 83.12 tons of carbon dioxide in Scope 2 (electricity consumption) and 372.18 tons of carbon dioxide in Scope 3 (usage of tap water, office supplies, and fuel combustion during travel).

Furthermore, the Company has implemented a solar energy system (Solar Rooftop) with a capacity of 30 kWp. This installation enabled the Company to save 8.97 tons of coal in 2023, equating to a reduction of 10.66 tons of carbon dioxide emissions. This reduction is comparable to the environmental impact of planting 15 trees, contributing to the effort to alleviate the greenhouse gas problem.

## Environmental Benefits



On December 29, 2023, Simat Label Company Limited, a subsidiary of the Company, signed a power purchase agreement for the installation of a solar energy production system (Solar Rooftop). The transaction value does not exceed 60 million baht, starting with an initial capacity of approximately 600kWP, and it may expand to a maximum capacity of approximately 900kWP over a period of 15 years. This agreement was made with Natural Power Energy Company Limited, another subsidiary within the same group, aiming to reduce the operating expenses of the Hinsitsu Group. Additionally, this initiative decreases the amount of greenhouse gases emitted from the organization's operations (Carbon Footprint), contributing to the community and the environment. This move is part of the organization's commitment to sustainable development across all dimensions, including ESG (Economics, Social, Good Governance).

### 3.4 Sustainability management in the social dimension.

#### 3.4.1 Social policies and practices

The group of companies has established social policies and guidelines, encompassing various aspects such as social responsibility, conducting business with fairness, respecting human rights, fair treatment of labor, customer responsibility, environmental care, participation in community or social development, and a code of ethics for business operations. These include anti-corruption, good corporate governance, recruitment policies, and policies for employee training and development. Additionally, The group is committed to adhering to the principles of compliance with laws related to social management in business operations, including policies and practices on human rights and the fair treatment of labor.

### Doing business with fairness.

The Company and its subsidiaries are dedicated to conducting business with integrity, fairness, ethics, and a commitment to engaging in commercial competition based on ethical business principles. They adhere to laws and principles of equal trade competition and strictly oppose any behavior that undermines fair competition, such as acquiring confidential information from business competitors, engaging in bribery, or any dishonest trade practices. Furthermore, the Company upholds the intellectual property rights of others and enforces a policy requiring personnel to comply with laws or regulations related to intellectual property rights, including the use of legally copyrighted computer software, among others. Additionally, the Company has initiated a campaign project aimed at promoting and instilling a sense of social responsibility among employees at all levels.

### Human rights policies and practices.

The Company and its subsidiaries have a policy of supporting and respecting the protection of human rights. By treating those involved, whether employees, communities, and surrounding society, with respect for human values, equality and equal freedom. Does not violate basic rights and does not discriminate whether in terms of race, nationality, religion, language, skin color, gender, age, education, physical condition or social status Including ensuring that the business of the Company, its subsidiaries and/or associated companies is not involved in human rights violations such as child labor and sexual harassment, etc. In addition, the Company promotes monitoring of compliance with human rights requirements. By organizing participation in expressing opinions and channels for filing complaints for those who have suffered damage from rights violations arising from the Company's business operations. and take appropriate remedies.

Board of directors, executives and employees Recognize the importance of and respect basic human rights in all aspects. and comply with relevant laws, including:

- 1) Respecting the rights and freedoms that are basic necessities that everyone should receive equally, equally, and fairly, without discriminating against differences in race, national origin, religion, culture, skin color, language, way of life, gender, occupation, appearance, place of residence, and physical fitness. differences in economic status politics and society
- 2) Do not discriminate and have bias based on individual differences such as race, nationality, religion, political opinions, etc., both in terms of employment. Payment of compensation promotion Employee training and development
- 3) Promote, support, and provide employment opportunities for the disabled, the elderly, and those who have been released from prison. To create a career and a stable income
- 4) Provide equal opportunities to workers of all nationalities and languages in all aspects such as welfare and compensation. Access to information and documentation in a language that is understandable
- 5) Performing duties with care To prevent possible violations of human rights
- 6) Do not support the use of illegal labor or the use of child labor
- 7) Communicate, disseminate, educate, understand and support those involved in the value chain. In participating in conducting business with ethics Respect human rights and comply with human rights principles
- 8) Provide fairness and protection to individuals who report human rights violations related to the organization.

#### Guidelines for fair treatment of labor.

The Company believes that employees are the Company's most valuable resource. Therefore, employees are encouraged to develop themselves continuously to increase their knowledge and skills in work. The Company also provides appropriate and fair compensation to employees by comparing with the compensation of other companies with similar sizes and business types. In addition, the Company has allocated various welfare benefits that are sufficient and consistent with the actual situation. In 2023, the Company has taken important matters related to employees as follows:

- 1) In addition, the Company pays salaries and bonuses similar to other companies. which have a similar size and nature of business It has also provided a provident fund for all employees. And there is accident insurance and group life insurance to employees who have to go out to serve customers.
- 2) Arrange for employees to receive training in various courses. both inside and outside the country to increase knowledge and operational skills, resulting in the Company's competitiveness increasing with more than half of the total number of employees receiving training.
- 3) Company introduction training has been organized for all new employees. To be aware of the policy corporate culture and work guidelines.
- 4) Provide various welfare benefits For employees as required by law, such as social security, living expenses, diligence allowance, provident fund.
- 5) Arrange a health check for employees once a year, such as a chest x-ray ( X-Ray), physical examination by a doctor ( PE), general urine test ( UL), liver function test. Lung function test Hearing performance testing, testing for Toluene to prevent excessive amounts in the body that can cause toxic effects on the body.

#### Responsibility to customer.

The Company acknowledges the crucial role of customers in its business success and, as such, offers a wide range of hardware equipment, including mobile computers, barcode devices, and other related equipment for data storage and management systems within organizations. These products are of high quality, allowing customers to select options that best meet their needs and fit their operational systems. Additionally, the Company offers various services, such as equipment rental and annual maintenance contracts, ensuring customers derive maximum benefit from their offerings. Moreover, we have designed and developed soft ware for use with these devices, such as mobile computers and related equipment, to enhance usability and compatibility with customers' information systems. This approach is aimed at creating and maximizing customer satisfaction.

#### Policy and responsibility for society and the public.

The Company is confident in achieving continuous and steady progress, emphasizing that peace within society and sustainability in the environment are foundational to this success. Consequently, the Company recognizes the importance of being a responsible and contributing member of society, embracing social and environmental responsibilities in various forms that align with its capabilities. We believe in supporting social projects not necessarily through significant financial investments but through consistent actions reflective of the Company's capacity, with all members of the Company encouraged to participate. A successful social contribution project is seen as one that fosters interaction between the donor and the recipient, ensuring smooth and ongoing progress. Therefore, the Company provides support to the communities surrounding

the Company as well as remote communities. The Company will consider providing support as necessary and appropriate, such as donating computer equipment to schools and temples.

### 3.4.2 Social performance results.

The group is committed to treating all employees and workers with fairness, from the point of employment, through compensation, benefits, training, and development, to managing safety, occupational health, and the working environment. This approach is aimed at fostering a sense of unity, making every employee and worker feel part of one family. In 2023, the Company undertook the following operations for its employees:

Employees of the Company and subsidiaries which are not in the manufacturing industry  
Employment at the end of 2023

Employee type	Number of employees (people)		
	female	man	LGBT
Full-time employees (excluding disabled employees)	167	177	11
Disabled employees	1	1	0
<b>Total number of employees</b>	<b>168</b>	<b>178</b>	<b>11</b>

To provide individuals with disabilities the opportunity to utilize their capabilities for earning income, achieve self-reliance, and alleviate family burdens, the Company actively employs people with disabilities in compliance with the Act on Promotion and Development of the Quality of Life of Persons with Disabilities. By the end of 2023, companies and subsidiaries outside the manufacturing sector have employed individuals who are registered as disabled, hiring 2 people under Section 33.

Furthermore, the Company organizes activities to foster relationships and promote the development of strong bonds with employees. These include New Year's celebrations, Company merit-making events, Songkran festival activities, and safety week, among others.

Employee training.

Year	Total employees (people)	Number of trained employees (people)	Average number of training hours per person	Total training hours
2021	371	127	2	762
2022	284	121	3	726
2023	357	147	5	1,812

Statistics on accidents during work.

Statistics on accidents during work (people)		
Year 2021	Year 2022	Year 2023
0	0	0

**Employees of subsidiary companies in the manufacturing industry.**

Employment at the end of 2023.

Company	Employee type	Number of employees (person)	
		female	man
HST	monthly employee (Excluding disabled employees)	58	55
	Daily employee	14	15
	Disabled employees	0	2
SL	monthly employee (Excluding disabled employees)	68	39
	Daily employee	-	1
	Disabled employees	-	-
HPT	monthly employee (Excluding disabled employees)	5	11
	Daily employee	12	9
<b>Total number of employees</b>		<b>157</b>	<b>132</b>

Company	Employee type	Number of employees (person)				
		Thai	Myanmar	Laos	Cambodia	Other*
HST	monthly employee	67	20	0	22	4
	Daily employee	0	22	0	7	0
	Disabled employees	2	0	0	0	0
SL	monthly employee	107	-	-	-	-
	Daily employee	1	-	-	-	-
	Disabled employees	-	-	-	-	-
HPT	monthly employee	3	10	0	2	1
	Daily employee	0	20	0	1	0
<b>Total number of employees</b>		<b>180</b>	<b>72</b>	<b>0</b>	<b>32</b>	<b>5</b>

\*Others include Malaysia, China, Japan.

To give people with disabilities the opportunity to use their abilities to earn an income. self-reliant, to reduce the burden on families, the Company therefore employs disabled people in accordance with the Act on the Promotion and Development of the Quality of Life of Persons with Disabilities. In 2023, the Company has 2 full-time employees who are registered as disabled according to Section 33, as required by law, a ratio of 1:100 people.

In addition, the Company has organized activities to build relationships and help promote and develop bonds with employees, such as New Year's events, Chinese New Year and Songkran, etc. Including supporting social and community activities. To strengthen good relationships among employees and give back to society with good activities.

Employee turnover rate.

Company	Employee turnover rate			
	Year 2021	Yaer 2022	Year 2023	target
HST	2.86%	2.89%	3.57%	≤ 5%
SL	2.43%	2.10%	1.65%	≤ 5%
HPT	10.31%	4.70%	5.04%	≤ 5%



Employee training

Company	Ratio of employees who have received training			
	Year 2021	Year 2022	Year 2023	target
HST	83.00%	84.21%	92.59%	> 80%
SL	97.68%	97.74%	98.00%	> 80%
HPT	41.66%	84.21%	92.59%	> 80%

Statistics on accidents in the workplace of employees

Company	Statistics on accidents during work			
	Year 2021	Year 2022	Year 2023	target
HST	0	0	0	0
SL	3	0	0	0
HPT	0	0	0	0

Customer

The Company continues to develop good products and services. To meet the needs of customers and create positive long-term relationships customer satisfaction is one of the Company's important goals. Therefore, the Company conducts customer satisfaction surveys every year.

In 2023 , the Company conducted a customer satisfaction survey. Installed broadband internet in Bangkok and the surrounding area for 411 customers by sending a survey of satisfaction scores in 5 areas, namely: Service time is fast and on time. Provide advice on use and equipment systems/advise/explain the cause of problems, neatness of installation or troubleshooting. Human relations, dress and politeness of officials Satisfaction with the service of the officers It appeared that the satisfaction score was very good, 99.10% percent , with the following details:

Assessment topics (January - December)	Very good	good	moderate	fair	Should improve	Not giving information	Full score	Score received	percentage
Service times are fast and on time	261	8	1	-	-	141	4	3.96	98.9%
Able to give advice on use of equipment systems/give advice/explain the cause of problems well.	263	6	1	-	-		4	3.96	99.1%
Completeness of installation or troubleshooting	263	6	1	-	-		4	3.96	99.1%
Human relations, dress and politeness of officials	264	5	1	-	-		4	3.97	99.2%
Satisfaction with the service of the officials	266	3	1	-	-		4	3.97	99.4%
									99.1%

Between July – October 2023, the Company conducted random customer satisfaction surveys. In the electrical appliance industry, there are 35 companies that the Company regularly trades with. By sending a survey to score satisfaction in 6 areas, including the service of sales staff. Product quality and product delivery and communication, following up on complaints and controlling the use of chemicals. To listen to opinions from customers, it appeared that the satisfaction score was 222.4. The evaluation results were grade A=33 cases. Grade B=2 cases. By the Company's goal, the Company must receive a satisfaction score of grade B or higher, 100% . The Company has the following evaluation criteria:

Total score	grade
≥ 224	A
≥ 196	B
≥ 168	C
< 140	F

However, if the evaluation results receive a grade of C and / or F , the relevant parties must hold a meeting and find a solution.

In addition, in 2023 between July – November, the Company conducted a random customer satisfaction survey of 10 customers (details in the table below) from 40 customers who trade regularly. It appears that the average satisfaction score was 96.15 percent , with the goal having to be at least 80 points, with details as follows:

list	Full score	Average score received	percentage
Product quality	800	760	19.00
Solving and preventing problems	400	378	9.45
CAR response time	400	382	9.55
On time delivery	800	776	19.40
Send the complete amount of products	400	396	9.90
Completeness of documents	400	392	9.80
Speed of response to customers	200	194	4.85
Consulting about products	200	191	4.775
Bidding period	200	188	4.70
Sample delivery time	200	189	4.725
together	4,000	3,846	96.15

#### Community and Society.

The group engages in business with a keen awareness of its social, community, and environmental responsibilities, aiming for growth and sustainability in its operations. We prioritize conducting our business with care and consideration, mindful of the impact on all stakeholders. Emphasizing the reduction of environmental impacts and steering clear of operations that could adversely affect the quality of life in communities surrounding our facilities, we support activities that benefit the public and contribute to community development. The group's companies within the manufacturing sector have not received any complaints from the community regarding social and environmental issues.



Campaign activities and publicizing knowledge about CSR within the organization.

The Company initiates campaigns to support and motivate its employees and those of its subsidiaries to value and engage in CSR activities. This is achieved by regularly educating and disseminating the Company's operational guidelines, fostering an awareness of coexistence and responsibility towards the community, society, and the environment.



“Recycle for Friend” activity, June 2022 - January 2023.

Subsidiary companies in the manufacturing sector have launched a campaign encouraging employees to segregate recyclable waste from the consumption of soft drinks and beverages into three main categories: 1) aluminum cans, 2) plastic bottles, and 3) glass bottles. These are then collected and sold to recycling firms for reuse. The proceeds from the sale of this recycled waste are donated to the International Association of Persons with Physical Disabilities. Such CSR activities benefit the social, economic, and environmental dimensions, aligning with the Company's objectives.



Cooperation in organizing bilateral vocational education systems.

Simat Label Company Limited has entered into a cooperative agreement with Minburi Technical College to organize bilateral vocational education aimed at producing and developing vocational education personnel. This initiative promotes and supports the enhancement of professional skills for industrial technicians and related commerce sectors, aligning with the government's policy to improve the quality and experience of students and educational staff. The agreement includes the exchange of knowledge and technology between educational institutions and business entities for a duration of five years, starting from January 26, 2023. Students enrolled in the dual vocational training system will receive training and access to tools, machinery, materials, and equipment in their fields of study, in collaboration with the college to develop vocational training plans, teaching and learning methods, and to evaluate vocational training outcomes. The Company also provides student welfare in accordance with its regulations.

From May 2, 2022 to February 24, 2023, the first cohort of four students underwent vocational training. By the end of this period, all four students had gained knowledge and experience from their professional training and successfully passed their supervisor's evaluation. Notably, one student was selected for a full-time position as a graphic designer officer at Simat Label Company Limited.



### CSR through government projects

The Company is aware of its important mission beyond doing business. We do not aim only to create success for the organization in terms of income only. but also aims to create a mission between the organization and society To be able to grow together with strength and stability Therefore leading to the implementation of the project to provide internet services in remote areas. in the northeast Covers an area of 7 provinces: Kalasin, Mahasarakham, Yasothon, Amnatcharoen, Roi-et, Sisaket, and Ubonratchathani, under a 5- year service contract with The National Broadcasting and Telecommunication Commission.

Project objectives:

- 1) To provide high-speed internet service ( Broadband Internet Service ) in villages in remote areas.
- 2) Support digital economic and social policy Upgrading telecommunications infrastructure to drive the country's economy Drive the mission of providing universal basic telecommunications services and social services of The National Broadcasting and Telecommunication Commission.
- 3) For government and private agencies located in areas that do not have services or areas that have services but are insufficient There is an opportunity to access efficient telecommunications services and can be used as a tool for improving the quality of giving Providing public services through telecommunications and information networks.

The details of the project are divided into 5 types as follows:

- 1) Providing public high-speed internet service (Wi-Fi) in the village consists of providing signal distribution equipment sets (wireless) and high-speed internet signals at 2,102 locations.



- 2) Providing a public high-speed internet service center, USO Net , consists of providing a service location. By constructing a service building within the school area according to the drawing. Specified items Ready to provide computers, high-speed internet equipment (Wi-Fi) and other facilities. Other conveniences at 16 locations.



- 3) Providing a public high-speed internet service room, USO Wrap, consists of providing a service location by renovating the school's classrooms according to the specified format, along with providing computers, equipment, and other facilities according to schools, totaling 169 places.





- 4) Providing public high-speed internet signal service for schools consists of providing a set of signal transmission equipment (wireless and wired) for high-speed internet signals. Computers with equipment and others at 380 schools.



- 5) Providing public high-speed internet signal service for Sub-district Health Promoting Hospital (Last mile to Sub-district Health Promoting Hospital) consists of providing a set of signal transmission equipment (wireless and wired), high-speed internet signals, and others at 2 Sub-district Health Promoting Hospitals.



Providing internet centers in schools and community hubs in remote areas lacking basic telecommunications services is aimed at enhancing access to and usage of internet services. In today's world, the internet plays a crucial role in knowledge development, promoting learning for students in rural regions, fostering career development for community members, and contributing to sustainable community strengthening.

Engaging in such projects encourages community members to utilize computer services, the internet, and typing work, among others. It also serves as a learning center for young people and the general public to acquire basic technological skills applicable in daily life, potentially beneficial for future use.

The objectives can be divided into 4 items as follows:

- 1) Use technology and the internet to support education.
- 2) Use technology and the internet to support and alleviate inequality.
- 3) To transfer knowledge about technology and the internet.
- 4) To create sustainable knowledge and careers for all groups of people.

Educational support activities, such as utilizing the USO Wrap room for teaching by school teachers, leverage technology and the internet as educational tools. This includes learning English through the Live Worksheets website, studying mathematics with the GSP program, conducting online exams, and more. Staff members facilitate teaching and learning activities within the center and provide guidance on using the internet safely and effectively.

Sports activities, including E-Sports, are also integrated within the school environment, allowing students to fully showcase their talents and effectively use their phones, computers, and internet access.

The initiative organizes activities aimed at reducing inequality and fostering career development for community members by offering free access to technology and the internet. This creates a space for wireless or remote communication at no cost and serves as a training hub for various career-building opportunities, such as insurance officer training and opening online stores. Additionally, it acts as a platform for promoting community products both online and offline, including direct sales within the community.

Efforts to promote and support villages and communities include acting as an integration point for donating items, parcel delivery and receipt, school document collection, and serving as a training venue for various organizations. It provides a space for online learning and work for students and promotes extracurricular activities within the community. Special classes for students, both from the school and others, are offered during holidays, further contributing to the community and school support.






**กิจกรรม  
กีฬา E-Sport**




USO NET




**กิจกรรม  
การเรียนการสอน**





USO NET




**กิจกรรม  
ประชุม Online**




USO NET




**สนับสนุน  
ระบบการศึกษา**





USO NET




**กิจกรรม  
ส่งเสริมหมู่บ้าน**




USO NET

## 4. Management Discussion and Analysis : MD&A

### 4.1 Analysis of operations and financial status

Performance

Unit : million baht

list	Year 2023		Year 2022		increase (decrease)	
	quantity	proportion	quantity	proportion	quantity	proportion
Sales and service income	871	100%	922	100%	(51)	(6%)
Cost of sales and services	(614)	(70%)	(608)	(66%)	6	5%
<b>Gross profit</b>	<b>256</b>	<b>29%</b>	<b>314</b>	<b>34%</b>	<b>(58)</b>	<b>(5%)</b>
Other income	8	1%	7	1%	1	0%
Selling and administrative expenses	(201)	(23%)	(202)	(22%)	(1)	1%
<b>Loss from devaluation of assets</b>	<b>(23)</b>	<b>(3%)</b>	<b>(4)</b>	<b>(0%)</b>	<b>19</b>	<b>2%</b>
Profit (loss) before financial costs and equity etc.	39	4%	115	12%	(76)	(8%)
Financial costs	(19)	(2%)	(16)	(2%)	3	0%
<b>Interest in net profits of associated companies</b>	<b>0</b>	<b>0%</b>	<b>1</b>	<b>0%</b>	<b>(1)</b>	<b>(0%)</b>
Profit (loss) before income tax	21	2%	100	11%	(79)	(8%)
<b>income tax</b>	<b>4</b>	<b>0%</b>	<b>(15)</b>	<b>(2%)</b>	<b>(19)</b>	<b>(2%)</b>
Net profit (loss)	24	3%	85	9%	(61)	(6%)
Other comprehensive income	0	0%	1	0%	(1)	(0%)
The portion that belongs to a non-controlling interest.	0	0%	22	2%	(22)	(2%)
<b>profit (loss) attributable to the parent company</b>	<b>24</b>	<b>3%</b>	<b>64</b>	<b>7%</b>	<b>(40)</b>	<b>(4%)</b>

The profit (loss) of the company and its subsidiaries (portions owned by the parent company) for the year 2023 amounted to 24 million baht, marking a decrease of 40 million baht from 2022. The primary cause was a decline in income by 51 million baht. The cost of sales and services rose by 6 million baht (details provided in the income/cost structure table, categorized by business type). Loss from asset devaluation increased by 19 million baht, and income tax decreased by 19 million baht, with details as follows:

Unit : million baht

Income / cost structure separated by business type	IT business	Business producing and distributing label products	Silk Screen Printing Business	Government project business	service business broadband internet	Renewable energy business	other	together
Year 2023	2	236	194	271	56	44	68	871
income	1%	27%	22%	31%	6%	5%	8%	100%
cost	4	162	124	175	57	32	60	614
Year 2022	3	239	338	271	57	0	14	922
income	0%	26%	37%	29%	6%	0%	2%	100%
cost	6	155	213	164	59	0	11	608
increase (decrease)	(1)	(3)	(144)	0	(1)	44	54	(51)
income	(33%)	(1%)	(43%)	0%	(2%)	0%	386%	(6%)
cost	(2)	7	(89)	11	(2)	32	49	6

1) Silk screen printing business.

Sales in the Silk Screen Printing business declined due to the global economic downturn, leading to reduced orders from customers in the electrical appliance manufacturing industry. This decrease is also attributed to the limited demand for silk screen printing products among manufacturers of electrical appliances and electronics. Despite the company's efforts to expand its market share among existing customers, there was limited success due to the diminishing global demand for electrical appliances.

During the factory relocation period between the 2nd and 3rd quarters , the company lost business opportunities. in producing parts for new customer products.

2) Renewable energy business

In 2023 , the Group has income from sales. Installation and maintenance of engineering systems and electrical equipment , renewable energy.

3) Other businesses.

Other types of business in 2023 will increase from the sale of ready-made products of the Group. Including recognizing income from delivering work to customers of subsidiaries.

4) Loss from devaluation of assets.

Loss from devaluation of assets The increase in 2023 comes from impairment of business assets. Providing broadband internet service worth 20 million baht.

5) Income tax.

Lower income taxes in 2023 come from the recognition of deferred tax assets.

## Financial Status

Unit : million baht

list	31 December 2023		31 December 2022		increase (decrease)	
Current assets	590	33%	646	38%	(56)	(5%)
Non-current assets	1,201	67%	1,038	62%	163	5%
<b>Total assets</b>	<b>1,791</b>	<b>100%</b>	<b>1,684</b>	<b>100%</b>	<b>107</b>	<b>0%</b>
Current liabilities	209	12%	327	19%	(118)	(8%)
Non-current liabilities	357	20%	103	6%	254	14%
<b>Total debts</b>	<b>566</b>	<b>32%</b>	<b>430</b>	<b>26%</b>	<b>136</b>	<b>6%</b>
Shareholder's equity	1,225	68%	1,254	74%	(29)	(6%)
<b>Total liabilities and shareholders' equity</b>	<b>1,791</b>	<b>100%</b>	<b>1,684</b>	<b>100%</b>	<b>107</b>	<b>0%</b>

## Important financial ratios

list	2023	2022
1. Ratio of efficiency in profit to total assets (ROA)	1.41%	4.91%
2. Working capital ratio (Current Ratio)	2.83 times	2.80 times
3. Debt to Equity Ratio	0.46 times	0.34 times

### 1) Return on assets (ROA)

For the year 2023, the Company can make a profit of 1.41 percent from the company's average total assets .

### 2) Current Ratio

At the end of 2023, the Company has liquidity in short-term debt repayment 2.83 times.

### 3) Debt to Equity Ratio (D/E ratio)

At the end of 2023 , the company's debt burden compared to owner's equity was 0.46 times.

## Cash Flow

Unit : million baht

	cash flow statement			Increase (decrease)
	Operational activities	Investment activities	Financing activities	
Year 2023	12	(412)	252	(148)
Year 2022	195	(78)	13	130

The cash flow of the company and its subsidiaries for 2023 has seen a total decrease of 148 million baht compared to the end of 2022.

From operations in 2023, the net cash flow received amounted to 12 million baht.

Regarding investments in 2023, there was a net cash flow usage of 412 million baht, which includes the purchase of a 3 percent investment in Hinsitsu (Thailand) Public Company Limited for 52.5 million baht, and expenditures on equipment, buildings, and assets in the renewable energy business of subsidiaries amounting to approximately 294 million baht.

The cash flow from financing activities in 2023 resulted in a net cash flow receipt of 252 million baht, arising from short-term loans of subsidiaries for revolving purposes, and long-term borrowing from financial institutions by the group of companies to finance the purchase of equipment, buildings, and assets in the renewable energy business.

## **4.2 Factors or events that may significantly affect the financial position or operations in the future.**

The company is currently awaiting the decision of the Supreme Administrative Court, which could impact its financial position. The situation can be summarized as follows:

On July 29, 2011, the Company received approval from the Extraordinary General Meeting of Shareholders No. 1/2011 to sign a lease agreement for fiber optic network equipment in Nakhonratchasima and Chiangmai with National Telecommunications Public Company Limited, allocating a total investment not to exceed 520 million baht for a contract duration of 60 months.

The Company executed lease agreements for the use of fiber optic network and equipment in Nakhonratchasima and Chiangmai on June 10, 2011, and June 13, 2011, respectively. Following the purchase and installation of the necessary equipment, the entire system was handed over to National Telecommunications Public Company Limited (the "Party") (formerly CAT Telecom Public Company Limited ("CAT")) for the networks in Nakhonratchasima and Chiangmai on May 21, 2012, and July 11, 2012, respectively. However, the Party failed to conduct the required inspections and did not fulfill the contract terms. Despite multiple written demands from the company, the Party took no action, leading the company to terminate the contract on February 22, 2013.

On December 26, 2013, the company initiated legal action in the Administrative Court, seeking damages of 665.62 million baht, resulting in the case being registered as Black Case No. 2518/2013. The court agreed to consider the complaint on February 6, 2014.

On December 20, 2018, the Administrative Court delivered its judgment in Red Case No. 247/2018, ruling that the Party must compensate the company as follows:

- 1) For damages resulting from the Company providing equipment used for controlling and monitoring the network system, the opposing party is required to pay compensation totaling 53.23 million baht, with an interest rate of 7.5 percent per annum.
- 2) The opposing party is also obligated to return the bank guarantee and reimburse the bank guarantee fee of 0.14 million baht per annum from the date the lawsuit was filed until the letter of guarantee is returned to the company.
- 3) Regarding the Company's missed opportunity to generate profits from its business operations, the Administrative Court concluded that the estimated lost opportunity damages were not actual damages and were not directly related to the incurred damages. Therefore, the court could not award damages for this claim.

From the judgment of the Administrative Court, The Company's management has considered that the damages that the Company sued for the main damages are still unclear and not closely related to the actual damages.

On January 18, 2019, the Company appealed to the Supreme Administrative Court regarding the case, presenting additional facts about the investment made in purchasing equipment, installation labor costs, and financial expenses incurred during the network construction, which totaled 434.24 million baht. The appeal against the Administrative Court's judgment was for a sum of 448.45 million baht, and a fee of 0.59 million baht was deposited for filing the appeal. Currently, the case is still under review by the Supreme Administrative Court.

## 4.3 Important financial information

### 4.3.1 Statement of financial position

STATEMENT OF FINANCIAL POSITION		31 Dec 2023		31 Dec 2022		31 Dec 2021		31 Dec 2020	
Unit : Thousand Baht									
<b>ASSETS</b>									
<b>CURRENT ASSETS</b>									
Cash and cash equivalents	62,734	4%	210,243	12%	80,586	5%	161,709	9%	
Trade and other current receivables - net	146,035	8%	150,068	9%	183,506	10%	203,249	12%	
Current contract assets	207,847	12%	187,913	11%	390,731	22%	158,968	9%	
Cost of government project - net	-	0%	-	0%	-	0%	13,096	1%	
Inventories-net	123,618	7%	97,403	6%	105,282	6%	78,250	5%	
Advance for government project	-	0%	-	0%	174	0%	1,634	0%	
Current financial assets	50,589	3%	-	0%	-	0%	-	0%	
<b>Total Current Assets</b>	<b>590,823</b>	<b>33%</b>	<b>645,627</b>	<b>38%</b>	<b>760,279</b>	<b>43%</b>	<b>616,906</b>	<b>36%</b>	
<b>NON-CURRENT ASSETS</b>									
Non-current financial assets	54,391	3%	49,441	3%	113,121	6%	119,371	7%	
Non-current contract assets - net	90,779	5%	89,000	5%	85,272	5%	78,873	5%	
Investments in associated companies	31,823	2%	31,813	2%	31,195	2%	31,066	2%	
Land, building, equipment and leasehold improvement - net	581,658	32%	329,780	20%	174,809	10%	158,903	9%	
Right-of-use-assets-net	22,940	1%	33,603	2%	48,487	3%	61,516	4%	
Fiber optic network equipment-net	201,994	11%	284,604	17%	349,390	20%	407,860	24%	
Fiber optic network equipment under construction	-	0%	-	0%	-	0%	12,302	1%	
Goodwill	125,983	7%	125,983	7%	125,983	7%	125,983	7%	
Deferred tax assets	47,126	3%	37,256	2%	35,044	2%	58,123	3%	
Other non-current assets	43,918	2%	57,068	3%	37,089	2%	44,669	3%	
<b>Total Non-Current Assets</b>	<b>1,200,612</b>	<b>67%</b>	<b>1,038,548</b>	<b>62%</b>	<b>1,000,390</b>	<b>57%</b>	<b>1,098,666</b>	<b>64%</b>	
<b>TOTAL ASSETS</b>	<b>1,791,435</b>	<b>100%</b>	<b>1,684,175</b>	<b>100%</b>	<b>1,760,669</b>	<b>100%</b>	<b>1,715,572</b>	<b>100%</b>	



<b>STATEMENT OF FINANCIAL POSITION (Continued)</b>		<b>31 Dec 2023</b>		<b>31 Dec 2022</b>		<b>31 Dec 2021</b>		<b>31 Dec 2020</b>	
Unit : Thousand Baht									
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>									
<b>LIABILITIES</b>									
<b>CURRENT LIABILITIES</b>									
Short-term loan from financial institutions	35,000	2%	12,795	1%	90,000	5%	317,742	19%	
Trade and other current payables	96,409	5%	147,110	9%	103,950	6%	263,000	15%	
Current portion of lease liabilities - net	12,281	1%	13,690	1%	18,943	1%	19,249	1%	
Current portion of other financial liability - net	9,983	1%	-	0%	-	0%	-	0%	
Current portion of long-term loan from financial institutions	51,434	3%	145,431	9%	203,003	12%	143,472	8%	
Short-term loan from related parties and directors	-	0%	-	0%	-	0%	12,500	1%	
Other Current Liabilities	3,902	0%	8,104	0%	9,816	1%	14,809	1%	
<b>Total Current Liabilities</b>	<b>209,009</b>	<b>12%</b>	<b>327,130</b>	<b>19%</b>	<b>425,712</b>	<b>24%</b>	<b>770,772</b>	<b>45%</b>	
<b>NON-CURRENT LIABILITIES</b>									
Lease liabilities-net	9,792	1%	17,968	1%	28,178	2%	31,757	2%	
Other financial liability - net	56,888	3%	-	0%	-	0%	-	0%	
Long-term loan from financial institutions - net	266,489	15%	65,462	4%	135,008	8%	236,348	14%	
Non-current provisions for employee benefits	23,451	1%	20,100	1%	18,661	1%	17,559	1%	
<b>Total Non-Current Liabilities</b>	<b>356,620</b>	<b>20%</b>	<b>103,530</b>	<b>6%</b>	<b>181,847</b>	<b>10%</b>	<b>285,664</b>	<b>17%</b>	
<b>TOTAL LIABILITIES</b>	<b>565,629</b>	<b>32%</b>	<b>430,660</b>	<b>26%</b>	<b>607,559</b>	<b>35%</b>	<b>1,056,436</b>	<b>62%</b>	
<b>SHAREHOLDERS' EQUITY</b>									
Share capital	648,565	36%	648,565	39%	648,565	37%	526,882	31%	
Paid in capital in excess of par value	219,321	12%	219,321	13%	219,321	12%	69,221	4%	
Retained earnings - Legal reserve	11,191	1%	10,569	1%	9,246	1%	1,501	0%	
Retained earnings - Unappropriated	121,961	7%	98,109	6%	35,849	2%	(31,970)	-2%	
Other Component	(5,696)	0%	39,046	2%	38,843	2%	(51,318)	-3%	
<b>Total equity of the parent company</b>	<b>995,342</b>	<b>56%</b>	<b>1,015,610</b>	<b>60%</b>	<b>951,824</b>	<b>54%</b>	<b>514,316</b>	<b>30%</b>	
Non-controlling interests	230,464	13%	237,905	14%	201,286	11%	144,820	8%	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,225,806</b>	<b>68%</b>	<b>1,253,515</b>	<b>74%</b>	<b>1,153,110</b>	<b>65%</b>	<b>659,136</b>	<b>38%</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,791,435</b>	<b>100%</b>	<b>1,684,175</b>	<b>100%</b>	<b>1,760,669</b>	<b>100%</b>	<b>1,715,572</b>	<b>100%</b>	

### 4.3.2 Income statement

<b>STATEMENT OF INCOMES</b>				
<b>Unit : Thousand Baht</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Revenues</b>				
Revenues from sales and services	599,895	650,696	702,544	688,555
Revenues from government project	270,640	271,019	268,937	331,539
<b>Total revenues</b>	<b>870,535</b>	<b>921,715</b>	<b>971,481</b>	<b>1,020,094</b>
<b>Cost</b>				
Cost of sales and services	(438,060)	(444,220)	(436,260)	(433,516)
Cost of government project	(176,280)	(163,607)	(174,193)	(279,636)
<b>Total cost</b>	<b>(614,340)</b>	<b>(607,827)</b>	<b>(610,453)</b>	<b>(713,152)</b>
<b>Gross profit</b>	<b>256,195</b>	<b>313,888</b>	<b>361,028</b>	<b>306,942</b>
Gain on exchange rate - net	604	326	(99)	211
Other income	6,852	6,650	8,918	16,424
Distribution cost	(25,850)	(34,347)	(34,963)	(34,657)
Administrative expenses	(175,559)	(167,973)	(165,156)	(169,289)
Loss on impairment of fixed assets	(23,007)	(3,819)	(17,384)	-
<b>Profit from operating activities</b>	<b>39,235</b>	<b>114,725</b>	<b>152,344</b>	<b>119,631</b>
Finance cost	(18,463)	(15,552)	(29,595)	(36,470)
Equity in net profit of associated companies	10	618	129	(4,777)
<b>Profit before income tax</b>	<b>20,782</b>	<b>99,791</b>	<b>122,878</b>	<b>78,384</b>
Income tax (expense) benefit	3,705	(15,182)	(23,617)	(12,244)
<b>NET PROFIT FOR THE PERIODS</b>	<b>24,487</b>	<b>84,609</b>	<b>99,261</b>	<b>66,140</b>

### 4.3.3 Statement of comprehensive income

STATEMENT OF COMPREHENSIVE INCOME				
Unit : Thousand Baht	2023	2022	2021	2020
<b>ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY</b>				
<b>TO PROFIT OR LOSS</b>				
Gain (loss) on remeasurements of defined benefit plans	304	1,460	1,322	(93)
Other comprehensive income (expense) for the years	304	1,460	1,322	(93)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEARS</b>	<b>24,791</b>	<b>86,069</b>	<b>100,583</b>	<b>66,047</b>
<b>Profit attributable to :</b>				
Equity holders of the Company	24,170	62,707	74,242	40,776
Non-controlling interests	318	21,902	25,020	25,364
	<b>24,487</b>	<b>84,609</b>	<b>99,262</b>	<b>66,140</b>
<b>Total comprehensive income (expense) attributable to :</b>				
Equity holders of the Company	24,474	63,583	75,564	40,682
Non-controlling interests	318	22,487	25,020	25,364
	<b>24,791</b>	<b>86,069</b>	<b>100,584</b>	<b>66,046</b>
<b>EARNINGS PER SHARE</b>				
Basic earnings per share (Baht)	0.04	0.10	0.12	0.08
Diluted earnings per share (Baht)	0.04	0.10	0.11	0.07

#### 4.3.4 Cash flow statement

STATEMENT OF CASH FLOWS				
Unit : Thousand Baht	2023	2022	2021	2020
<b>Cash Flows from Operating Activities :</b>				
Net profit for the years :	24,487	84,609	99,262	66,140
Adjustments to reconcile net profit to cash				
provided by (used in) operating activities :				
Income tax expense (benefit)	(3,705)	15,182	23,617	12,244
Depreciation and amortization	140,171	128,815	121,811	84,479
Write-off of inventories	-	-	-	97
Written off withholding tax assets	682	17	5	383
(Reversal) allowance for decline values of inventories	629	6,286	3,517	12,917
Written off fixed assets	16	29	-	-
Gain on cancellation of right-of-use assets	1	(375)	-	-
Write-off of asset	-	-	1,435	-
(Reversal) allowance for impairment loss of assets	22,180	3,819	9,705	1,646
Allowance for impairment loss of contract assets	827	-	-	-
Equity in net loss (profit) loss of associated companies	(10)	(618)	(129)	4,777
(Gain) loss on unrealized foreign exchange rate	26	(82)	46	(35)
Loss on provision for decommissioning costs	2,307	5,563	-	-
Allowance for damage of inventories	228	-	-	-
(Gain) loss on disposal of equipment	592	3,600	3,358	1,632
Expected credit loss	13,283	778	1,445	5,086
Non - current provision for employee benefit	3,827	3,264	2,755	2,784
(Reversal) reserve for share based payment	-	-	-	(187)
Non - cash director remuneration	-	-	2,137	-
Financial cost - interest expense	18,463	15,552	29,595	34,702
Financial income - interest income	(3,857)	(3,570)	(3,606)	(4,125)
Profit from operations before changes in operating				
assets and liabilities :	220,147	262,869	294,953	222,540

<b>STATEMENT OF CASH FLOWS (continued)</b>				
<b>Unit : Thousand Baht</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Operating assets decrease (increase) :				
Trade and other current receivables	(14,561)	31,098	19,312	(131)
Current contract assets	(99,934)	(54,182)	(231,763)	135,665
Inventories	(26,844)	1,592	(22,446)	(714)
Other current assets	18,021	(16,489)	1,460	5,889
Non-current contract assets	-	-	-	4,985
Other non-current assets	8,724	(6,194)	5,207	14,996
Operating liabilities increase (decrease) :				
Trade and other current payables	(54,208)	8,373	(145,868)	28,812
Cash received from (paid) operating activities	51,345	227,067	(76,581)	414,605
Cash paid interest	(18,463)	(15,552)	(30,266)	(34,285)
Cash received interest	390	298	276	1,398
Cash paid for decommissioning costs	(7,870)	-	-	-
Corporate income tax paid	(14,824)	(26,523)	(33,172)	(23,699)
Corporate income tax refund	1,517	9,335	3,807	2,518
Net cash provided by (used in) operating activities	12,095	194,625	(135,936)	360,537
<b>Cash flows from investing activities:</b>				
Cash paid in investment in associate company	-	-	-	(4,900)
Decrease (increase) in non-current financial assets	(55,539)	63,680	6,250	55,150
Cash payment for equipment of fiber optical network equipment	(10,463)	(5,202)	(3,666)	-
Advance payment for asset of government project	-	-	-	(45,059)
Cash received from sale of equipment	732	1,242	1,166	680
Proceeds from disposal of fiber optical network equipment	-	-	5,519	-
Proceeds from disposal of investment in subsidiary-net	-	8,998	-	-
Cash payment for investments in subsidiary - net	(52,500)	-	-	-
Increase in investments in subsidiaries - net	-	5,338	166,191	-
Cash payment for acquisition of equipment, building, leasehold improvement and software computer	(294,446)	(152,172)	(50,806)	(69,420)
Net cash provide by (used in) investing activities	(412,216)	(78,116)	124,654	(63,549)

<b>STATEMENT OF CASH FLOWS (continued)</b>				
<b>Unit : Thousand Baht</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Cash flows from financing activities :</b>				
Cash paid for loans from related parties and directors	-	-	(21,200)	(43,100)
Cash received for loans from related parties and directors	-	-	8,700	45,600
Increase in short-term loan from financial institution - net	102,205	(10,686)	(187,742)	(140,889)
Cash paid for short-term loans from other persons	-	-	60,000	80,000
Cash paid for short-term loans from other persons	-	-	(100,000)	(50,000)
Cash received for long-term loans from financial institution	161,609	122,803	23,168	73,893
Cash paid for long-term loans from financial institution	(54,578)	(79,421)	(74,958)	(75,593)
Cash paid for lease liabilities	(14,095)	(19,548)	(27,555)	(31,855)
Increase in other financial liability	62,541	-	-	-
Cash paid for other financial liability	(5,070)	-	1	-
Dividend paid from subsidiary company to non-controlling interests	-	-	(18,000)	(18,750)
Cash received from the issuance of common shares	-	-	270,310	-
Net cash provided by (used in) financing activities	252,612	13,148	(67,276)	(160,694)
Net increase (decrease) in cash and cash equivalents - net	(147,509)	129,657	(78,558)	136,294
Cash and cash equivalents, Beginning of years	210,243	80,586	161,709	27,978
Cash and cash equivalents, End of years	62,734	210,243	80,586	164,272
<b>Non-cash transactions :</b>				
Transfer inventories to equipment, fiber optic network equipment - net and fiber optic network equipment under construction	-	-	1,721	2,330
Transfer fiber optics network equipment under construction to fiber optics network equipment	-	-	-	284,837
Transfer inventories to fiber optics network equipment under construction	-	-	-	5,390

STATEMENT OF CASH FLOWS (continued)	2023	2022	2021	2020
<b>Unit : Thousand Baht</b>				
<b>Non-cash transactions : (continued)</b>				
Transfer inventories to other current asset	-	-	4,686	-
The impact of first-time adoption of TFRS 16				
Decrease in land, equipment and leasehold improvements - net	-	-	-	31,237
Decrease in fiber optic network equipment-net	-	-	-	6,205
Increase in right-of-use assets-net	-	-	-	76,503
Increase in lease liabilities-net	-	-	-	39,159
The impact of first-time adoption of financial instrument				
Decrease in unappropriated deficit	-	-	-	9,103
Decrease in current contract assets	-	-	-	92,509
Increase in non-current contract asset - net	-	-	-	81,130
Increase in deferred tax assets	-	-	-	2,276
Increase in right-of-use assets-net and lease liabilities-net	-	-	-	2.00
Write-off Inventories				
Inventories	-	-	-	(12,019)
Allowance for decline values of inventories	-	-	-	12,019
Issue of share capital and paid-in capital in excess of par				
on exercise of convertible debenture	-	-	-	2,500
The associate's asset receivable	-	-	-	1,932
Accrued cost of government project	-	-	-	15,432
Increase in legal reserve from retained earnings	-	-	-	2
Long - term loans from financial institutions to pay for				
life insurance	-	-	-	7,558
Assets payable	-	-	-	1,256
Transfer right-of-use asset - net to equipment				
and leasehold improvement	-	-	18,945	-
Transfer right-of-use asset - net to fiber optics				
network equipment	-	-	5,453	-

STATEMENT OF CASH FLOWS (continued)				
Unit : Thousand Baht	2023	2022	2021	2020
<b>Non-cash transactions : (continued)</b>				
Increase in right - of - use assets	4,467	12,491	26,216	-
Increase in lease liabilities - net	4,467	12,491	24,951	-
Increase in land, equipment and improvement	-	49,155	-	-
Increase in assets payable	3,861	32,655	-	-
Decrease in assets payable	-	-	3,736	-
Increase in long-term loan from financial institution	-	20,687	9,980	-
Decrease in long-term loan from financial institution	-	257,000	-	-
Decrease in trade payable	-	-	9,980	-
Offset other current receivable to trade payable	-	-	3,221	-
Increase in equipment - net transfer from right-of-use assets	244	-	-	-
Increase in equipment and leasehold improvement - net	3,861	-	-	-
Decrease in short-term loan from financial institution				
from receiving the payment of contract asset	80,000	-	-	-
Decrease in advance for construction	10,727	-	-	-
Decrease in written off and allowance for devalue of inventories	878	8,264	-	-



### 4.3.5 Operating results separated by business group

Unit : Million Baht

IT Business	Year 2023		Year 2022		Year 2021		Increase (Decrease)			
							23/22		22/21	
	Revenue	2	100%	3	100%	28	100%	(1)	-33%	(25)
Cost	(4)	-200%	(6)	-200%	(6)	-21%	2	-33%	-	0%
Gross Profit	(2)	-100%	(3)	-100%	22	79%	1	-33%	(25)	-114%

Label product	Year 2023		Year 2022		Year 2021		Increase (Decrease)			
							23/22		22/21	
	Revenue	236	100%	239	100%	178	100%	(3)	-1%	61
Cost	(162)	-69%	(155)	-65%	(112)	-63%	(7)	5%	(43)	38%
Gross Profit	74	31%	84	35%	66	37%	(10)	-12%	18	27%

Silkscreen printing	Year 2023		Year 2022		Year 2021		Increase (Decrease)			
							23/22		22/21	
	Revenue	194	100%	338	100%	420	100%	(144)	-43%	(82)
Cost	(124)	-64%	(213)	-63%	(214)	-51%	89	-42%	1	0%
Gross Profit	70	36%	125	37%	206	49%	(55)	-44%	(81)	-39%

Government Project	Year 2023		Year 2022		Year 2021		Increase (Decrease)			
							23/22		22/21	
	Revenue	271	100%	271	100%	266	100%	-	0%	5
Cost	(175)	-65%	(164)	-61%	(115)	-43%	(11)	7%	(49)	43%
Gross Profit	96	35%	107	39%	151	57%	(11)	-10%	(44)	-29%

Broadband internet	Year 2023		Year 2022		Year 2021		Increase (Decrease)			
							23/22		22/21	
	Revenue	56	100%	57	100%	65	100%	(1)	-2%	(8)
Cost	(57)	-102%	(59)	-104%	(45)	-69%	2	-3%	(14)	31%
Gross Profit	(1)	-2%	(2)	-4%	20	31%	1	-50%	(22)	-110%

Unit : Million Baht

Renewable energy	Year 2023		Year 2022		Year 2021		Increase (Decrease)			
							23/22		22/21	
	Revenue	44	100%	-	0%	-	0%	44	N/A	-
Cost	(32)	-73%	-	0%	-	0%	(32)	N/A	-	N/A
Gross Profit	12	27%	-	0%	-	0%	12	N/A	-	N/A

Others	Year 2023		Year 2022		Year 2021		Increase (Decrease)			
							23/22		22/21	
	Revenue	68	100%	14	100%	15	100%	54	386%	(1)
Cost	(60)	-88%	(11)	-79%	(11)	-73%	(49)	445%	-	0%
Gross Profit	8	12%	3	21%	4	27%	5	167%	(1)	-25%

### 4.3.6 Financial ratios

Significant Financial Ratio	Unit	2023	2022	2021	2020
<b>Liquidity Ratio</b>					
Current Ratio	time	2.83	1.97	1.79	0.80
<b>Assets Utilization Ratio</b>					
Accounts Receivable Turnover	time	4.25	4.34	4.03	3.93
Average Collection Period	day	85.89	84.15	90.58	92.95
Inventory Turnover	time	5.56	6.00	6.65	8.59
Average Sales Period	day	65.66	60.86	54.87	42.51
Accounts Payable Turnover	time	13.44	13.22	5.76	5.00
Average Payment Period	day	27.16	27.62	63.34	73.06
<b>Leverage Ratio</b>					
Time Interest Earned	time	2.13	7.38	5.15	3.28
Debt to Equity	time	0.46	0.34	0.53	1.60
<b>Profitability Ratio</b>					
Gross Profit Margin	%	29.43	34.05	37.16	30.09
Net Profit Margin	%	2.81	9.18	10.22	6.48
Return on Assets	%	1.43	5.00	5.79	3.86
Return on Equity	%	1.98	7.03	10.95	10.35
Basic earnings per share	Baht	0.04	0.10	0.12	0.08

## 5. General Information and other Important Information

### 5.1 General information

Company name	Simat Technologies Public Company Limited
Office address	No. 123/143-144 Chalongkrung Road, Lamplatew, Ladkrabang, Bangkok 10520 Telephone : 02 - 3260999
Securities Registrar	Thailand Securities Depository Company Limited 93 Stock Exchange of Thailand Building, Ratchadaphisek Road Din Daeng, Bangkok 10400 Telephone : 02 - 0099999
Internal Auditor	Mr. Pongsak Thanopajaiyothin Einstwin Company Limited 39/270 Moo 10, Sukhaphiban 5 Road, Samwatawankok, Khlongsamwa, Bangkok 10510 Telephone : 084 - 7581202
Auditor	(1) Mr. Sathien Vongsnan, Certified public accountant no. 3495 or (2) Mr. Atipong Atipongsakul, Certified public accountant no. 3500 or (3) Mr. Vichai Ruchitanont, Certified public accountant no. 4054 or (4) Ms. Kultida Pasurakul, Certified public accountant no. 5946 or (5) Mr. Yuttapong Chuamuangpan, Certified public accountant no. 9445 or (6) Ms. Patcharee Siriwongsin, Certified public accountant no. 9037 or (7) Ms. Panita Chotesaengmaneekul, Certified public accountant no. 9575  ANS Audit Company Limited No. 100/ 72, 16th Floor, 100/2 Vongvanij building B, Rama 9 Road, Huaikhwang, Bangkok 10310 Telephone : 02 - 6450109
Investor Relations Coordinator	Mr.Kampol Tanapakij Telephone: 098-9162597
Company website	www.simat.co.th

## 5.2 Other important information

-None-

## 5.3 Legal disputes

The Company is involved in a legal case seeking damages from National Telecommunications Public Company Limited, amounting to 448.45 million baht (as disclosed in the Notes to the financial statements, item 37, under lawsuits, and in report 56-1 One Report, Section 4.2, regarding factors or events that may significantly affect the financial position or operations in the future). This lawsuit stems from normal business operations.

Despite the fact that this dispute is currently under review by the Supreme Administrative Court and has not yet reached a conclusion, it is a case that does not adversely affect the Company's assets and does not impact the Company's operations in any way.

## 5.4 Secondary market

-None-

## 5.5 Financial institutions with regular contact

### **Kasikorn Bank, Ladkrabang Industrial Estate Branch**

94 Ladkrabang Industrial Estate Office Building, 1st Floor, Room No. 101A - 103A, Chalongkrung Road, Lamplatew, Ladkrabang, Bangkok 10520

### **Siam Commercial Bank, iPlace Branch (Ladkrabang Industrial Estate)**

iPlace Lifescape Center Project, No. 319, Moo 4 Chalongkrung Road, Lamplatew, Ladkrabang, Bangkok 10520

### **Bank of Ayudhya Public Company Limited, Ladkrabang Branch**

146/2 Moo 1, Ladkrabang Road, Lamplatew, Ladkrabang, Bangkok 10520

### **TMB Thanachart Bank, Ladkrabang Branch**

18/56-57 Moo 1, Onnut - Ladkrabang Road, Ladkrabang, Bangkok 10520

# Part 2

# Corporate Governance

## 6. Corporate Governance Policy

### 6.1 Overview of corporate governance policies and practices

The Company is dedicated to consistently adhering to the principles of good corporate governance as outlined in the 2012 principles for listed companies by the Stock Exchange of Thailand. This commitment extends to meeting the criteria set forth in the corporate governance survey project for listed companies (Corporate Governance Report of Thai Listed Companies - CGR) by the Thai Institute of Directors Association (IOD) and international benchmarks such as the ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard).

#### 6.1.1 Policies and guidelines related to the committee

- 1) Arrange an annual general shareholder meeting within 4 months from the end of the Company's accounting period.
- 2) Arrange committee meetings at least once every 3 months.
- 3) Arrange for preparation of the Company's balance sheet and income statement as of the end of the Company's accounting period. which the auditor has examined and present to the shareholder meeting for consideration and approval.
- 4) The board of directors may delegate authority to one or more directors or another individual to act on behalf of the board, under the board's supervision, or may grant such individual authority as deemed appropriate by the board, for a specified duration. The board retains the right to cancel, revoke, modify, or amend the delegated authority as it sees fit. This includes the possibility of empowering the executive committee with the authority and responsibility to carry out various tasks, with the specifics of such delegation defined by the scope of authority and duties of the executive committee. However, this delegation should not enable the executive committee to approve matters in which they, or individuals with potential conflicts of interest, including any vested interests or other conflicts of interest with the Company or its subsidiaries, might be involved. Exceptions may be made for the approval of matters that align with policies and criteria previously considered and approved by the board.
- 5) Set the objectives, guidelines, policies, plans, and budgets for the Company Control, supervision, administration, and management of the executive committee in line with the set policies. This excludes matters that require shareholder meeting approval before implementation, as mandated by law, such as capital increases, capital reductions, issuing of debentures, selling or transferring all or significant parts of the Company's business, acquiring or transferring another Company's business to the Company, or amending the memorandum of association or regulations, among others.
- 6) Supervise the Company to comply with the laws regarding securities and the stock exchange. Regulations of the Stock Exchange, such as related transactions and buying or selling important assets in accordance with the rules of the Stock Exchange of Thailand or laws related to the Company's business.
- 7) Consider the management structure. Appoint the executive committee, chairman of the executive committee and other committees as appropriate.
- 8) Follow up on performance Continue to be in accordance with the plan and budget.
- 9) Not engaging in business activities under the same conditions and in competition with the Company's business, nor becoming a partner in a general partnership or a partner with unlimited liability in a

limited partnership, or serving as a director of a private Company or other companies that conduct business under the same conditions and in competition with the Company's business, whether for personal gain or for the benefit of others, unless the shareholders' meeting is notified prior to making the appointment resolution.

- 10) Directors must notify the Company without delay. If there is a direct or indirect interest in the contract made by the Company or hold shares or debentures increase or decrease in the Company or affiliated companies.

## 6.1.2 Policies and guidelines regarding shareholders and stakeholders

### Policy and treatment of shareholders

Shareholders have ownership rights that allow them to influence the Company's direction through the appointment of a board of directors to represent their interests. These rights include the ability to buy, sell, or transfer shares, thereby participating in the Company's profits. Shareholders also have the right to receive timely and adequate information about the Company, participate in shareholder meetings to vote on crucial matters such as the appointment or removal of directors, the selection of auditors, dividend allocations, and decisions regarding the Company's capital structure or regulations. The Company upholds the principle of treating all shareholders equally and fairly. It encourages shareholders to actively exercise their rights by:

- 1) Held 2023 Annual General Meeting of Shareholders on April 20, 2023 at 10:00 a.m., which is a meeting via electronic media (E-AGM) in accordance with the Royal Decree on Meetings via Electronic Media. 2020 by live broadcast At Regent House Building, 9th floor, Ratchadamri Road, Lumpini, Pathumwan, Bangkok.
- 2) The shareholder meeting invitation letter has been sent not less than 14 days in advance of the meeting date, including all documents related to the meeting, such as copies of the minutes of the previous shareholder meeting , form showing annual information list , information of nominees for election as directors , Information on the disposal of assets , preliminary details of the issuance and offering of newly issued common shares of Hinsitsu (Thailand) Public Company Limited ( HST) to directors, executives, and employees of HST and HST's subsidiaries ( HST ESOP Project ), company regulations regarding shareholder meetings, clarification on registration methods for attending the shareholder meeting via electronic media (E-AGM), granting proxies, submitting questions, and proxy forms.
- 3) Published 2023 Annual General Meeting of Shareholders invitation letter with meeting materials on the Company's website not less than 14 days before the meeting date to provide additional channels for receiving information for shareholders in considering the meeting agendas and provide opportunities for shareholders to send questions that would like the Company to clarify issues in the proposed agenda in advance at ir@simat.co.th.
- 4) Operations on the 2023 Annual General Meeting of Shareholders
  - Chairman, chairman of the audit committee, chief executive officer, and other directors amounting to a total of 7 from 8 people came to the meeting to report the Company's operating results to shareholders as well as answering questions and listening to shareholders' opinions on various issues.
  - Before the meeting according to the agenda specified in the meeting invitation letter, the meeting



facilitator informed shareholders of the meeting procedures and voting methods for each agenda item which the meeting unanimously approved.

- The chairman of the meeting proceeded with the meeting according to the agenda specified in the meeting invitation letter, open for clarification and discussion before voting on each agenda, provide shareholders with equal opportunities to exercise their rights in inspecting the Company's operations as well as asking questions and expressing opinions, and give various suggestions. The Company recorded important issues in the minutes of the meeting, so that shareholders could review.
  - Voting in every agenda through electronic media, which can be used with computers / notebooks / tablets and mobile phones via web browser: Chrome with 4G speed internet or basic home internet. To ensure that the meeting is transparent in line with the good practices in shareholder meetings of the Securities and Exchange Commission, the Company has assigned OJ International Company Limited, a meeting control system provider who has assessed the consistency of the system with the Electronic Transactions Development Agency, to be responsible for organizing meeting, collecting points, and processing votes for the meeting.
- 5) Preparation of meeting minutes and disclosure of shareholder meeting resolutions
- The Company has prepared minutes of shareholder meetings that are complete and accurate. As well as sending the minutes of the said meeting to the Stock Exchange of Thailand. and published the report to shareholders via the Company's website within 14 days after the meeting.
  - The Company places importance on disclosing information that is accurate, complete, consistent, and timely. The Company has published information and news. for shareholders, investors, and related parties and those interested in general receive information through various channels. of the Stock Exchange of Thailand and on the Company's website [www. simat.co.th](http://www.simat.co.th). In addition, the Company has established an investor relations department to communicate with shareholders, investors, related parties, and interested persons by contacting at Investor Relations, Miss Tasnaporn Yodmongkol or Mr.Kampol Tanapakij, telephone number 02 - 3260999, 098-9162597 or email [irsimat@simat.co.th](mailto:irsimat@simat.co.th).
- 6) The Company has a duty to safeguard the interests of every shareholder and stakeholder group, whether they are major shareholders, minority shareholders, natural persons, institutional investors, Thai shareholders, or foreign shareholders. It is committed to ensuring that all shareholders receive fair and equal treatment for their utmost benefit. To facilitate shareholder participation in decision-making processes, the Company allows shareholders who are unable to attend meetings in person to appoint a proxy. These proxies can be independent directors who do not have a vested interest in the meeting's agenda or any other trusted individual. The Company provides shareholders with proxy letters along with necessary documents and instructions for appointing proxies and registering them for the meeting. These materials are sent to shareholders at least 14 days before the meeting date via post and are also made available on the Company's website in advance of the meeting. This ensures transparency and allows shareholders to exercise their rights effectively.

#### Policy and treatment of employees

The Company places great value on its employees, considering them as its most valuable resource. To ensure their continuous development, employees are encouraged to enhance their knowledge and skills through ongoing training opportunities. The Company also provides appropriate and fair remuneration to the employees in comparison with the remuneration of other companies of similar size and nature of business. In addition, the Company has allocated various welfare benefits that are adequate and in line with the actual situation. In 2023, the Company has implemented the following important matters related to employees:

1. In addition to providing competitive salaries and bonuses comparable to other companies of similar size and nature, the Company offers additional benefits such as a provident fund for voluntary participation and group accident insurance for all full-time employees.
2. The Company arranges various training programs, both domestically and internationally, to equip employees with the necessary knowledge and skills to enhance their competitiveness. More than half of the total employees have participated in these training sessions, indicating a significant investment in human capital development.
3. The Company organizes orientation training for all new employees to familiarize them with the Company's policies, corporate culture, and work guidelines, ensuring a smooth transition into their roles within the organization.

#### Policy and treatment of customers

The Company acknowledges the pivotal role customers play in the success of the Group's business endeavors. To meet the diverse needs of customers, the group offers a wide range of high-quality equipment, including label products, silk screen printing materials, computers, barcode equipment, CCTV cameras, LED, solar energy production systems, and various engineering equipment. This extensive product lineup ensures that customers can select the most suitable solutions tailored to their specific requirements and operational systems.

Moreover, the Company goes beyond merely offering products by providing a comprehensive array of services. These services include broadband internet services, equipment rental options, and annual main tenance contracts. By offering such services, the Company aims to maximize the benefits and satisfaction of its customers, thereby fostering long-term relationships and sustained success in the market.

#### Policy and treatment of trading partners

The Company upholds fair and equal treatment for its trading partners, emphasizing mutual benefit and the exchange of accurate information. It is committed to fulfilling contractual obligations diligently. Moreover, the Company actively supports and collaborates with its partners in developing new products and services. Additionally, directors and employees are strictly prohibited from soliciting or accepting any dishonest benefits from trading partners, ensuring integrity and transparency in all business dealings.

#### Policy and treatment of creditors

The Company has treated creditors equally and fairly, provide accurate, truthful, and timely information to creditors, including strict compliance with contractual obligations.

#### Policy and treatment of business competitors

The Company treats its competitors fairly based on generally accepted international principles. Refrain from violating the confidentiality and legitimate rights of competitors in an illegal way. Including avoiding dishonest methods to destroy competitors.

#### Policy and treatment of independent auditors

The Company recognizes the importance of independent auditors being used by shareholders as a mechanism for auditing management's performance and to ensure that various financial reports are accurate, complete, and reliable. The Company fully cooperates with the auditors by offering accurate and complete information as well as providing convenience to independent auditors.

2023 Annual General Meeting of Shareholders resolved to appoint an independent auditor who has no benefit or any interest with the Company and has been certified by the Security and Exchange Commission Office, namely ANS Audit Company Limited, consisting of:

Mr. Sathien Vongsnan,	Certified public accountant no. 3495 or
Mr. Atipong Atipongsakul,	Certified public accountant no. 3500 or
Mr. Vichai Ruchitanont,	Certified public accountant no. 4054 or
Ms. Kultida Pasurakul,	Certified public accountant no. 5946 or
Mr. Yuttapong Chuamuangpan,	Certified public accountant no. 9445 or
Ms. Patcharee Siriwongsin,	Certified public accountant no. 9037 or
Ms. Panita Chotesaengmaneeekul,	Certified public accountant no. 9575

The audit fee for the entire group of companies for the year 2023 is set at 4,405,000 baht, which is a rate similar to the audit fee for other companies with similar sizes and nature of business.

Financial statements for the year ending 31 December 2023 have been audited by the auditor and the auditor expressed an unconditional opinion.

#### Policy and responsibility for society and the public

The Company maintains confidence in the continuous and steady progress of its business, particularly when society is peaceful and environmentally sustainable. Recognizing its role as a responsible member of society, the Company is committed to fulfilling its social and environmental responsibilities within its means. It believes that supporting social projects should be a continuous effort, encouraging active participation from its employees. Emphasizing the importance of interactive engagement between donors and recipients, the Company extends its support to both local and distant communities. This support may take various forms, such as donating computer equipment to schools and temples, among other initiatives.

## 6.2 Business ethics

The Company has prepared a business ethics manual for directors, executives, and employees of the Company to adhere to and treat stakeholders. This business ethics manual consists of policies and practices towards shareholders and stakeholders. (You can view the details of the business ethics manual on the Company website.)

## 6.3 Important changes and developments in policies, practices, and corporate governance systems over the past year.

### 6.3.1 Important changes and developments regarding policy review, guidelines and corporate governance systems. or the committee charter for the past year.

The Company continuously reviews policies, practices, and corporate governance systems. To increase the efficiency of supervision and raise the standard of corporate governance of the Company to be consistent with the principles of good corporate governance for listed companies 2017 (CG Code).

### 6.3.2 Practice in other matters according to the principles of good corporate governance.

#### Prevention of use of inside information

The Company places significant emphasis on the use of internal information that has not been disclosed to the public or could impact the Company's securities' prices. It strictly prohibits the exploitation of such information for personal gain, outlining measures to prevent and investigate any misuse of insider information. As part of these measures, the Company mandates that its board of directors and executives report changes in securities holdings to the SEC. Additionally, directors, executives, and employees involved with inside information are prohibited from disclosing it to outsiders or individuals without relevant duties. Moreover, they are restricted from trading Company securities before the announcement of financial statements.

#### Directors' interests

The Company requires its board of directors and senior executives to report any personal interests and those of related persons related to the management of the Company or its subsidiaries. This reporting obligation extends to changes in this information over time. Additionally, directors and senior executives with interests in any agenda item are not permitted to attend the meeting or exercise voting rights on that agenda item.

#### Role of stakeholders

Stakeholders' rights will be respected and upheld by the Company in accordance with relevant laws and regulations. The Company's committee will refrain from taking any actions that would infringe upon the rights of stakeholders. Stakeholders encompass various groups, including shareholders, employees, customers, creditors, business competitors, independent auditors, and the broader society and community where the Company operates.

Stakeholders are encouraged to provide suggestions and opinions through designated channels, and all feedback will be collected, evaluated, and reported to senior management and the Board of Directors accordingly

Company secretary	Telephone 099-0454605 Email : tasnaporn@simat.co.th
Investor relations	Telephone 02-3260999 Email: irsimat@simat.co.th

In instances where stakeholders wish to directly contact the Board of Directors without involving management, particularly regarding complaints related to rights violations, corruption, legal breaches, or ethical concerns involving executives, they can reach out to the independent director via email at [board\\_ac@simat.co.th](mailto:board_ac@simat.co.th). The Company has established channels for both employees and external stakeholders to communicate, share ideas, lodge complaints, and report misconduct at [board\\_director@simat.co.th](mailto:board_director@simat.co.th). Upon receiving submissions through these channels, the Company ensures confidentiality of related information and protects whistleblowers or complainants by conducting investigations discreetly. Additionally, complainants have the option to request appropriate protection measures, or the Company may implement such measures proactively if deemed necessary to prevent harm or insecurity.

If an offense is substantiated, an investigation committee will be formed to assess the situation, determine appropriate actions, and report findings of corruption or complaints to the Audit Committee and the Board of Directors.

#### Disclosure and transparency

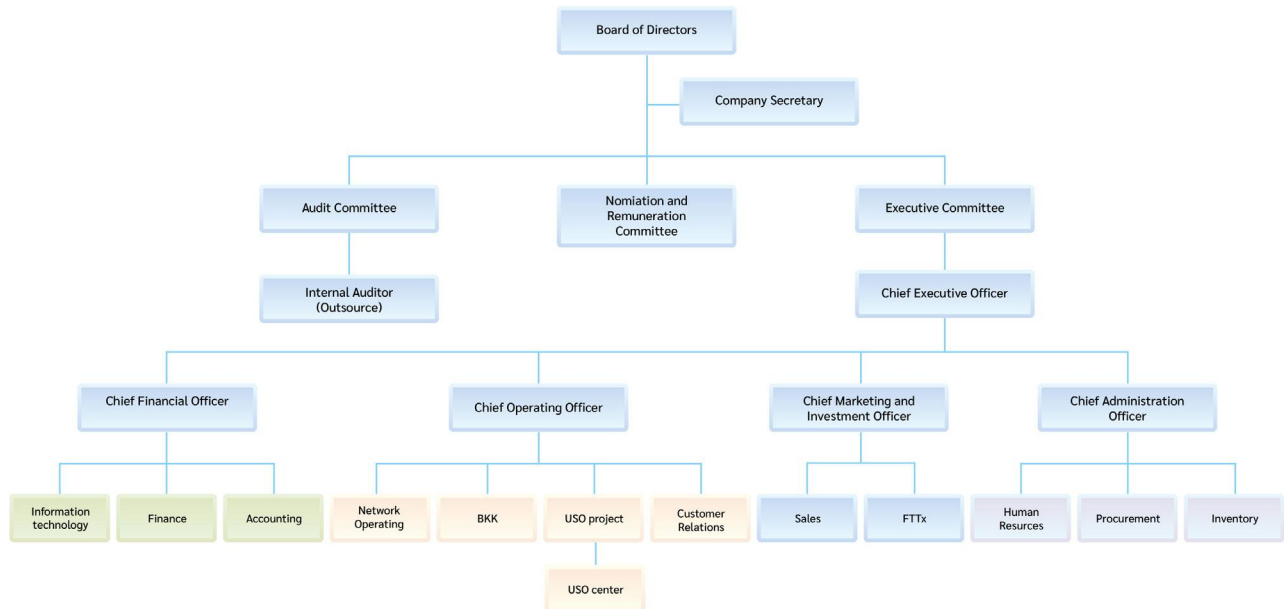
The Company has a policy of giving importance to the disclosure of information and transparency in corporate governance of the Company. In 2023, the Company disclosed information related to the Company. Both financial and other information Accurately, completely, transparently and within a reasonable time according to the requirements of the SEC and the Stock Exchange of Thailand. As the following details

- 1) The financial report and other reports have been submitted to the Security and Exchange Commission and the Stock Exchange of Thailand within the specified time.
- 2) Financial status and other information such as the nature of business operations, competition, business risk, securities holdings of directors, etc., have been disclosed to the Security and Exchange Commission and the Stock Exchange of Thailand.
- 3) All the information related to financial and other information have been disclosed correctly and completely on the Company's website: [www.simat.co.th](http://www.simat.co.th).
- 4) The Company has an investor relations department which shareholders and other persons can contact at:  
Miss Tasnaporn Yodmongkol      Telephone: 02-3260999      Email: [irsimat@simat.co.th](mailto:irsimat@simat.co.th)  
Mr. Kampol Tanapakij      Telephone: 02-3260999      Email: [irsimat@simat.co.th](mailto:irsimat@simat.co.th)

## 7. Corporate Governance Structure and Important Information about the Committee, Sub-Committee, Executives, Employees and Others

### 7.1 Corporate governance structure

Structure of Simat Technologies Public Company Limited as of December 31, 2023.



### 7.2 Information about the committee

#### 7.2.1 Composition of the board of directors

Requirements for composition of the board of directors

- 1) The company shall have one board of directors to carry on the business of the company, consists of not less than five (5) directors and not less than half of the total number of directors must reside in Thailand.
  - (a) Natural person.
  - (b) Legal age.
  - (c) Not a bankrupt person or an incompetent person or a quasi-incompetent person.
  - (d) Never received a final sentence of imprisonment for an offense involving property that was committed dishonestly.
  - (e) Never been punished or expelled or dismissed from the government or organization or government agency on the basis of dishonesty in performing duties.
- 2) The committee shall elect one director to be the chairman of the committee. In the case where the committee considers it appropriate to select one or more directors to be vice-chairmen of the board. The vice chairman of the board has duties according to the regulations in the business assigned by the chairman of the board.
- 3) By resolution of the board meeting with a majority vote. The committee may appoint directors or any other persons to be the executive committee, and select one director from the executive committee to be the chairman of the executive committee . The executive committee has the authority and responsibility to control the Company's affairs as assigned by the committee.

- 4) There must be at least one-third of the total number of independent directors, but it must not be less than 3 people.
- 5) There are at least 3 audit committee members.

As of December 31, 2023, the Company's board of directors has a total of 8 members , including 5 independent directors and 3 audit committee members.

## 7.2.2 Board of directors and individual persons with authority to control the Company

List of names and positions of directors as of December 31, 2023

- |                                       |   |
|---------------------------------------|---|
| 1) Asst. Prof. Pisit Saeng-Xuto,      | chairman of the board of directors and independent directors  |
| 2) Mr. Boonlerd lewpornchai,          | vice chairman of the board of directors,<br>chairman of the executive committee,<br>nomination and remuneration committee |
| 3) Mr. Tanawat Ueasiripan,            | director  |
| 4) Miss Tasnaporn Yodmongkol,         | director<br>executive committee   |
| 5) Assoc.Prof.Dr. Sarayut Ruengsuwan, | independent director  |
| 6) Mr. Worapoj Lapwatanamongkol,      | audit committee, independent director,<br>nomination and remuneration committee   |
| 7) Mr. Wutichai Anantakul,            | audit committee, independent director   |
| 8) Miss Napaporn Mesayanon,           | chairman of audit committee, independent director,<br>chairman of the nomination and remuneration committee               |

Directors who have the authority to sign on behalf of the company are Mr. Boonlerd lewpornchai, Mr. Tanawat Ueasiripan and Miss Tasnaporn Yodmongkol, two of these three people sign together and affix the company seal.

### 7.2.3 Roles and duties of the committee

Roles and duties of the board of directors Appears according to the company regulations as follows:

- Article 25 At every annual general meeting of shareholders, one-third (1/3) of the number of directors at that time shall retire from office . If the number of directors to be counted from the positions cannot be divided into exactly one-third (1/3), then use a number that is close to one-third (1/3).  
Directors who retire by rotation could be resume the directorship for another term. The directors shall mutually agree on the sequence of retirement from directorship according to the method described in the paragraph above .
- Article 26 In addition to retiring from office at the end of their term, directors will leave their position when:  
1) Passed away.  
2) Resign.  
3) Lacking qualifications or having prohibited characteristics according to the Public Company Limited law and the law governing securities and exchange.  
4) The shareholder meeting voted to leave.  
5) The court ordered the dismissal.
- Article 27 Any director will resign from their position. Submit a resignation letter to the company. The resignation is effective from the date the resignation letter reaches the company. Directors who resigned according to paragraph one may also notify the resignation to the registrar in accordance with the law on public limited companies.
- Article 28 In the case where the position of director is vacant for reasons other than retirement at the end of the term. The committee shall select a person who has qualifications and does not have any prohibited characteristics under the law. Became a director to fill the vacant director position. At the next meeting of the board unless the director's term is less than two (2) months remaining.  
The person who joins the committee in his place will hold the position of director only for the remaining term of the director he replaces.  
Resolution of the committee according to paragraph one Must consist of votes of not less than three-quarters (3/4). of the number of directors remaining.
- Article 29 The shareholders' meeting may vote to remove any director from his position before the time of retirement as specified by a vote of not less than three-quarters (3/4) of the number of shareholders present at the meeting and have the right to vote and have shares totaling not less than half of the number of shares held by shareholders attending the meeting and have voting rights.
- Article 30 In the event that the position of director is vacant until the number remaining is less than the number that will constitute a quorum. The remaining directors may act on behalf of the board of directors only by holding a shareholder meeting to elect directors to fill all vacant positions.



The meeting under paragraph one must be held within one (1) month from the date the number of directors becomes vacant less than the number that will constitute a quorum. And the person who becomes a committee member under paragraph one can hold office only for the remaining term of the director he replaces.

Article 31 At a meeting of the committee, more than half (1/2) of the total number of committee members must be present to form a quorum and the chairman of the committee shall act as chairman of the committee meeting. In the event that the chairman of the board is not present at the meeting or is unable to perform any duties In the case where the Vice chairman is present The Vice chairman of the board shall be the chairman of the meeting. But if there is no Vice chairman or was not present at the meeting or unable to perform their duties, the committee members present at the meeting will elect one committee member to chair the meeting.

The final decision of the committee meeting is made by a majority vote. One director has one vote. Except that directors who have an interest in a particular matter, do not have the right to vote on that matter. And if the votes are equal, The chairman of the meeting shall cast an additional vote as the deciding vote .

Article 32 In calling a meeting of the board of directors, the chairman of the board or the person assigned Send the meeting notice to the directors no less than seven (7) days before the meeting date. Except in cases of urgent necessity to preserve the rights and benefits of the company. The meeting must be notified by other means and the meeting date can be set earlier than that.

The committee can hold meetings through electronic media. Organizing meetings through electronic media must be in accordance with the criteria and methods prescribed by law and according to information security standards specified in the law.

Article 33 Directors must perform their duties in accordance with the law, objectives and regulations of the company. as well as the resolutions of the shareholder meeting.

Article 34 The board of directors is prohibited from operating business of the same nature and competing with the business of the company or being a partner in a general partnership. or be a partner with unlimited liability in a limited partnership or be a director of a limited company or any other public limited company that carries on business which has the same condition and is in competition with the Company's business unless the shareholder meeting is informed before passing a resolution appointing that director.

Article 35 directors must notify the company without delay. In the case that a director has an interest in any contract made by the company or in cases where the number of shares or debentures held by directors in the company or affiliated company increases or decreases.

Article 36 The committee shall meet at least once every three (3) months.

- Article 37 The board of directors has the authority to determine and change the names of directors who are authorized to sign to bind the company.
- Article 38 The board of directors must hold an annual general meeting of shareholders within four (4) months from the end of the company's fiscal year.  
Shareholders' meetings other than those already mentioned. It will be called an extraordinary meeting. The board of directors may call a shareholder meeting as an extraordinary meeting at any time as it deems appropriate.  
or one or more shareholders whose shares can be counted together Not less than ten (10) percent of the total number of shares sold will be signed in writing. Request the board of directors to call a meeting of shareholders. An extraordinary meeting can be held at any time.
- Clause 39 In the case of calling a shareholder meeting the committee shall prepare a meeting notice specifying the place, date , and time. agenda and matters to be presented to the meeting together with appropriate details , clearly specifying whether it is a matter to be presented for information, for approval , or for consideration, as the case may be , including opinions . of the committee on such matters Such documents will be sent to shareholders not less than seven (7) days before the meeting date. and the registrar is informed not less than seven (7) days before the meeting date. The meeting notice shall be advertised in newspapers for three (3) consecutive days, not less than three (3) days before the meeting date. The location used for the meeting is to be determined by the committee. The board of directors may specify that the shareholders' meeting be held via electronic media, by organizing the meeting via electronic media. Must be in accordance with the principles and procedures specified by law. and according to information security standards set forth in the law.
- Article 41 The chairman of the board of directors shall be the chairman of the shareholder meeting. In the event that the chairman of the board is not present at the meeting or is unable to perform his duties. The Vice chairman of the board shall be the chairman of the meeting. If there is no vice chairman or is not present at the meeting or unable to perform duties The meeting shall elect any shareholder who attends the meeting to be the chairman of the shareholder meeting.
- Article 46 The board of directors must prepare a balance sheet and profit and loss account as of the last day of the company's fiscal year. By presenting it to the shareholder meeting at the annual general meeting. for the meeting to approve and the board must arrange for an auditor to examine the balance sheet and profit and loss statement . To be completed before will be presented at shareholder meeting
- Article 47 The board of directors shall submit the following documents to the shareholders together with the notice of the Annual General Meeting of Shareholders:  
1) Copy of balance sheet and profit and loss certified by the auditor along with the

- auditor's audit report and  
2) Annual report of the committee with various supporting documents for reporting

Article 48 Do not pay dividends from money other than profits. In the case that the company still has accumulated losses, do not pay any dividends.  
Pay dividends according to the number of shares, each share equally.  
The board of directors may pay interim dividends to shareholders from time to time.  
When it is seen that the company has sufficient profits to do so. And once the interim dividend has been paid, the dividend payment shall be reported to the shareholders' meeting at the next shareholders' meeting.  
Payment of dividends must be made within one (1) month from the date the shareholder meeting or the board meeting passed the resolution, as the case may be. In this regard, notification shall be sent in writing to shareholders and notice of dividend payment shall be advertised in newspapers for not less than three (3) consecutive days.

## 7.3 Information about sub-committees

### 7.3.1 Appointed sub-committees

Simat Technologies Public Company Limited has 3 sub-committees :

#### Executive Committee

The Executive Committee has duties:

- 1) Operate and manage the company's business according to the objectives, regulations, policies, rules, regulations, orders and resolutions of the board meeting and/or the resolution of the company's shareholder meeting in all respects.
- 2) Consider setting policies, directions and strategies for the company's business operations. Set a budget financial plan Human resource management Investment in information Technologies, expansion, public relations and control and supervise the operations of the appointed working group to achieve their goals.
- 3) Serve as an advisor to management regarding financial policy, marketing, and personnel management. and other operational aspects.
- 4) Define organizational structure, including appointment, hiring, transfer, determination of wages, compensation, bonuses for executive level employees, and termination.
- 5) Carry out any other actions as assigned by the board of directors from time to time.

However, the authority of the executive committee does not include approving any items that may have conflicts, or any item that the executive committee or persons connected to the executive committee have an interest, or interests in any other manner conflicting with the company or subsidiaries in accordance with the regulations of the Stock Exchange of Thailand which approves transactions, must be submitted to the board of directors' meeting and/or shareholder meeting for consideration and approval of such items. As required by the Company's regulations or related laws.

## Audit Committee

The Audit Committee has duties:

- 1) Review to ensure that the company's financial reporting is accurate and adequately disclosed.
- 2) Review to ensure that the company has an appropriate and efficient internal control system and internal audit system. and consider the independence of the internal audit department. As well as giving approval to consider the appointment, transfer, and termination of the head of the internal audit department or any other agency responsible for internal auditing
- 3) Review the company's compliance with securities and stock exchange laws. Stock Exchange Requirements and laws related to the company's business
- 4) Consider, select, and propose appointments of individuals who are independent to act as an auditor and offer compensation including attending a meeting with the auditor without the management attending at least once a year.
- 5) Consider related party transactions or transactions that may have conflicts of interest to be in accordance with the law and regulations of the Stock Exchange in order to ensure that such transactions are reasonable and of maximum benefit to the Company.
- 6) Prepare a report of the audit committee and disclose in the company's annual report. The report shall be signed by the chairman of the audit committee, should contain the following information:
  - (a) An opinion on the accuracy, completeness, and reliability of the company's financial reports.
  - (b) Opinion on the adequacy of the company's internal control system.
  - (c) Opinions on compliance with the law on securities and exchange Stock Exchange Requirements or laws related to the company's business.
  - (d) Opinion on the suitability of the auditor.
  - (e) Opinions on items that may have conflicts of interest.
  - (f) Number of audit committee meetings and attendance of meetings of each audit committee member.
  - (g) Overall opinions or observations received by the audit committee in performing their duties.
  - (h) Any other items that shareholders and general investors should know? Under the scope of duties and responsibilities assigned by the board of directors
- 7) Perform any other duties as assigned by the Company's board of directors with the approval of the audit committee.

### Nomination and Remuneration committee

The nomination and remuneration committee has duties.

- 1) Determine recruitment methods and qualifications of those who will serve as directors and executives of the company
- 2) Carry out recruitment and recommend people who are qualified to serve as directors and executives.  
To the board of directors
- 3) Set criteria or methods for determining remuneration for directors and executives.
- 4) Consider proposing directors' remuneration to the board of directors for approval. and present to shareholders for approval.
- 5) Consider proposing compensation for the Chief Executive Officer to the board of directors' meeting to consider approval
- 6) perform duties As assigned by the board of directors

### **7.3.2 List of names of each sub-committee**

As of the December 31, 2023, executive committee consists of 7 people:

- |                                     |   |
|-------------------------------------|---|
| 1) Mr. Boonlerd lewpornchai,        | chief executive officer                         |
| 2) Miss Tasnaporn Yodmongkol,       | chief financial officer                         |
| 3) Mr. Witoon Sintoptharachai,      | operations vice president                       |
| 4) Miss Thikumporn Yodsakultip,     | finance vice president                          |
| 5) Mr. Pachcharrah Gajajiva, D.V.M. | general administration assistant vice president |
| 6) Mr. Kittichet Katanyuaphiwich    | accounting assistant vice president             |
| 7) Mr. Sompote Trameekun,           | operations assistant vice president             |

The audit committee has 3 members, consisting of

- |                                  |   |
|----------------------------------|---|
| 1) Miss Napaporn Mesayanon,      | chairman of audit committee, independent director |
| 2) Mr. Worapoj Lapwatanamongkol, | audit committee, independent director             |
| 3) Mr. Wutichai Anantakul,       | audit committee, independent director             |

Miss Napaporn Mesayanon is the director of fund management Merchant Partners Securities Public Company Limited, being an audit committee with knowledge in reviewing financial statements.

The nomination and remuneration committee has 3 members , consisting of:

- |                                  |   |
|----------------------------------|---|
| 1) Miss Napaporn Mesayanon,      | chairman of nomination and remuneration committee |
| 2) Mr. Boonlerd lewpornchai,     | nomination and remuneration committee             |
| 3) Mr. Worapoj Lapwatanamongkol, | nomination and remuneration committee             |

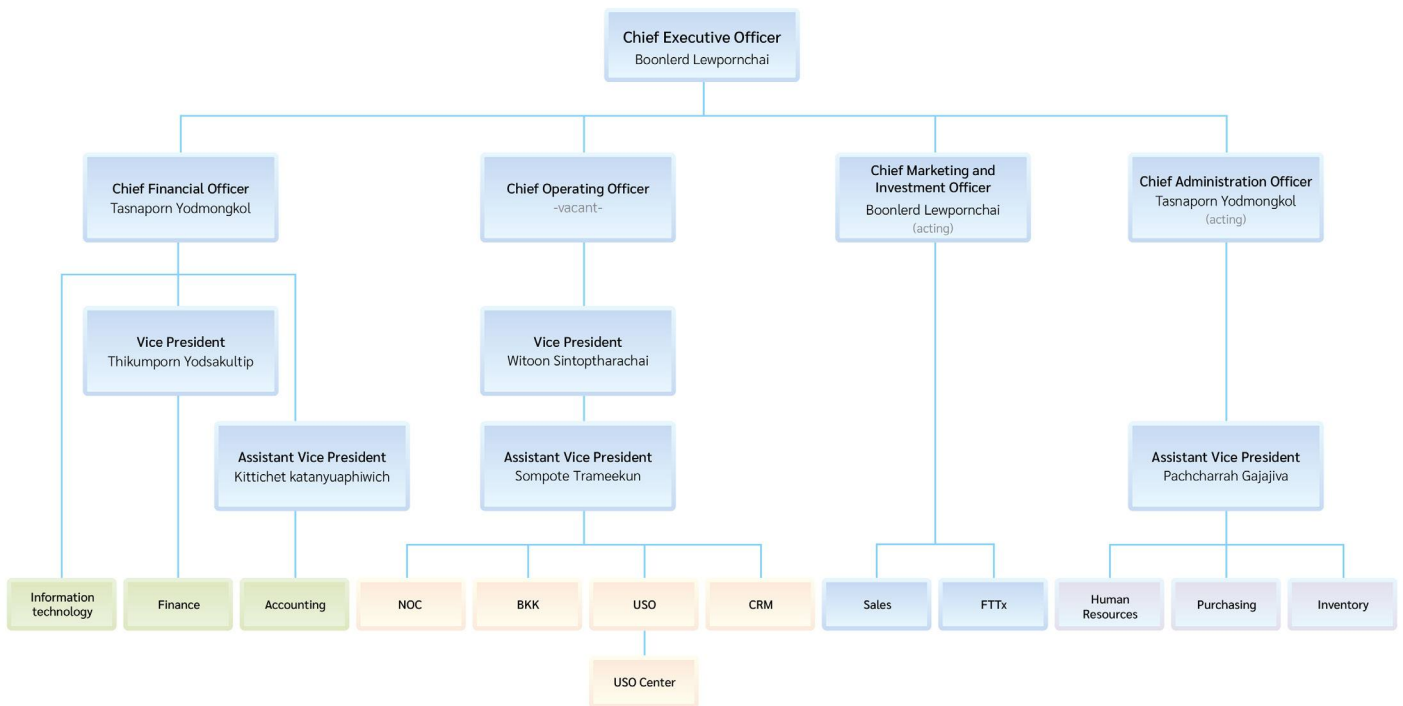
## 7.4 Information about executives

### 7.4.1 Names and positions of executives

As of December 31 2023 The company has 7 executives ( 4 in rank after the CEO) consisting of:

- |                                      |   |
|--------------------------------------|---|
| 1) Mr. Boonlerd lewporchai,          | chief executive officer                         |
| 2) Miss Tasnaporn Yodmongkol,        | chief financial officer                         |
| 3) Mr. Witoon Sintoptharachai,       | operations vice president                       |
| 4) Miss Thikumporn Yodsakultip,      | finance vice president                          |
| 5) Mr. Pachcharrah Gajajiva, D.V.M., | general administration assistant vice president |
| 6) Mr. Kittichet Katanyuaphiwich,    | accounting assistant vice president             |
| 7) Mr. Sompote Trameekun,            | operations assistant vice president             |

Organizational chart showing names and executive positions in Simat Technologies Public Company Limited.



### 7.4.2 Policy on compensation for executive committee

Remuneration of the executive directors and executives of the company, the chief executive officer will determine these to be consistent with the company's operating results and the performance of each executive.

As for the compensation of the chief executive officer will be determined by the nomination and remuneration committee. It will be evaluated annually from the work performance according to the objectives, executive development, and operating results of the company to propose to the board of directors for consideration and approval.

### 7.4.3 Total remuneration of executive committee

Simat Technologies Public Company Limited would like to present the monetary remuneration of the executive directors and the top 4 executives starting from the CEO for the year 2023 compared to the estimated remuneration for 2024, divided by the nature of remuneration into salary, bonus, provident fund, and computer allowance as per the table below:

Year / Compensation	Number of executives	Salary	Bonus	Provident Fund	Subsidy	Total compensation
2023	7	12,631,667	530,000	270,375	19,392	13,451,434
Projection 2024	7	14,208,000	1,196,300	368,490	42,000	15,814,790

### 7.5 Information about employees

Number of employees includes executives, permanent employees, and annual contract employees. of the company and subsidiaries that are not in the manufacturing industry as of December 31, 2023, a total of 357 people, divided according to main lines of work as follows

Type	Responsibilities	Number (people)
Permanent employees	Operational work	101
Permanent employees including executives	Support work	71
Annual contract employees	Government project work	185
<b>Total</b>		<b>357</b>

Compensation given to regular employees and executives of Simat Technologies Public Company Limited of the company and its subsidiaries that are not in the manufacturing industry in 2023, amounting to 108,978,749.25 baht with compensation that employees receive both monetary and non-monetary as follows:

- 1) Monetary compensation such as salary, bonus, provident fund, social security fund, compensation fund, overtime, allowances, brokerage fees, shift fees, language skills fees, travel expenses, various welfare contributions, and retirement program compensation.
- 2) Non-monetary rewards include:
  - (a) Various leave days such as business leave, sick leave, vacation leave, maternity leave, leave for military service as required by law. Also leave for sterilization, leave for training to develop knowledge and abilities, leave for ordination, and leave to arrange a funeral.
  - (b) Others such as group accident insurance, employee uniforms, drinks, training seminars, gifts, prizes in contests or ceremonies / celebrations.

Simat Technologies Public Company Limited has provided a provident funds, managed by Eastspring Asset Management (Thailand) Company Limited to allow fund managers bring 3 percent of employees' wages, and employer contributions in the same amount to invest or seek benefits according to the investment policy in the Nasset Taweeka Registered Provident Fund to provide security for employees in case of death, resignation from work, or resignation from the fund. The employees will receive contributions according to the following conditions:

Years of Service	Contributions
less than 2 years	0%
2 years or more but less than 3 years	30%
3 years or more but less than 4 years	50%
4 years or more but less than 5 years	70%
5 years and over	100%

## 7.6 Other important information

### 7.6.1 List of persons assigned to be responsible for the company's work

Name	Responsibilities	Note
Miss Tasnaporn Yodmongkol	Company secretary	Attachment 1
Mr. Kittichet Katanyuaphiwich	Accounting	Attachment 1
Mr. Pongsak Thanopajaiyothin	Internal Auditor	Attachment 3
Mr. Boonlerd lewpornchai	Compliance	Attachment 3

### 7.6.2 List of investor relations

Miss Tasnaporn Yodmongkol

Tel: 02- 3260999

Email irsimat@simat.co.th

### 7.6.3 Auditor's remuneration

2023 Annual General Meeting of Shareholders resolved to appoint an independent auditor who has no interest with the company and has been certified by the Securities and Exchange Commission Office, namely ANS Audit Company Limited, consisting of

Mr. Sathien Vongsnan,	Certified public accountant no. 3495 or
Mr. Atipong Atipongsakul,	Certified public accountant no. 3500 or
Mr. Vichai Ruchitanont,	Certified public accountant no. 4054 or
Ms. Kultida Pasurakul,	Certified public accountant no. 5946 or
Mr. Yuttapong Chuamuangpan,	Certified public accountant no. 9445 or
Ms. Patcharee Siriwongsin,	Certified public accountant no. 9037 or
Ms. Panita Chotesaengmaneekul,	Certified public accountant no. 9575

By setting the remuneration of the auditors for the entire group of companies for the year 2024 at the amount of 4,405,000 baht, which consists of :



- |                            |                |
|----------------------------|----------------|
| 1) Company's audit fee     | 1,620,000 baht |
| 2) Subsidiaries' audit fee | 2,785,000 baht |

Out of audit fee, there are other fee, such as travel expenses, overtime, and stationery expenses. Other fees the auditor collected for Simat Technologies Public Company Limited in 2023 amounted to 183,070 baht, so total audit expenses in 2023 only for Simat Technologies Company Ltd. amounted 1,743,070 baht.

## 8. Report on Key Performance Results in Corporate Governance

### 8.1 Summary of the performance of the committee's duties in the past year.

#### 8.1.1 Recruiting, developing and evaluating the performance of the committee's duties.

##### Criteria for selecting independent directors:

The board of directors has determined the qualifications of independent directors as follows:

- 1) Hold shares not exceeding 0.5% of the total number of shares with voting rights of the company, parent company, subsidiaries, associated companies or persons who may have conflicts of interest, the shares held by related persons of that independent director must also be counted.
- 2) Not being or having ever been a director who takes part in management, an employee, or an advisor who receives a regular salary, or controlling person of the company, parent company, subsidiaries, associated companies, same level subsidiaries, or legal entities that may have conflicts, unless they have been free from the aforementioned characteristics for not less than 2 years before being appointed.
- 3) Not related by blood, or registration in the form of parent manner, spouse, sibling, and child, including the child's spouse, to executives, major shareholders, controlling person, or a person who will be nominated as an executive, or controlling person of the company and its subsidiaries.
- 4) Do not have or have ever had a business relationship with the company, parent company, subsidiaries, associated companies, or persons who may have conflicts of interest in a manner that may impede the use of one's independent judgment as follows:
  - a) Providing professional services in auditing.
  - b) Providing other professional services with a transaction value exceeding 2 million baht per year.
  - c) Transactions with significant value or size, considered independent, include normal business dealings such as real estate rentals, leasing of assets/services, and financial assistance programs. These transactions are considered significant if their value equals or exceeds 20 million baht or 3 percent of the company's net assets, whichever is lower. The calculation of transaction value should include transactions that occurred within the 6 months prior to the current transaction date (as per regulations governing connected transactions of the Stock Exchange of Thailand).
  - d) Regarding relationships with juristic persons according to items 4)a to 4)c, individuals considered not independent include major shareholders, directors (excluding independent directors/audit committee), and executives or partners of said juristic person.
  - e) Set the period during which relationships are prohibited according to Section 4)a to 4).d, which is the present and not less than 2 years before the appointment .
- 5) Not being a director appointed to represent the company's directors, major shareholders, or share holders who are related to the major shareholders of the Company.
- 6) Not having any other characteristics that prevent him from giving independent opinions.

##### Recruiting directors and top level executives

The company has established the nomination and remuneration committee which be responsible for identifying individuals with the requisite qualifications, knowledge, skills, and experience to propose to the board of directors for appointment. This committee also determines the compensation for these appointments.

## 8.1.2 Meeting attendance and compensation for individual committee

In 2023 , there were a total of 8 committee meetings, with each director attending the meetings as follows:

Number	List of directors	position	Meeting no.						
			1	2	3	4	5	6	7
1	Asst. Prof. Pisit Saeng-Xuto	Chairman	/	/	/	/	/	/	/
2	Mr. Boonlerd lewpornchai	Vice chairman	/	/	/	/	/	/	/
3	Mr. Tanawat Ueasiripan	Director	/	/	/	/	/	/	/
4	Miss Tasnaporn Yodmongkol	Director	/	/	/	/	/	/	/
5	Assoc.Prof.Dr.Sarayut Ruengsuwan	Independent director	/	/	/	/	/	/	/
6	Mr. Worapoj Lapwatanamongkol	Independent director	/	/	/	/	/	/	
7	Mr. Wutichai Anantakul	Independent director	/	/	/	/	/	/	/
8	Miss Napaporn Mesayanon	Independent director	/	/	/	/	/	/	/
<b>Total directors attending the meeting</b>			<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>7</b>
<b>Total number of directors</b>			<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>

Compensation for company directors (only compensation as a director)

position	Directors' remuneration for 2023	Directors' remuneration for 2022
Chairman	12,000 baht / time	10,000 baht / time
Director / Independent director / Audit committee	10,000 baht / time	7,000 baht / time

In 2023 , the company paid various compensation to 8 directors and executives, totaling 480,000 baht. Directors who receive compensation in the form of salary or other compensation as executives or employees of the company and/or existing subsidiaries or associated companies will not receive such compensation. The details are as follows:

Unit : Baht

No.	List of Directors	Position	Meeting Allowance
1	Asst. Prof. Pisit Saeng-Xuto	Chairman and independent director	82,000
2	Mr. Boonlerd lewpornchai	Vice chairman	-
3	Mr. Tanawat Ueasiripan	Director	-
4	Miss Tasnaporn Yodmongkol	Director	-
5	Assoc.Prof.Dr.Sarayut Ruengsuwan	Independent director	67,000
6	Mr. Worapoj Lapwatanamongkol	Independent director	97,000
7	Mr. Wutichai Anantakul	Independent director	107,000
8	Miss Napaporn Mesayanon	Independent director	127,000
<b>Total (baht)</b>			<b>480,000</b>

In addition to monetary compensation, the Company has provided Directors and Officers Liability Insurance, Elite V plan, for company directors. Additionally, training programs aimed at enhancing knowledge and skills are offered, which are considered non-monetary forms of compensation.

### 8.1.3 Supervision of subsidiaries and associated companies

The Company exercises management supervision and assumes responsibility for operations in subsidiaries and associated companies by appointing representatives to serve as directors in these entities. The appointment of these representatives is based on the proportion of shareholding, and their participation is guided by a resolution from the board of directors' meeting. This approach ensures compliance with regulations and enables effective control. The representatives appointed by the Company are as follows:

List of names	Sending representatives of the company to be directors and executives											
	HST+Label HPT		Telecom		RGTech		NPE		DCOM		SINO	
	director	Directors authorized to sign and bind	director	Directors authorized to sign and bind	director	Directors authorized to sign and bind	director	Directors authorized to sign and bind	director	Directors authorized to sign and bind	director	Directors authorized to sign and bind
1.Mr. Boonlerd lewpornchai	/	/	/	/	-	-	/	/	/	/	-	-
2.Mr. Tanawat Ueasiripan	-	-	/	/	-	-	/	/	-	-	-	-
3.Miss Tasnaporn Yodmongkol	-	-	/	/	/	/	-	-	/	/	/	/

note :

HST is Hinsitsu (Thailand) Public Company Limited  
HPT is Hinshitsu Precision (Thailand) Company Limited  
Label is Simat Label Company Limited  
Telecom is Simat Telecom Company Limited

RGTech is RG Tech Simat Company Limited.  
NPE is Natural Power Energy Company Limited  
DCOM is Digital Cable Communication Company Limited  
Sino is Sino Trading and Service Corporation

## 8.2 Report on the performance of duties of the Audit Committee in the past year.

### 8.2.1 Number of meetings and meeting attendance

In the year 2023, the audit committee held 4 meetings and the statistics of meeting attendance of each Audit Committee member are as follows:

No.	List of directors	position	Meeting no.			
			1	2	3	4
1	Miss Napaporn Mesayanon	Chairman	/	/	/	/
2	Mr. Worapoj Lapwatanamongkol	Independent director	/	/	/	
3	Mr. Wutichai Anantakul	Independent director	/	/	/	/
Total directors attending the meeting			3	3	3	2
Total number of directors			3	3	3	3

## 8.2.2 Performance of duties of the audit committee

### Accuracy and reliability of financial reports

The audit committee has considered the auditor's report, quarterly financial statements that have been reviewed, and annual financial statements that have been audited, by the company's certified public accountant and has the opinion that the Company's financial reports were accurate, complete, and reliable.

### Sufficiency of the internal control system

The audit committee has assessed the adequacy of the Company's internal control system, including considering the internal audit report of the internal auditor, and were of the opinion that the Company's internal control system was adequate and appropriate at a satisfactory level.

### Compliance with relevant laws and regulations

The audit committee has considered the Company's operations and has the opinion that the company has complied with the law on securities and exchange act, or laws related to the Company's business correctly and appropriately.

### Suitability of the auditor

The audit committee considered the independence, appropriateness, and reasonableness of the auditor's remuneration.

### Items that may have conflicts of interest

The audit committee has considered related party transactions or transactions that may have conflicts of interest quarterly. The audit committee has the opinion that the related party transactions that occurred in 2023 were in accordance with general commercial conditions, reasonable, and is the most beneficial to the company. In addition, the committee did not find any items that may have conflicts of interest that had a significant impact on the Company's financial position and operating results.

### Opinions or observations obtained from the performance of duties

The Audit Committee did not find or suspect that there were any transactions or actions that may have a significant impact on the financial position and operating results of the Company.

### 8.3 Summary of the performance of duties of other sub-committees.

#### Number of meetings and attendance of individual sub -committees

##### Executive Committee

No.	List of directors	Position	Meeting no.
			1/2023
1	Mr. Boonlerd lewpornchai	Chairman of the board / chief executive officer	/
2	Miss Tasnaporn Yodmongkol	Chief financial officer	/
Total directors attending the meeting			2
Total number of directors			2

##### Nomination and remuneration committee

No.	List of directors	Position	Meeting no.
			1/2023
1	Miss Napaporn Mesayanon	Chairman	/
2	Mr. Boonlerd lewpornchai	Director	/
3	Mr. Worapoj Lapwatanamongkol	Director	/
Total directors attending the meeting			3
Total number of directors			3

## 9. Internal Control and Related Party Transactions

### 9.1 Internal control

Appointment, removal, and transfer of the Company's internal audit is required approval from the audit committee.

Since 2021, the audit committee has approved the Company's engagement of the services of an internal auditor from Einstwin Company Limited. This auditor is led by Mr. Pongsak Thanopajaiyothin, who is characterized by independence, fairness, experience, and expertise, cautious, and prudent in accordance with generally accepted audit standards. The internal audit team conducts annual audit plan, performs audit, follows up on results, and reports directly to the audit committee on a quarterly basis.

The assessment conducted by the internal auditor in 2023, regarding the adequacy and appropriateness of the internal control system covers various aspects, including risk assessment, operational control, information and communication systems, as well as tracking systems. The findings of this assessment can be summarized as follows:

#### 1) The Organization demonstrates commitment to the values of integrity and ethics.

Checklist	yes	no	Description
1.1. The board and executives set guidelines and has practices based on the principles of honesty and maintaining ethics in operations that covers: <ul style="list-style-type: none"> <li>1.1.1. Performing daily duties and decision-making in various matters.</li> <li>1.1.2. Treatment of partners, customers, and outsiders.</li> </ul>	/		<ul style="list-style-type: none"> <li>•The Company has established a policy on good corporate governance. Prepare a manual for good corporate governance / business ethics (Code of Conduct) and work practices / anti-corruption policy.</li> </ul>
1.2. There are written regulations for executives and employees to perform their duties with honesty and maintain ethics that covers: <ul style="list-style-type: none"> <li>1.2.1 There are appropriate regulations regarding ethics (code of conduct) for executives and employees.</li> <li>1.2.2 There are regulations prohibiting executives and employees from acting in a manner that may cause a conflict of interest with the business. This includes prohibiting corruption that causes damage to the organization.</li> <li>1.2.3 There are appropriate penalties if the above requirements are violated.</li> <li>1.2.4 The above requirements and penalties are communicated to all executives and employees, for example, included in new employee orientation. Have employees sign an acknowledgment of the regulations and penalties annually. Including disseminating the code of conduct to employees and outsiders.</li> </ul>	/		<ul style="list-style-type: none"> <li>• Refer to the explanation in section 1.1.</li> <li>• The Company has established work regulations/policies against corruption by internal public relations. Stored in the Drive Share system of the Company and on the Company website.</li> </ul>

Checklist	yes	no	Description
<p>1.3. There is a process for monitoring and evaluating compliance with the code of conduct:</p> <p>1.3.1 Monitoring and evaluation by the internal audit unit or compliance unit.</p> <p>1.3.2 Self-evaluation by executives and employees</p> <p>1.3.3 Evaluation by independent experts from outside.</p>	/		<ul style="list-style-type: none"> <li>The Company has hired internal auditors from outside agencies. Responsible for inspecting, evaluating, and monitoring the Company's operational processes. according to the specified inspection plan Inspection results are reported. To find ways to prevent and correct the observed observations once per quarter.</li> </ul>
<p>1.4. It is managed in a timely manner. If any non-compliance with the requirements regarding honesty and ethics is found.</p> <p>1.4.1 There is a process that allows violations to be detected within a reasonable time.</p> <p>1.4.2 There is a process that allows punishment or dealing with violations appropriately. and within a reasonable time.</p> <p>1.4.3 Actions that violate the principles of honesty and ethics are appropriately corrected. and within a reasonable time.</p>	/		<ul style="list-style-type: none"> <li>Human resources is the department that oversees employee non-compliance with requirements regarding honesty and ethics and report to the executive committee.</li> </ul>

2) The Board of Directors is independent from the management, and performs oversight duties and develops internal control operations.

Checklist	yes	no	Description
<p>2.1 The roles and responsibilities of the committee are specified separately from the management. The specific authority of the committee has been clearly reserved.</p>	/		<ul style="list-style-type: none"> <li>The Company has defined the scope of duties and responsibilities of board of directors and executive committee. Including specifying the specific approval authority of the board of directors. clearly stated in the manual of delegation of authority (DOA).</li> </ul>
<p>2.2 The committee oversees the establishment of clear and measurable business goals to serve as guidelines for the performance of executives and employees.</p>	/		<ul style="list-style-type: none"> <li>The Company sets business business goals and business plan which report to the board of directors and supervise the budget within the framework specified by the Company.</li> </ul>



Checklist	yes	no	Description
2.3 The committee is knowledgeable about the Company's business and have expertise that is beneficial to the Company or can ask for advice from experts in that matter.	/		<ul style="list-style-type: none"> <li>The Company has a board of directors who are knowledgeable about the business and can provide useful advice related to the Company's business.</li> </ul>
2.4 The committee consists of independent directors who has knowledgeable, reliable ability, and truly independent in performing their duties, such as having no business relationship with the Company, no other relationships which may influence the use of discretion and performing duties independently in an appropriate and sufficient amount.	/		<ul style="list-style-type: none"> <li>The Company has an audit committee. / independent committee who are knowledgeable and capable and have all qualifications according to the requirements of the Stock Exchange of Thailand.</li> </ul>
2.5 The committee oversees the development and practice of internal control in the organization, which covers the creation of a control environment, risk assessment, control activities, information and communication, and tracking.	/		<ul style="list-style-type: none"> <li>The board of directors has oversight to ensure that the Company has good internal control system, according to COSO 2013 criteria, cover all 5 main factors.</li> </ul>

3) The internal control system is deemed suitable for the organization to achieve its objectives under the supervision of the committee.

Checklist	yes	no	Description
3.1 Top management establishes an organizational structure that supports the achievement of the Company's objectives. Considering both business and legal suitability, including the provision of effective internal control, such as separating duties in important work areas which creates checks and balances between each other. There is internal audit work that depends directly on the audit committee and have a clear reporting line, etc.	/		<ul style="list-style-type: none"> <li>The Company has determined the organizational structure to suit the business conditions. There is separation of authority and duties. Balances in the chain of command and clear reporting. The Company hires outsource internal auditors and set to present the report to the audit committee.</li> </ul>
3.2 Executive management determines the reporting lines in the Company, considering the appropriateness of authority, duties responsibility and data communication.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 3.1.</li> </ul>

Checklist	yes	no	Description
3.3 Powers, duties and responsibilities are appropriately defined, assigned and limited among the board of directors, executives, management, and employees.	/		<ul style="list-style-type: none"> <li>The Company has defined the scope of authority, duties, and responsibility of the board of directors, the chairman of the board of directors, executives, including managers and supervisors. And the Company determines the specific approval authority of the board of directors according to the manual of delegation of authority (DOA).</li> </ul>

4) The Organization demonstrates its commitment to motivation. Develop and maintain personnel with knowledge and abilities.

Checklist	yes	no	Description
4.1 The Company has policies and procedures to recruit, develop, and retain personnel with appropriate knowledge and abilities. And there is a process to regularly review the policies and procedures.	/		<ul style="list-style-type: none"> <li>The Company has defined work duties (job description) and has performance evaluations by executives and supervisors every year. And the Company sends personnel to annual training.</li> </ul>
4.2 The Company has a process for evaluating performance, providing incentives or rewards to personnel with good performance, and management of personnel whose performance does not meet goals, including communicating these processes to executives and employees.	/		<ul style="list-style-type: none"> <li>The Company has established criteria for annual performance evaluation whereby supervisors will evaluate goals/efficiency/effectiveness of work in order to take into account consideration of performance results, etc.</li> </ul>
4.3 The Company has a process to solve problems or prepare for the lack of personnel with appropriate knowledge and abilities in a timely manner.	/		<ul style="list-style-type: none"> <li>The Company has recruited missing personnel according to position. The knowledge and abilities of personnel appropriate to their positions are determined in a timely manner.</li> </ul>

Checklist	yes	no	Description
4.4 The Company has a process for recruiting, developing, and retaining all executives and employees, such as organizing a mentoring system and training.	/		<ul style="list-style-type: none"> <li>The Company has a process for recruitment, probation, and training evaluation. and annual performance evaluation.</li> </ul>
4.5 The Company has a plan and process for recruiting successors.	/		<ul style="list-style-type: none"> <li>The Company has improved. To cover new businesses of additional companies.</li> </ul>

5) The Organization assigns personnel to have duties and responsibilities for internal control in order to achieve the organization's objectives.

Checklist	yes	no	Description
5.1 The board and executives have processes and communications in place to enforce responsibility for all personnel. internal control and provide improvements and amendments to the operating procedures If necessary.	/		<ul style="list-style-type: none"> <li>The Company requires employees to perform tasks, according to the operating manual.</li> </ul>
5.2 The board and executives determine performance indicators, motivation, and giving appropriate rewards, considering both compliance with the code of conduct and the short-term and long-term objectives of the Company.	/		<ul style="list-style-type: none"> <li>The Company uses a budget accounting system as the goal for evaluating performance and evaluating incentives and rewards. The Company determines KPI performance indicators to achieve the short-term and long-term objectives of the Company.</li> </ul>
5.3 The board and management continually evaluate incentives and rewards, emphasize to link it with the success of duties in complying with internal control.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 5.2.</li> </ul>
5.4 The board and management have considered not creating excessive pressure in performing the duties of each personnel.	/		<ul style="list-style-type: none"> <li>The Company sets budgets in various areas by considering factors, both internal and external factors, which is supported by information from various departments in order to be consistent and achieve the objectives and goals of investment, personnel and other budgets.</li> </ul>

6) The Organization defines its objectives clearly enough to identify and evaluate various risks related to achieving the organization's objectives.

Checklist	yes	no	Description
6.1 The Company can comply with generally accepted accounting standards, and suitable for the business at that time. It can be shown that the items in the financial report are real, complete, and correctly reflect the rights or obligations of the Company, and has appropriate value and disclose information completely and correctly.	/		<ul style="list-style-type: none"> <li>The Company reviews financial reports to ensure adequate disclosure and correct according to generally supported accounting standards, suitable for business which audited by a certified public accountant. Accounting policy is according to accounting standards which has been considered by executives, audit committee.</li> </ul>
6.2 The Company determines the essence of financial transactions by considering important factors such as users of financial reports, item size, business trends.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 6.1.</li> </ul>
6.3 The company's financial reports truly reflects the Company's operating activities.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 6.1.</li> </ul>
6.4 Committee or risk management committee approve and communicate the risk management policy to all executives and employees for acknowledgment and adherence until it becomes part of the organization's culture.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 7.1.</li> </ul>

7) The Organization identifies and analyzes all types of risks that may affect the achievement of objectives in a comprehensive manner throughout the organization.

Checklist	yes	no	Description
7.1 The Company identifies all types of risks that may affect business operations at the organization level, business units, departments, and various functions.	/		<ul style="list-style-type: none"> <li>The Company's executive committee assessed various risks which may affect business operations.</li> </ul>
7.2 The Company analyzes all types of risks that may arise from both internal and external factors. This includes strategic, operational, reporting, and compliance risks, and information technology.	/		<ul style="list-style-type: none"> <li>The Company has considered risk assessment by considering both inside and outside the organization factors which covers risks in various areas.</li> </ul>

Checklist	yes	no	Description
7.3 Executives at all levels are involved in risk management.	/		<ul style="list-style-type: none"> <li>The Company allows executives and employees to provide information on risk issues to manage risks that may affect the goals of the organization.</li> </ul>
7.4 The Company has assessed the importance of the risks by considering both the chance of the event occurring and possible impacts.	/		<ul style="list-style-type: none"> <li>The Company considers and ranks risks based on analysis, information about the opportunity to occur, and the impact that will affect the goals of the organization.</li> </ul>
7.5 The Company has measures and operational plans to manage risks by acceptance, reduction, avoidance, or sharing the risk.	/		<ul style="list-style-type: none"> <li>The Company has risk assessments and various risk control measures. It will report directly to the board of directors.</li> </ul>

8) The Organization has considered the possibility of corruption in assessing risks to achieving the organization's objectives.

Checklist	yes	no	Description
8.1 The Company assesses the possibility of corruption occurring. It covers various types of corruption such as creating false financial reports, loss of property, corruption, management override of internal controls, important changes of data in the report, acquiring or using property illegally, etc.	/		<ul style="list-style-type: none"> <li>The Company assesses the possibility of corruption within the organization through a meeting of the board of directors with the assessment of the Company's internal auditor.</li> </ul>
8.2 The Company has carefully reviewed its performance targets by considering the feasibility of the set goals, the reasonableness of providing incentives or rewards to employees, to ensure that nothing encourage employees to act inappropriately. For example, no sales targets unrealistically high. Until creating an incentive to decorate sales figures, etc.	/		<ul style="list-style-type: none"> <li>The Company monitors performance and various budgets regularly to compare with the target and the goals are reviewed as well as employee compensation to be consistent with reality without setting goals that are too high.</li> </ul>
8.1 The audit committee considered and asked executives about the possibility of corruption. and measures taken by the Company to prevent or correct corruption.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 8.1.</li> </ul>
8.4 The Company has communicated to all employees to understand and comply with the policies and established guidelines.	/		<ul style="list-style-type: none"> <li>The Company has communicated through meetings of the executive board, management team, including the Company's internal email system.</li> </ul>

9) The organization can identify and evaluate changes that may affect the internal control system.

Checklist	yes	no	Description
9.1 The Company evaluates changes in factors outside the organization that may have an impact on business operations, internal control, and financial reports, and adequate measures have been established to respond to those changes.	/		<ul style="list-style-type: none"> <li>The Company regularly monitors and evaluates performance by the management team.</li> </ul>
9.2 The Company evaluates changes in business models that may have an impact on business operations, internal control, and financial reports, and adequate measures have been established to respond to those changes.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 9.1.</li> </ul>
9.3 The Company evaluates organizational leadership changes that may have an impact on business, operations internal control, and financial reports, and adequate measures have been established to respond to those changes.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 9.1.</li> </ul>

10) The Organization has control measures that reduce the risk that the organization's objectives will not be achieved.

Checklist	yes	no	Description
10.1 The Company's control measures are appropriate to the risk. and organizational characteristics such as environment, complexity of work, nature of work, scope of operations, including other characteristics.	/		<ul style="list-style-type: none"> <li>The Company assesses the possibility of corruption within the organization through a meeting of the board of directors with the assessment of the Company's internal auditor.</li> </ul>
10.2 The Company has internal control measures specified in writing, covering various processes appropriately. This includes having policies and procedures regarding financial transactions, purchasing, and general administration. Additionally, the Company clearly and concisely defines the scope, authority, duties, and approval hierarchy of executives at each level. These measures are designed to prevent corruption. For example, the Company sets the size of the financial limit and approval authority of executives at each level. It also establishes procedures for approving investment projects,	/		<ul style="list-style-type: none"> <li>The Company has clearly specified approval authority in writing in the manual of delegation of authority, including the preparation of a manual for operating regulations for each department and every level of the organization.</li> </ul>

Checklist	yes	no	Description
<p>the purchasing process, and vendor selection methods. Furthermore, the Company records details of purchasing decisions and the process of disbursing materials, equipment, or various tools. These processes are meticulously arranged for various cases.</p>			
<p>10.2.1 Collection of information regarding major shareholders, directors, executives, and people related to such persons, including related persons for purpose of monitoring and reviewing the related party transactions, or transaction that may have conflicts of interest, including the information always updated.</p>	/		<ul style="list-style-type: none"> <li>• The Company has a risk assessment as appropriate to the nature of risks in the organization's business operations.</li> </ul>
<p>10.2.2 In cases the Company approves transactions or enters into contracts with related parties that have long-term implications, such as contracts to buy and sell products, or providing loans and guarantees, the Company follows up to ensure compliance with the agreed-upon conditions throughout the binding period. This includes closely monitoring debt repayment schedules and conducting reviews to assess the appropriateness of the contracts.</p>	/		<ul style="list-style-type: none"> <li>• The Company has clearly specified approval authority in writing in the manual of delegation of authority, including the preparation of a manual for operating regulations for each department and every level of the organization.</li> </ul>
<p>10.3 The Company requires appropriate variety of internal controls, such as manual and automated controls or preventive and monitoring controls.</p>	/		<ul style="list-style-type: none"> <li>• Refer to the explanation in section 10.2.</li> </ul>
<p>10.4 The Company requires internal control at every level of the organization, such as at the group level, business unit, line of work, division, department or process.</p>	/		<ul style="list-style-type: none"> <li>• Refer to the explanation in section 10.2.</li> </ul>
<p>10.5 The Company strictly separates duties and responsibilities in the following 3 areas in order to check each other, those are:</p> <ol style="list-style-type: none"> <li>1) Approval duty</li> <li>2) Accounting and information record duty</li> <li>3) Asset storage duty</li> </ol>	/		<ul style="list-style-type: none"> <li>• The Company has a job description of each department so that there is segregation of duties and responsibilities work clearly. There is also a table of approval authority in each level to consider and check the correctness of the items.</li> </ul>

11) The organization selects and develops general control activities with technological systems to help support achieving objectives.

Checklist	yes	no	Description
11.1 The Company should determine the relationship between the use of information technology in their operations and general control of information systems.	/		<ul style="list-style-type: none"> <li>The Company's IT department takes care of the system, infrastructure, including maintenance of the Company's systems.</li> <li>The Company has a firewall system and anti-virus program to prevent unauthorized access to important information.</li> </ul>
11.2 The Company should determine appropriate control of the infrastructure of the technology system.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 11.1.</li> </ul>
11.3 The Company should determine appropriate security controls for the technology system.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 11.1.</li> </ul>
11.4 The Company should establish control over the process of acquiring, developing, and maintaining technology systems to be appropriate.	/		<ul style="list-style-type: none"> <li>Refer to the explanation in section 11.1.</li> </ul>

12) The organization provides activities control through policies, which define expectations and procedures so that the policies set out can be implemented.

Checklist	yes	no	Description
12.1 The Company has a strict policy to follow up on the transactions of major shareholders, directors, executives or those related to such persons. Must pass the specified approval process, such as the Company's regulations and the Stock Exchange of Thailand's criteria. Office criteria, etc., to prevent finding opportunities or using Company benefits for personal use.	/		<ul style="list-style-type: none"> <li>The Company has established a policy regarding corporate governance in related party transaction and investment expenditure policies which are in accordance with regulations, announcements, orders and regulations of the Stock Exchange of Thailand or the Office of the Capital Market Supervisory Board. This transaction must be approved by board of directors, which specified in the delegation of authority manual.</li> </ul>



Checklist	yes	no	Description
12.2 Companies should determine the interrelationship between the use of information technology in operational processes and the general control of information systems.	/		• Refer to the explanation in section 12.1.
12.3 The Company has a policy that consideration and approval of transactions is made by people who do not have an interest in the transaction.	/		• Refer to the explanation in section 12.1.
12.4 The Company has a policy to consider approving transactions with the Company's best interests and considered as if it were a transaction with a third party (at arms' length basis).	/		• Refer to the explanation in section 12.1.
12.5 The Company has a process for monitoring the operations of subsidiaries or associated companies, including setting guidelines for persons appointed by the Company as directors or executives in subsidiaries or associated companies to comply. (If the Company does not have investments in subsidiaries or Associate companies do not have to answer this question.).	/		• The Company specifies duties and responsibilities ( Job Description) for each department, both management and employee levels. As for the subsidiary Company Executives are appointed to participate in the management of subsidiary companies.
12.6 The Company defines duties and responsibilities for implementing policies and procedures to be practiced by executives and employees.	/		• Policy is established. and various commands of the Company to executives and employees to know to be strictly implemented.
12.7 The Company regularly reviews policies and procedures to ensure they are appropriate.	/		• The Company will regularly consider and review policies and operating manuals in each department in order to be suitable for the nature of work and reality in the operations of the Company.

13) The organization has control measures that reduce the not achieving the organization's objectives to an acceptable level.

Checklist	yes	no	Description
13.1 The Company determines the information it needs to use in its operations, both internal and external information from the organization that is quality and relevant to the work.	/		<ul style="list-style-type: none"> <li>The Company uses ERP programs to connect information of various departments to reduce errors from recording duplicate data.</li> </ul>
13.2 The Company considers both costs and benefits that will be received, including the quantity and accuracy of information.	/		<ul style="list-style-type: none"> <li>The Company has considered the costs and benefits that will be received, including the value of using information systems and the reliability of data both inside and outside the organization.</li> </ul>
13.3 The Company undertakes to ensure that the board of directors has sufficient information to make decisions. Examples of important information include details of the proposed matter to consider, reasons, impact on the Company, and various options.	/		<ul style="list-style-type: none"> <li>The Company has prepared various important information details for the board of directors to consider in making decisions on various matters.</li> </ul>
13.4 The Company undertakes to ensure that Company directors receive the notice of the meeting or supporting documents for the meeting stating the necessary and sufficient information for consideration before the meeting, at least within the minimum period required by law.	/		<ul style="list-style-type: none"> <li>The Company has sent meeting invitation documents along with meeting documents/or sent via email before the meeting within the period specified by law so that the committee can consider important information before every meeting.</li> </ul>
13.5 The Company undertakes to ensure that minutes of board meetings are as detailed as they should be to be able to retrospectively check the appropriateness of each director's duties, such as recording the directors' inquiries, opinions or observations of directors on matters under consideration, opinions of directors who disagree with the proposed matter along with reasons, etc.	/		<ul style="list-style-type: none"> <li>The Company holds meetings of the board of directors and the audit committee. The Company will prepare minutes of the meetings by the secretary or assigned person by setting the agenda meetings and meeting-related details such as questions, observations, opinions, suggestions, meeting resolutions, and results of following up on previous meetings, etc.</li> </ul>
13.6 The Company has the following operations: 13.6.1 Important documents are kept. Completely classified into categories 13.6.2 In the case of being notified by the auditor or internal auditor that there is a flaw. in internal control The Company has completely corrected that flaw.	/	/	<ul style="list-style-type: none"> <li>The Company has designated a location to be used for storing important documents and evidence by having the secretary store the relevant documents and evidence of the Company meeting.</li> </ul>

Checklist	yes	no	Description
			<ul style="list-style-type: none"> <li>• The one who was audited shall clarify and correct deficiencies or find measures to prevent problems from occurring Repeated in the agency along with notifying agency executives of the results of solving such problems.</li> <li>• The internal auditor will follow up on issues, shortcomings, and report progress on the issues such matters shall be submitted to the audit committee for information.</li> </ul>

14) The organization communicates information within the organization effectively including objectives and responsibilities for internal control to proceed as planned

Checklist	yes	no	Description
14.1 The Company has an effective internal information communication process and have appropriate communication channels to support internal control.	/		<ul style="list-style-type: none"> <li>• The Company has internal information communication channels as follows: through meeting channels/ email sending / public relations by posting announcement boards/and communicating directly with that agency.</li> </ul>
14.2 The Company reports important information to the board of directors regularly and the board of directors has access to information sources necessary for their operations or review various items as desired, such as designating a person as a contact center to be able to contact, to request information, other than that received from management, including contacting and asking for information from the auditor, internal auditor, organizing meetings between the board and executives as requested by the board, organizing meeting and discussion activities between the board and executives in addition to board meetings, etc.	/		<ul style="list-style-type: none"> <li>• Company secretary Be a coordinator and receive various information including information requested by the committee in special cases.</li> <li>• Contacting the auditor and internal auditor, the committee can contact directly or contact through the secretary.</li> <li>• The committee and executives had a regular meeting and talk via program Chat Line.</li> </ul>
14.3 The Company provides special communication channels or secret channels for various people within the Company to report information or clues about fraud or corruption within the Company (whistle - blower hotline) safely.	/		<ul style="list-style-type: none"> <li>• There are communication channels by sending an email to the Company secretary , / or communicating via the website / sending a letter to the audit committee, etc.</li> </ul>

15) The organization communicates with external agencies regarding issues that may affect internal control.

Checklist	yes	no	Description
15.1 The Company has an effective process for communicating information to stakeholders outside the organization and have appropriate communication channels to support internal control, such as having staff or an investor relations department, complaint center, etc.	/		<ul style="list-style-type: none"> <li>The Company appoints an investor relations coordinator to provide information to investors and have a website for investors to inquire about the Company.</li> </ul>
15.2 The Company provides special or secret communication channels for stakeholders outside the organization to report information or clues about fraud or corruption ( whistle - blower hotline ) to the Company safely.	/		<ul style="list-style-type: none"> <li>The Company has channels for reporting information regarding fraud or corruption as follows: Email channel : ir@simat.co.th / Company website/ send registered letter to the audit committee/ telephone etc.</li> </ul>

16) The organization has control measures that reduce the risk that the organization's objectives will not be achieved.

Checklist	yes	no	Description
16.1 The Company has a process for monitoring compliance with business ethics and regulations prohibiting management and employees from behaving in a manner that may cause conflicts of interest, such as requiring each department to monitor compliance and report to supervisor or assign an internal auditor to monitor compliance and report to the audit committee, etc.	/		<ul style="list-style-type: none"> <li>The Company's internal auditor is responsible for inspecting, evaluating, and monitoring the Company's operational processes according to the specified inspection plan To find ways to prevent and correct the observations, report to the audit committee on a quarterly basis.</li> </ul>
16.2 The Company arranges for inspection of compliance with the internal control system that has been put in place by self-assessment and/or independent assessment by internal auditors.	/		<ul style="list-style-type: none"> <li>The Company has prepared a form to assess the adequacy of the internal control system. It is prepared by internal auditor that the Company hires from outside to be an evaluator of the evaluation form once a year.</li> </ul>
16.3 The frequency of monitoring and evaluation is appropriate to the Company's changes.	/		<ul style="list-style-type: none"> <li>Internal auditor evaluates internal audit results and follow up on a quarterly basis to report to the audit committee.</li> </ul>

Checklist	yes	no	Description
16.4 Conduct monitoring and evaluation of the internal control system by knowledge and competent persons.	/		<ul style="list-style-type: none"> <li>The Company hires external internal auditor that has operations according to international standards, professional practice of internal auditing.</li> </ul>
16.5 The Company has established guidelines for reporting the results of internal audits to be reported directly to the audit committee.	/		<ul style="list-style-type: none"> <li>Organizational structure requires internal auditor hired from outside to report directly to the audit committee and is independent in auditing, reporting internal audit results.</li> </ul>
16.6 The Company encourages internal auditors to perform their duties according to international standards, professional practice of internal auditing (International Standards for the Professional Practice of Internal Auditing , IIA).	/		<ul style="list-style-type: none"> <li>The Company's internal auditors perform their work according to international standards for the professional practice of internal auditing.</li> </ul>

17) The organization assesses and communicates internal control deficiencies in a timely manner to responsible individuals, including executives and board of directors as appropriate.

Checklist	yes	no	Description
17.1 The Company evaluates and communicates internal control deficiencies and undertakes to follow up and make corrections in a timely manner if the performance results differ significantly from the set goals.	/		<ul style="list-style-type: none"> <li>The Company has performance inspections according to the system. Internal control by internal auditors and report the results of the inspection and the results of following up on the resolution of various problems of the Company to the audit committee on a quarterly basis.</li> </ul>
<p>17.2 The Company has a reporting policy as follows:</p> <p>17.2.1 The executives shall report to the board of directors immediately in the event of an incident or suspicion of serious corruption, The practices that violate the law, or the other abnormal actions, which may significantly affect the reputation and financial position of the Company.</p> <p>17.2.2 Report material defeciciencies with solutions (even though executives have begun the operations) to the board of directors / audit committee for consideration within a reasonable period.</p>	/		<ul style="list-style-type: none"> <li>The Company has a policy requiring the executives to report to board of directors as soon as possible in the event of an incident or suspicion of corruption, breaking the law, or actions that may result affects the reputation, or financial position of the Company. And the Company has reported material deficiencies along with guidelines for correction along with a report on the results</li> </ul>

Checklist	yes	no	Description
17.2.3 Report on progress in improving material deficiencies to the board of directors / audit committee.	/		of improvements and corrections to such defects to the board of directors and the audit committee by the executives and the Company's internal auditors.

## 9.2 Related party transactions

### 9.2.1 Group of persons who may have conflicts

-None-

### 9.2.2 Necessity and reasonableness of related party transactions

The related party transaction of Simat Technology Public Company Limited in 2023, which took place on December 29, 2023, involved a contract to purchase electricity from a rooftop solar power generation system. This transaction occurred between two subsidiaries: Simat Label Co., Ltd. (the buyer) and Natural Power Energy Co., Ltd. (the seller). The contract spans a period of 15 years.

The audit committee has conducted a review of the related transaction based on the provided details. It was found that the transaction was reasonable, with the price set at a level comparable to market rates or prices established with third parties under standard trading conditions. Additionally, the transaction was approved in accordance with the Company's policies prior to its execution.

### 9.2.3 Policy and trends in future transactions

- 1) Consideration of Related Transactions: The Company ensures fairness, reasonableness, and maximum benefit by applying the same price criteria and commercial terms as would be expected with a general contracting party in similar situations.
- 2) Clear Standard Price: When there are multiple buyers or sellers in the market, the Company conducts market research to understand price characteristics and standards. This information is then compared with related transactions to ensure transparency and fairness.
- 3) If a product or service has unique characteristics or is customized to specific needs, making price comparison difficult, the Company ensures that the gross profit margin from related transactions remains consistent with transactions involving other business partners. This ensures fairness and uniformity in business dealings.
- 4) The Company can utilize reports from independent evaluators listed by the Office of the Securities and Exchange Commission, appointed by either the Company or its affiliated entities. These reports aid in comparing prices for significant related transactions, ensuring that the prices are reasonable and serve the Company's best interests.

- 5) Directors, executives, or related individuals will engage in transactions with the Company or its subsidiaries only after the transaction has been reviewed and approved by the Company's shareholder meeting. However, this requirement does not apply to transactions conducted under commercial agreements that mirror general trade conditions, where individuals do not hold influence due to their roles as directors, executives, or related persons. Such agreements must either be approved by the board of directors or adhere to principles established and sanctioned by the board. Additionally, transactions falling below specified thresholds may not require approval from the Company's shareholder meeting based on criteria for entering into connected transactions.
- 6) If the Company has related party transactions or other related transactions that fall under the criteria for entering into related party transactions. The Company will strictly follow the stated principles.
- 7) The Company will disclose information about transactions that may have conflicts of interest, related party transactions, or related transactions, according to the criteria set by the SEC Office and the SET. This information will be disclosed in the annual report, or any other form of report as required and disclosed related party transactions to the Stock Exchange of Thailand in accordance with the rules of the Stock Exchange of Thailand as well as related transactions with the Company in accordance with accounting standards and arrange for the review of related transactions according to the audit plan. The internal auditor shall report to the audit committee, have measures to control, and random review the transactions to ensure, in accordance with the contract, policy or specified conditions.

# Part 3

# Financial Statements



FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT  
SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

**Independent Auditor's Report**

To the Shareholders and the Board of Directors of Simat Technologies Public Company Limited

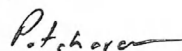
**Opinion**

I have audited the consolidated and separate financial statements of Simat Technologies Public Company Limited and its subsidiaries, and of Simat Technologies Public Company Limited, respectively, which comprise the consolidated and separate statements of financial position as at December 31, 2023, the consolidated and separate statements of comprehensive income, statements of changes in shareholders' equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements referred to above present fairly, in all material respects, the consolidated and separate financial position of the Simat Technologies Public Company Limited and its subsidiaries, and of Simat Technologies Public Company Limited, respectively, as at December 31, 2023, and its consolidated and separate financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards (TFRSs).

**Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

#### ***Carrying amounts of fiber optic equipment***

##### *Risk*

The Company invested in certain fiber optic network equipment at a net book value of Baht 79.92 million as at December 31, 2023. The Company started a broadband internet service via the fiber optic network equipment in late 2013. Currently, the Company has not reached a breakeven point with the broadband internet service. The carrying amount of the equipment depends on the future economic benefits from the Company's operations. Determination of the net realizable value of the equipment requires significant judgment by Management.

##### *Auditor's response*

I inquired with Management to obtain an understanding of the Company's policy to determine the allowance for impairment of the fiber optic network equipment. I also considered the appropriateness of the allowance for impairment of the fiber optic network equipment by verifying Management's cash flow projection. Such verification of the cash flow projection included an assessment of the appropriateness of significant assumptions made by Management, such as number of customer, internet service rates, other expense projections, and the discount rate.

#### ***Valuation of goodwill***

##### *Risk*

As of December 31, 2023, the Group Company had goodwill, exceeding the fair value of the identifiable net assets of a subsidiary acquired by the Company of Baht 125 million in the consolidated financial statements. Evaluation of the impairment of goodwill requires significant judgment by Management.

*Patchara*

*Auditor's response*

I assessed the appropriateness of the goodwill's net book value by considering the cash flow projection prepared by Management of the subsidiary. I assessed the reasonableness of subsidiary management's significant assumptions by comparing the growth rate of the revenues and expenses with the current and historical data, and by comparing the discount rate with the subsidiary's weighted average cost of capital.

**Deferred tax assets**

*Risk*

According to Note to Financial Statements No. 17, the Company has deferred tax assets from tax losses in the amount of Baht 10 million. The utilisation of deferred tax assets is based on the future results of operations and its tax planning. This requires significant judgment by Management.

*Auditor's response*

I verified the recoverability of the deferred tax assets by assessing the appropriateness of the forecasted pre-tax profit used for the planned utilisation of deferred tax assets based on review of the significant assumptions used by Management for its forecast of its pre-tax profit. I also compared the forecasted revenue growth rate and the change in forecasted expenses with the current data. Then, I tested the computation of the deferred tax assets.

**Emphasis of matter**

According to Note to Financial Statements No. 14. On February 22, 2013, the Company cancelled a service contract with National Telecom Public Company Limited ("NT") for the rental of optical fiber cable network equipment in Nakorn Ratchasima and Chiang Mai provinces. As a result, the Company is now a service provider instead of a lessor. In addition, as discussed in Note to Financial Statements No 37, the Company filed a lawsuit against NT.

My opinion is not modified with respect to this matter.

**Other information**

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

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



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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 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 TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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.

*Petcher*

- 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 Group'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 Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

*Petch...*

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated 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.



Patcharee Siriwongsin

Certified Public Accountant Registration Number 9037

ANS Audit Company Limited

Bangkok, February 29, 2024

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

		Unit: Baht				
		CONSOLIDATED F/S		SEPARATE F/S		
		DECEMBER	DECEMBER	DECEMBER	DECEMBER	
Notes		31, 2023	31, 2022	31, 2023	31, 2022	
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
	Cash and cash equivalents	5	62,733,717	210,242,958	44,514,493	142,912,488
	Trade and other current receivables - net	6,7	146,035,345	150,067,578	48,602,555	25,644,255
	Current contract assets	8	207,847,479	187,913,131	206,790,096	187,913,131
	Inventories-net	9	123,617,642	97,402,949	30,858,886	13,130,097
	Current financial assets		50,588,661	-	49,088,661	-
	Short-term loan to related party	7	-	-	10,000,000	7,350,000
	<b>Total Current Assets</b>		<b>590,822,844</b>	<b>645,626,616</b>	<b>389,854,691</b>	<b>376,949,971</b>
<b>NON-CURRENT ASSETS</b>						
	Non-current financial assets	10	54,391,016	49,441,011	32,490,000	26,490,000
	Non-current contract assets - net	8	90,779,570	89,000,285	88,690,958	85,418,236
	Investments in associated companies	11	31,823,126	31,812,858	26,173,674	26,173,674
	Investments in subsidiary companies-net	12	-	-	323,414,000	252,250,000
	Land, building, equipment and leasehold improvement - net	13	581,657,708	329,779,807	30,849,503	33,241,373
	Fiber optic network equipment-net	14	201,994,303	284,604,298	198,078,025	281,637,997
	Equipment and computer software for lease-net		1,074	1,074	1,074	1,074
	Software development cost for sales-net	15	1,095,143	2,531,257	47,359	162,994
	Right-of-use-assets-net	16	22,939,937	33,602,842	9,516,935	13,159,793
	Intangible assets		822,695	912,444	-	-
	Goodwill		125,982,795	125,982,795	-	-
	Deferred tax assets	17	47,125,694	37,255,665	39,061,247	28,435,334
	Deposits		19,251,451	6,443,564	4,588,622	5,261,532
	Prepaid expense		2,551,784	3,240,375	-	-
	Advance for assets		-	10,726,799	-	-
	Other non-current assets-net	18	20,195,471	33,212,102	17,757,528	29,623,256
	<b>Total Non-Current Assets</b>		<b>1,200,611,767</b>	<b>1,038,547,176</b>	<b>770,668,925</b>	<b>781,855,263</b>
	<b>TOTAL ASSETS</b>		<b>1,791,434,611</b>	<b>1,684,173,792</b>	<b>1,160,523,616</b>	<b>1,158,805,234</b>

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

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**SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENT OF FINANCIAL POSITION**

**AS AT DECEMBER 31, 2023**

		Unit: Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
		DECEMBER	DECEMBER	DECEMBER	DECEMBER
Notes		31, 2023	31, 2022	31, 2023	31, 2022
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
	Short-term loan from financial institutions	19	35,000,000	12,794,967	-
	Trade and other current payables	7,20	96,409,367	147,110,412	47,478,318
	Current portion of lease liabilities - net	22	12,281,037	13,690,158	6,263,746
	Current portion of other financial liability - net	23	9,983,275	-	-
	Current portion of long-term loan from financial institutions	24	51,433,910	145,430,619	1,204,045
	Accrued income tax		3,901,757	8,103,973	-
	<b>Total Current Liabilities</b>		<b>209,009,346</b>	<b>327,130,129</b>	<b>54,946,109</b>
<b>NON-CURRENT LIABILITIES</b>					
	Lease liabilities-net	22	9,791,504	17,967,747	3,547,399
	Other financial liability - net	23	56,887,806	-	-
	Long-term loan from financial institutions - net	24	266,489,167	65,461,769	14,205,042
	Non-current provisions for employee benefits	25	23,451,060	20,099,831	3,353,364
	<b>Total Non-Current Liabilities</b>		<b>356,619,537</b>	<b>103,529,347</b>	<b>21,105,805</b>
	<b>TOTAL LIABILITIES</b>		<b>565,628,883</b>	<b>430,659,476</b>	<b>76,051,914</b>

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

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SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2023

		Unit: Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
		DECEMBER	DECEMBER	DECEMBER	DECEMBER
Notes		31, 2023	31, 2022	31, 2023	31, 2022
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital					
Registered					
	Common shares 860,870,005 shares of Baht 1 each	860,870,005	860,870,005	860,870,005	860,870,005
Issued and fully paid-up					
	Common shares 648,564,609 shares of Baht 1 each	648,564,609	648,564,609	648,564,609	648,564,609
	Paid in capital in excess of par value	219,320,683	219,320,683	219,320,683	219,320,683
Change in proportion of investment in subsidiary					
	companies	26 (5,695,604)	39,046,178	-	-
Retained earnings					
Appropriated					
	Legal reserve	27 11,191,000	10,569,000	11,191,000	10,569,000
	Unappropriated	121,960,806	98,109,075	205,395,410	193,284,631
	Total equity of the parent company	995,341,494	1,015,609,545	1,084,471,702	1,071,738,923
	Non-controlling interests	12 230,464,234	237,904,771	-	-
	<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,225,805,728</b>	<b>1,253,514,316</b>	<b>1,084,471,702</b>	<b>1,071,738,923</b>
	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,791,434,611</b>	<b>1,684,173,792</b>	<b>1,160,523,616</b>	<b>1,158,805,234</b>

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

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**SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

		Unit: Baht			
		CONSOLIDATED F/S		SEPARATE F/S	
Notes		2023	2022	2023	2022
<b>Revenues</b>					
	Revenues from sales and services	599,895,221	650,696,354	132,102,612	60,146,614
	Revenues from government project	270,640,162	271,018,798	270,640,162	271,018,798
	<b>Total revenues</b>	<b>870,535,383</b>	<b>921,715,152</b>	<b>402,742,774</b>	<b>331,165,412</b>
<b>Cost</b>					
	Cost of sales and services	(438,060,170)	(444,220,033)	(126,228,398)	(64,873,413)
	Cost of government project	(176,280,078)	(163,607,414)	(176,280,078)	(163,607,414)
	<b>Total cost</b>	<b>(614,340,248)</b>	<b>(607,827,447)</b>	<b>(302,508,476)</b>	<b>(228,480,827)</b>
	<b>Gross profit</b>	<b>256,195,135</b>	<b>313,887,705</b>	<b>100,234,298</b>	<b>102,684,585</b>
	Gain on exchange rate - net	604,390	325,823	-	1,881
	Other income	6,852,445	6,649,726	6,469,086	4,306,637
	Distribution cost	(25,850,470)	(34,346,554)	(6,774,552)	(9,255,117)
	Administrative expenses	(175,559,436)	(167,973,099)	(75,774,800)	(62,678,957)
	Loss on impairment of fixed assets	(23,006,824)	(3,818,762)	(20,000,000)	-
	<b>Profit from operating activities</b>	<b>39,235,240</b>	<b>114,724,839</b>	<b>4,154,032</b>	<b>35,059,029</b>
	Finance cost	(18,462,832)	(15,551,691)	(2,523,049)	(8,982,648)
	Equity in net profit of associated companies	10,268	618,087	-	-
	<b>Profit before income tax</b>	<b>20,782,676</b>	<b>99,791,235</b>	<b>1,630,983</b>	<b>26,076,381</b>
	Income tax (expense) benefit	3,704,658	(15,182,356)	10,797,718	400,130
	<b>NET PROFIT FOR THE PERIODS</b>	<b>24,487,334</b>	<b>84,608,879</b>	<b>12,428,701</b>	<b>26,476,511</b>

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

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**SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

		Unit: Baht				
		CONSOLIDATED F/S		SEPARATE F/S		
Notes		2023	2022	2023	2022	
<b>OTHER COMPREHENSIVE INCOME (EXPENSE)</b>						
<b>ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY</b>						
<b>TO PROFIT OR LOSS</b>						
	Gain (loss) on remeasurements of defined benefit plans	25	304,078	1,460,410	304,078	-
	Other comprehensive income (expense) for the years		304,078	1,460,410	304,078	-
	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEARS</b>		<b>24,791,412</b>	<b>86,069,289</b>	<b>12,732,779</b>	<b>26,476,511</b>
<b>Profit attributable to :</b>						
	Equity holders of the Company		24,169,653	62,706,544	12,428,701	26,476,511
	Non-controlling interests	12	317,681	21,902,335	-	-
			<b>24,487,334</b>	<b>84,608,879</b>	<b>12,428,701</b>	<b>26,476,511</b>
<b>Total comprehensive income (expense) attributable to :</b>						
	Equity holders of the Company		24,473,731	63,582,787	12,732,779	26,476,511
	Non-controlling interests	12	317,681	22,486,502	-	-
			<b>24,791,412</b>	<b>86,069,289</b>	<b>12,732,779</b>	<b>26,476,511</b>
<b>EARNINGS PER SHARE</b>						
	Basic earnings per share (Baht)	30	0.04	0.10	0.02	0.04
	Diluted earnings per share (Baht)		0.04	0.10	0.02	0.04

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

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**SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

		Unit: Baht CONSOLIDATED F/S							
		Equity attributable to equity holders of the Company							
		Retained earnings							
Notes	Paid-up share capital	Paid-in capital in excess of par	Change in proportion of investment in subsidiaries companies			Total other components of equity	Total equity of the parent company	Non-controlling interests	Total
			Paid-in capital in excess of par	Legal reserve	Unappropriated				
	648,564,609	219,320,683	39,046,178	10,569,000	98,109,075	-	1,015,609,545	237,904,771	1,253,514,316
	<b>Balance as at January 1, 2023</b>								
	<b>Changes in equity for the year :</b>								
	Changes in non-controlling interests								
12	acquisition shares of subsidiary	-	(44,741,782)	-	-	-	(44,741,782)	(7,758,218)	(52,500,000)
27	Legal reserve	-	-	622,000	(622,000)	-	-	-	-
	Transfer to retained earnings	-	-	-	304,078	(304,078)	-	-	-
	Total comprehensive income for the year	-	-	-	24,169,653	304,078	24,473,731	317,681	24,791,412
	<b>Balance as at December 31, 2023</b>	648,564,609	219,320,683	(5,695,604)	11,191,000	121,960,806	995,341,494	230,464,234	1,225,805,728
	<b>Balance as at January 1, 2022</b>	648,564,609	219,320,683	38,842,870	9,246,000	35,849,288	951,823,450	201,286,023	1,153,109,473
	<b>Changes in equity for the year :</b>								
	Call-up of ordinary shares of subsidiary	-	-	-	-	-	-	14,335,554	14,335,554
	Changes in ownership interests in subsidiary without a change in control	-	-	203,308	-	-	203,308	(203,308)	-
27	Legal reserve	-	-	-	1,323,000	(1,323,000)	-	-	-
	Transfer to retained earnings	-	-	-	-	876,243	(876,243)	-	-
	Total comprehensive income for the year	-	-	-	-	62,706,544	63,582,787	22,486,502	86,069,289
	<b>Balance as at December 31, 2022</b>	648,564,609	219,320,683	39,046,178	10,569,000	98,109,075	1,015,609,545	237,904,771	1,253,514,316

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

SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGE IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2023

		Unit: Baht						
		SEPARATE F/S						
		Retained earnings						
Notes	Paid-up share capital	Paid-in capital in excess of par	Legal reserve	Unappropriated	Other components of equity	Total Equity		
	648,564,609	219,320,683	10,569,000	193,284,631	-	1,071,738,923		
<b>Balance as at January 1, 2023</b>								
<b>Changes in equity for the year :</b>								
Legal reserve	-	-	622,000	(622,000)	-	-		
Transfer to retained earnings	-	-	-	304,078	(304,078)	-		
Total comprehensive income for the year	-	-	-	12,428,701	304,078	12,732,779		
<b>Balance as at December 31, 2023</b>	<b>648,564,609</b>	<b>219,320,683</b>	<b>11,191,000</b>	<b>205,395,410</b>	<b>-</b>	<b>1,084,471,702</b>		
	648,564,609	219,320,683	9,246,000	168,131,120	-	1,045,262,412		
<b>Balance as at January 1, 2022</b>								
<b>Changes in equity for the year :</b>								
Legal reserve	-	-	1,323,000	(1,323,000)	-	-		
Total comprehensive income for the year	-	-	-	26,476,511	-	26,476,511		
<b>Balance as at December 31, 2022</b>	<b>648,564,609</b>	<b>219,320,683</b>	<b>10,569,000</b>	<b>193,284,631</b>	<b>-</b>	<b>1,071,738,923</b>		

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

**SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Unit: Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2023	2022	2023	2022
<b>Cash Flows from Operating Activities</b>				
Net profit for the years:	24,487,334	84,608,879	12,428,701	26,476,511
Adjustments to reconcile net profit to cash provided by (used in) operating activities:				
Income tax expenses (benefit)	(3,704,658)	15,182,356	(10,797,717)	(400,130)
Depreciation and amortization	140,170,718	128,815,358	83,422,108	84,209,060
Written off withholding tax	682,225	17,017	269,224	17,017
Allowance for devalue of inventories	628,987	6,286,106	219,545	-
Written off fixed assets	15,673	29,266	15,673	29,266
Gain on cancellation of right-of-use assets	-	(375,529)	-	-
Allowance for impairment loss of assets	22,180,069	3,818,762	20,000,000	-
Allowance for impairment loss of contract assets	826,755	-	-	-
Equity in net profit of associated companies	(10,268)	(618,087)	-	-
(Gain) loss on unrealized foreign exchange rate	26,193	(81,510)	-	-
Loss on provision for decommissioning costs	2,307,215	5,562,500	-	-
Allowance for damage of inventories	227,914	-	-	-
(Gain) loss on disposal of equipment	591,888	3,599,622	(165,854)	(460,615)
Expected credit loss	13,282,707	778,184	13,282,707	778,184
Reversal allowance for impairment loss of Investments in subsidiary company	-	-	(3,664,000)	-
Non - current provision for employee benefit	3,827,111	3,264,369	960,723	984,155
Financial cost - interest expense	18,462,832	15,551,691	2,523,049	8,982,648
Financial income - interest income	(3,857,246)	(3,570,324)	(4,023,170)	(3,609,841)
Profit from operations before changes in operating assets and liabilities :	220,145,449	262,868,660	114,470,989	117,006,255

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

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**SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Unit: Baht

	CONSOLIDATED F/S		SEPARATE F/S	
	2023	2022	2023	2022
Operating assets decrease (increase) :				
Trade and other current receivables	(14,560,879)	31,098,386	(33,984,336)	6,828,562
Current contract assets	(99,934,348)	(54,182,260)	(98,876,965)	(54,182,260)
Inventories	(26,843,681)	1,592,477	(17,948,332)	(499,565)
Other current assets	18,020,639	(16,489,319)	9,738,028	174,363
Other non-current assets	8,724,167	(6,193,820)	1,989,475	4,026,749
Operating liabilities increase (decrease) :				
Trade and other current payables	(54,207,760)	8,373,124	(6,692,102)	(885,230)
Cash received from (paid) operating activities	51,343,587	227,067,248	(31,303,243)	72,468,874
Cash paid interest	(18,462,832)	(15,551,691)	(2,523,049)	(8,982,648)
Cash received interest	390,149	297,602	566,024	246,070
Cash paid for decommissioning costs	(7,869,715)	-	-	-
Coporate income tax paid	(14,823,793)	(26,523,042)	(3,047,790)	(5,159,377)
Coporate income tax refund	1,517,450	9,335,467	1,517,450	9,335,467
Net cash provided by (used in) operating activities	12,094,846	194,625,584	(34,790,608)	67,908,386
<b>Cash flows from investing activities:</b>				
Cash paid for loans to related companies	-	-	(10,000,000)	(7,350,000)
Cash received for loans to related companies	-	-	7,350,000	-
Decrease (increase) in non-current financial assets	(55,538,666)	63,680,460	(55,088,661)	63,480,460
Cash received from sale of equipment	731,766	1,241,784	286,469	467,111
Cash payment for equipment of fiber optical network equipment	(10,463,443)	(5,202,497)	(10,036,465)	(5,202,497)
Cash payment for acquisition of equipment, building, leasehold improvement and software computer	(294,445,812)	(152,171,696)	(871,960)	(10,219,277)
Proceeds from disposal of investment in subsidiary-net	-	8,998,000	-	-
Cash payment for investments in subsidiary - net	(52,500,000)	-	(67,500,000)	(12,250,000)
Increase in investments in subsidiaries - net	-	5,337,554	-	-
Net cash provide by (used in) investing activities	(412,216,155)	(78,116,395)	(135,860,617)	28,925,797

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

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**SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENT OF CASH FLOWS (CONTINUED)**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

	Unit: Baht			
	CONSOLIDATED F/S		SEPARATE F/S	
	2023	2022	2023	2022
<b>Cash flows from financing activities:</b>				
Increase in short-term loan from financial institution - net	102,205,033	(10,686,342)	80,000,000	-
Cash received for long-term loans from financial institution	161,608,494	122,803,282	-	-
Cash paid for long-term loans from financial institution	(54,577,805)	(79,421,080)	(1,090,912)	-
Cash paid for lease liabilities	(14,095,423)	(19,548,028)	(6,655,858)	(8,769,485)
Increase in other financial liability	62,541,373	-	-	-
Cash paid for other financial liability	(5,069,604)	-	-	-
Net cash provided by (used in) financing activities	252,612,068	13,147,832	72,253,230	(8,769,485)
Net increase (decrease) in cash and cash equivalents - net	(147,509,241)	129,657,021	(98,397,995)	88,064,698
Cash and cash equivalents, Beginning of years	210,242,958	80,585,937	142,912,488	54,847,790
Cash and cash equivalents, End of years	62,733,717	210,242,958	44,514,493	142,912,488
<b>Non-cash transactions :</b>				
Decrease in written off and allowance for devalue of inventories	878,307	8,264,273	-	3,343,148
Increase in equipment - net transfer in from right-of-use assets	243,842	-	-	-
Increase in equipment and leasehold improvement - net	3,861,218	-	-	-
Increase in land, equipment and improvement	-	49,154,995	-	19,843,148
Increase in right-of-use assets-net and lease liabilities	4,467,252	12,491,032	2,939,636	2,306,921
Increase in assets payable	3,861,218	32,654,995	-	3,343,148
Decrease in short-term loan from financial institution from receiving the payment of contract asset	80,000,000	-	80,000,000	-
Increase in long-term loan from financial institution from receiving the payment of contract asset	-	20,686,757	-	16,500,000
Decrease in advance for construction	10,726,799	-	-	-

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

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**SIMAT TECHNOLOGIES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. GENERAL INFORMATION**

The Company registered as a limited company with the Ministry of Commerce in the year 1999. The Company registered the changes of its status to a public company and the change of its name to “Simat Technologies Public Company Limited” with the Ministry of Commerce on July 18, 2006. The Company is engaged in the trade of computer hardware, software and network accessories and computer information technology system development.

The Company’s registered head office is located at 123/143-144 Chalongkrung Road, Lamplatew Sub-district, Ladkrabang District, Bangkok, 10520. The company has 3 branches as follows,

Branch is located at 179/69-70, Soi Mittapam 4, Naimuang, Muang Nakhon Ratchasima, Nakhon Ratchasima.

Branch is located at 68 Moo 4, Nong Hoi, Muang Chiang Mai, Chiang Mai.

Branch is located at 251/7-8 Thepharak Road, Nai Muang, Mueang Khon Kaen, Khon Kaen.

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

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

The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated December 26, 2019, 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 accompanying financial statements have been prepared in the Thai language and expressed in Thai Baht. Such financial statements have been prepared for domestic reporting purposes. For the convenience of the readers not conversant with the Thai language, an English version of the financial statements has been provided by translating from the Thai version of the financial statements.

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

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

**Basis of preparation of consolidation financial statements**

- a) The consolidated financial statements include the financial statements of Simat Technologies Public Company Limited and subsidiaries as follow:

Subsidiary companies	Percentage of shareholding / Voting rights hold		Type of businesses
	December 31,	December 31,	
	2023	2022	
<u>Subsidiaries directly held by the Company</u>			
Simat Telecom Co., Ltd.	100.00	100.00	Sales of hardware, software and telecommunication services
Hinsitsu (Thailand) Co., Ltd.	63.00	60.00	Produce and sales of sticker and silk screen printing
Natural Power Energy Co., Ltd.	84.00	60.00	Entrepreneurship, design, development, sale and maintenance of engineering systems and electrical equipment, energy
Digital Cable Communication Co., Ltd.	50.00	50.00	Conducting business in telecommunication business, providing internet services cable television business and the business of providing infrastructure systems for the electrical system
<u>Subsidiaries held by Hinsitsu (Thailand) Public Company Limited</u>			
Hinsitsu Precision (Thailand) Co., Ltd.	47.26	45.01	Produce and sales of sticker and label, raw materials for making stickers.
Simat Label Co., Ltd.	63.00	60.00	Wholesaler for barcode, productions and RFID, papers and related supplies.

The Company and one shareholder hold more than 50% of shares and have a plan to mutually manage the entity, the Company has control over that entity. Therefore, the consolidated financial statements have included the financial statements of Digital Cable Communication Company Limited.

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- b) The Company is deemed to have control over an investee or subsidiary if it has rights to, or is exposed 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) Subsidiaries are fully consolidated as from 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 subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries 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.

The Company produces separate financial statements available for the public use. Investments in subsidiaries in separate financial statements are accounted for at cost.

### 3. NEW FINANCIAL REPORTING STANDARDS

#### a) Financial reporting standards that became effective in the current period

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

#### b) Financial reporting standards that will become effective for fiscal years beginning on or after January 1, 2024

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment, providing accounting guidance for users of the standards and amendments due to TFRS 17 Insurance Contracts.

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

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#### 4. SIGNIFICANT ACCOUNTING POLICIES

##### **Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments with an original maturity of three months or less and not subject to withdrawal restrictions. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

##### **Trade receivables**

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at present value.

The Group applies the simplified approach to measurement expected credit losses which calculated based on its historical credit loss experience and consider forward-looking information specific to the debtors and the economic environment.

##### **Financial assets and financial liabilities**

##### **Classification and measurement of financial assets and financial liabilities**

##### *Classification*

The classification of financial assets depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group classifies its debt instruments in the following categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- Those to be measured at amortised cost.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

The equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without recycling to profit or loss.

##### *Measurement*

At initial recognition, where a financial asset is not at FVPL, the Group measures the financial asset at its fair value plus or minus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

There are three measurement categories into which the Group classifies its debt instruments:

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- Amortised cost: A financial asset will be measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in financial income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented in profit or loss.
- FVOCI: A financial asset will be measured at FVOCI when it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and related foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised on other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of comprehensive income.
- FVPL: An asset that does not meet the criteria for amortised cost or FVOCI is measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises.

Equity instruments shall be subsequently measured at fair value and the fair value change is to be recognised through profit or loss or other comprehensive income depending on the classification of such equity instrument.

Derivatives are classified and measured at fair value through profit or loss unless hedge accounting is applied.

Dividends from such investments continue to be recognised in profit or loss when the Group's right to receive payments is established.

### ***Impairment***

Expected credit losses associated with financial assets carried at amortized cost and FVOCI, and assets from loan commitments and financial guarantees, are assessed without the increases in credit risk. The Company applies the general approach to the measurement of expected credit losses. In the case of trade receivables, however, the Company applies the simplified approach to measure expected credit losses.

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### ***Contract assets***

When the Company has an unconditional right to receive consideration. If revenue has been recognized before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

### ***Inventories***

Inventories are stated at the lower of cost or net realizable value. Cost is determined on the moving-average basis. Net realizable value is the estimated selling price in the ordinary course of the business less the estimated costs necessary to make the sale.

Work in process comprise of cost of raw material, hardware and related software, cost is determined on the moving-average basis. Direct cost, other cost and overhead for installation equipments and cables which is allocated based on normal operating capacity.

### ***Investment in subsidiaries and associate company***

Investments in associated company is accounted for in the consolidated financial statements by the equity method of accounting. Investment in subsidiaries and associated company are accounted for in the separate financial statements by the cost method of accounting, and adjusted impairment, if any. Provisions for impairment are taken up in the accounts to adjust the value of investment whenever necessary.

### ***Land, building, equipment and leasehold improvements***

#### ***Owned assets***

Land are stated at cost less impairment losses of assets (if any).

Equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment losses of assets (if any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

When parts of an item of equipment and leasehold improvements have different useful lives, they are accounted for as separate items (major components) of equipment and leasehold improvements.

Gains and losses on disposal of an item of equipment and leasehold improvements are determined by comparing the proceeds from disposal with the carrying amount of equipment and leasehold improvements, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

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### *Subsequent costs*

The cost of replacing a part of an item of equipment and leasehold improvements is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of equipment and leasehold improvements are recognised in profit or loss as incurred.

### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of equipment and leasehold improvements. The estimated useful lives are as follows:

	<u>Useful life (years)</u>
Building	15 - 30
Office equipment	1 - 15
Tools and equipment	3 - 15
Furniture and fixtures	3 - 15
Motor vehicles	5 - 10
Renovation	3 - 30

No depreciation is provided on assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### **Equipment and computer software for lease**


Equipment and computer software for lease are stated at cost, net of accumulated amortization.

Amortization is calculated on the straight-line method over their agreement.

### **Software development cost for sales**

Software development cost for sales is recognized at cost, comprising various related direct expenses of acquisition.

Amortization is calculated on the straight-line method over their estimated useful lives of 3-5 years.





## Intangible assets

### *Other intangible assets*

Intangible assets that are acquired are stated at cost less accumulated amortization and losses on decline in value.

### *Amortization*

Amortization is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

	Useful life (years)
Software	1-5
Patents	10

## Fiber optic network equipment

The company depreciated fiber-optic network equipment on a straight-line basis over the estimated useful lives of the assets as follows.

	Useful life (years)
Devices outside the fiber optic network	5 - 35
Fiber optic network equipment	1 - 35

## Goodwill

Goodwill in a business combination represents the excess of the cost of acquisition over the fair value of share of the identifiable net assets which the Company acquired. Goodwill is measured at cost and impairment is considered when there is an indication.

## Impairment for non financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. Intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized in profit or loss. 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, whichever is less than impairment loss recognized in profit and loss.

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## **Employee benefits**

### *Short-term benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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

The Group has established a provident fund that is a defined contribution plan. The assets of which are held in a separate trust fund. The provident fund is funded by the contribution from employees and the Group. Contributions to the provident fund are charged in profit or loss in the period to which they relate.

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

The employee benefits liabilities in relation to the severance payment under the labor law and is recognised as a charge to results of operations over the employee's service period. It is calculated by the estimation of the amount of future benefit to be earned by the employee in return for the service provided to the Group through the service period up to the retirement age and the amount is discounted to determine the present value. The reference discount rate is the yield rate of government bonds as at the reporting date. The calculation is based on the actuarial technique using the Projected Unit Credit Method.

When the employee benefits are improved, the portion of the increased benefit relating to past service rendered by employee is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested.

When the actuarial assumptions are changed, the Group recognize actuarial gains or losses in other comprehensive income in the period in which they arise.

## **Leases**

### *Leases - where the Group is the lessee*

At inception of a contract, the Group assesses 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 Group recognizes right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The lease liability is initially measured at the present value by discounting lease payments that are not paid at the commencement date using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

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Lease payments included in the measurement of the lease liability are as follows:

- fixed payments including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price, under a purchase option that the Group is reasonably certain to exercise, whereby the exercise price is considered as lease payments in an optional renewal period; and
- Payments of penalties for early termination of a lease if the Group is reasonably certain to terminate early.

To apply a cost model, the Group measures the ROU asset at cost, less accumulated depreciation and accumulated impairment loss and then makes adjustments for any remeasurement of the lease liability. The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. However, if the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the ROU asset reflects that the Group will exercise a purchase option, the Group depreciates the ROU asset from the commencement date to the end of the useful life of the underlying asset. The useful life of the ROU asset is determined on the same basis as those of property, plant and leasehold improvements.

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

	<u>Useful lives (years)</u>
Motor vehicles	2 - 5
Right of use - building	1 - 30

The lease liability is re-measured when there is a change in future lease payments arising from the following:

- a change in an index or a rate used to determine those payments
- a change in the Group's estimate of the amount expected to be payable under a residual value guarantee
- the Group changes its assessment of whether it will exercise a purchase, extension or termination option

When the lease liability is re-measured to reflect changes to the lease payments, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss

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#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### *Leases - where the Group is the lessor*

The Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease substantially transfers all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Initial direct costs are included in the initial measurement of the finance lease receivable and will be gradually reduced against the income over the lease term.

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

#### **Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

#### *Provision for warranties*

A provision for product warranties is recognised when the underlying products or services are sold. The provision is based on historical actual claimed data and a weighting of all possible outcomes against their associated probabilities.

*Potter*

### **Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders, and interim dividend are approved by the Board of Directors.

### **Related party transactions**

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

They also include associated companies and individuals which directly or indirectly own a voting interest in the Group and the Company that gives them significant influence over the Group and the Company, key management personnel, directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

### **Revenues and expenses recognition**

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

- Revenue from contracts work for Public and Private sectors are recognized based on the performance obligation satisfied over time using an input method on the basis of inputs the cost incurred to-date to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation.
- Sale and contract manufacturing revenue are recognized when delivery has taken place and the transfer of risks and rewards has been completed.
- Service income consists of board band service, maintenance service income and service installation of systems. Service income is recognised over time when services have been rendered taking into account the stage of completion. Service rate charged and service period are stipulated in the contract.
- Dividend income is recognised in profit or loss on the date the Group's right to receive payments is established.

Other income and expense are recorded by accrual basic.

*Petcherum*

## **Foreign currencies**

### *Functional and presentation currency*

The financial statements of each entity within the Group are presented in the functional currency of the primary economic environment in which the entity operates. The financial statements of the Group are presented in Thai Baht, the presentation currency in accordance with the regulatory requirements in Thailand. The functional currency of the Company and its subsidiaries in Thailand is Thai Baht. Functional currencies of its foreign operation is Vietnam Dong.

### *Foreign currency transactions*

Transactions in foreign currencies are translated into the functional currencies using the exchange rate at the date of transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the end of reporting period date. Gain or losses on translation are recognized in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies at the end of reporting period date are translated into the functional currency using the exchange rate at the date of transaction.

## **Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that they relate to items recognised directly in shareholders' equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of reporting period date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences:

- Differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of reporting period date.

*Petcheruw*

In determining the amounts of current and deferred tax, the Group considers the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of reporting period date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

#### **Earnings (loss) per share and diluted earnings (loss) per share**

Earnings (loss) per share are determined by dividing the net income (loss) for the year by the weighted average number of shares outstanding during the year and the effect of increased shares from exercise warrants during the year.

Diluted earnings (loss) per share are calculated by dividing the net profit (loss) for the year by the weighted average number of ordinary shares including the effect of increased shares from exercise warrants.

#### **Segment information**

Segment information is presented in respect of the Company and subsidiary businesses. The primary format and business segments are based on the Company and subsidiary management and internal reporting structure.

#### **Fair value measurement**

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

*Petcher*

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

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 The information cannot be observed, for example information regarding estimate cash flows in the future by the Company.

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

#### **Significant accounting judgments and estimates**

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

##### *Allowance for expected credit losses of trade receivables*

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

##### *Allowance for diminution in value of inventory*

Allowances for diminution in the value of inventory accounts are intended to adjust the value of inventory for probable credit losses. The management uses judgment to estimate losses, based on an analysis of inventory aging, considering the current situation with respect to sales of inventory items, on a specific basis. However, the use of different estimates and assumptions could affect the amounts of allowance for diminution in value of inventory in the future.

##### *Impairment of investment*

Management reviews the impairment of investments in subsidiaries and associate company by considering the operating result and the future business plan of the subsidiaries and associate company. Such consideration is based on Management's judgment.

*P. K. K.*



#### *Impairment of goodwill*

The Company reviews goodwill from investments in subsidiary to determine whether or not it is impaired. The recoverable amounts of cash-generating units are determined based on value-in-use calculations. These calculations require the use of estimates.

#### *Impairment of assets*

The management performed an impairment review in respect of assets, which consisted of investments and other assets whenever events or changes in circumstances indicate that 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 (calculated from the estimated future discounted cash flows) is less than the carrying amount.

The preparation of the estimated future discounted cash flows requires the management to make forecasts of future revenues and expenses, and appropriate discount rates and other assumptions.

#### *Equipment and depreciation/ computer software and amortization*

In determining depreciation of equipment and amortization of software computer, the management is required to make estimates of the useful lives and residual values of the assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment and software computer for impairment on a periodical basis and record impairment losses in the period when it is determined that their recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### *Deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

#### *Leases*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The management is required to use judgement in evaluating the condition and term of a contract to consider whether the Group transfers or is transferred risks and rewards of leased assets.

#### *Determining the lease term of contracts with renewal and termination options*

In determining the lease term, the management is required to use judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease considering all relevant facts and circumstances that create an economic incentive for it to exercise either the renewal or termination.

*Petchairo*

#### *Incremental borrowing rate*

In the case that the Company cannot readily determine the interest rate implicit in the lease, the Company is required to use its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

#### *Post-employment benefits under defined benefit plans and other long-term employee benefits*

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

#### *Provisions*

In determining provision, the management needs to exercise judgement and make estimates based upon consideration of probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

#### *Revenue from contracts with customers*

##### Identification of performance obligations

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

##### Determination of timing of revenue recognition

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

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

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

*Petcharee*

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial		Separate financial	
	statements		statements	
	2023	2022	2023	2022
Cash on hand	752,308	700,110	508,712	501,021
Cash at banks				
Current account	14,361,611	22,959,265	7,033,848	3,653,389
Savings account	27,463,417	145,498,360	16,815,552	97,672,855
Fixed deposits with maturities				
of less than 3 months	20,156,381	41,085,223	20,156,381	41,085,223
Total	62,733,717	210,242,958	44,514,493	142,912,488

*P. H. H. H.*

## 6. TRADE AND OTHER CURRENT RECEIVABLES–NET

Trade and other current receivables-net as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Trade receivables</b>				
Trade receivables-other parties	137,845,465	132,968,022	49,606,844	30,279,226
Trade receivable–related parties	10,655,848	-	17,126,146	-
Accrued income	857,475	-	-	-
<u>Less</u> Expected credit loss	(29,602,323)	(28,311,010)	(29,602,323)	(28,311,010)
Total trade receivables–net	119,756,465	104,657,012	37,130,667	1,968,216
<b>Other current receivables</b>				
Other current receivable-related parties	148,511	-	155,381	270,464
Accrued interest-related parties	-	-	81,099	-
Accrued income-other parties	597,930	3,152,300	597,930	3,083,887
Value added tax receivables	1,630,608	2,195,782	1,483,772	633,901
Prepaid expenses	10,590,164	10,712,851	7,385,794	5,956,667
Advances to customer	10,196,946	9,039,600	619,737	78,750
Undue input vat	1,115,361	3,664,587	701,745	1,406,210
Deposit	166,638	13,453,383	-	12,000,000
Others	1,832,722	3,192,063	446,430	246,160
Total other current receivables	26,278,880	45,410,566	11,471,888	23,676,039
Total trade and other current receivables-net	146,035,345	150,067,578	48,602,555	25,644,255

*Patchara*

As at December 31, 2023 and 2022 the Group had outstanding balances of trade receivables aged by the following numbers of months:

Ages of receivables	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Trade receivables-other parties</b>				
Not yet due	67,948,873	64,713,975	6,923,554	494,809
Past due:				
Less than 3 months	37,661,558	40,738,906	10,666,481	2,286,770
Over 3 months but not over 6 months	3,927,983	529,363	3,709,758	511,869
Over 6 months but not over 12 months	749,255	759,372	749,255	759,372
Over 12 months	27,557,796	26,226,406	27,557,796	26,226,406
Total	137,845,465	132,968,022	49,606,844	30,279,226
<u>Less</u> Expected credit loss	(29,602,323)	(28,311,010)	(29,602,323)	(28,311,010)
Total trade receivable-other parties-net	108,243,142	104,657,012	20,004,521	1,968,216
<b>Trade receivable-related parties</b>				
Not yet due	2,335,020	-	10,333,249	-
Past due:				
Less than 3 months	5,860,812	-	4,332,881	-
Over 3 months but not over 6 months	246,721	-	246,721	-
Over 6 months but not over 12 months	2,213,295	-	2,213,295	-
Total trade receivables-related parties-net	10,655,848	-	17,126,146	-

*Peterson*

## 7. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are those parties linked to the Group and the Company as shareholders or by common shareholders or directors. Transactions with related parties are conducted at prices based on market values or, where no market value exists, at contractually agreed prices.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Group were as follows:

Name of entity	Country of Incorporation/nationality	Nature of relationships
Simat Telecom Co., Ltd.	Thailand	Subsidiary, 100% shareholding, and co-directors are representatives of the Company
Hinsitsu (Thailand) Public Co., Ltd.	Thailand	Subsidiary, 63% shareholding, and co-directors are representatives of the Company
Natural Power Energy Co., Ltd.	Thailand	Subsidiary, 86% shareholding, and co-directors are representatives of the Company
Digital Cable Communication Co., Ltd.	Thailand	Subsidiary, 50% shareholding, and co-directors are representatives of the Company
Hinsitsu Precision (Thailand) Co., Ltd.	Thailand	Held by a subsidiary
Simat Label Co., Ltd.	Thailand	Held by a subsidiary
RGTech Simat Co., Ltd.	Thailand	Associated company, 48.99% shareholding and co-directors are representatives of the Company
Radiant Globaltech Berhad	Malaysia	51.01% shareholding in associated company
Sino Trading-Services Corporation	Vietnam	Associated company, 40% shareholding and co-directors are representatives of the Company
Top Precision Co., Ltd.	Thailand	Common director with subsidiary company
One To One Contacts Public Co., Ltd.	Thailand	Related company
Ultimo Energy Co.,Ltd.	Thailand	Related company
Ultimo Control Company Limited.	Thailand	Related company
FOT MSO Company Limited.	Thailand	Related company

*P. Chirakorn*

7.1 Balances with related parties as at December 31, 2023 and 2022, are summarized below:

	Unit: Baht			
	Consolidated financial		Separate financial statements	
	statements		2023	2022
	2023	2022	2023	2022
<b>Trade receivables - related parties</b>				
Subsidiary	-	-	8,350,194	-
Other related companies	10,655,848	-	8,775,952	-
Total	10,655,848	-	17,126,146	-
<b>Other current receivables - related parties</b>				
Subsidiaries	-	-	155,381	270,464
Other related companies	148,511	-	-	-
Total	148,511	-	155,381	270,464
<b>Accrued interest - related parties</b>				
Subsidiary	-	-	81,099	-
Total	-	-	81,099	-
<b>Short-term loan to related party</b>				
Subsidiary	-	-	10,000,000	7,350,000
Total	-	-	10,000,000	7,350,000
<b>Transfer business receivables</b>				
Associated company	18,358,471	18,358,471	18,358,471	18,358,471
<u>Less</u> Expected credit loss	(11,991,394)	-	(11,991,394)	-
Net	6,367,077	18,358,471	6,367,077	18,358,471
<b>Trade payables - related parties</b>				
Subsidiary	-	-	-	2,386,524
Associated company	-	35,631	-	35,631
Other related companies	2,194,918	-	-	-
Total	2,194,918	35,631	-	2,422,155

*Patchara*

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Accrued expenses - related party</b>				
Subsidiary	-	-	1,499,268	-
Total	-	-	1,499,268	-
<b>Other current payables - director</b>				
Director	-	38,000	-	38,000
Total	-	38,000	-	38,000
<b>Other accrued expenses - related party</b>				
Subsidiary	-	-	383,140	-
Total	-	-	383,140	-

**Short-term loan to related party**

The movements of short-term loans to related party were as follows:

	Unit: Baht	
	Separate financial statements	
	2023	2022
Balance as at January 1,	7,350,000	-
Addition	10,000,000	7,350,000
Receive	(7,350,000)	-
Balance as at December 31,	10,000,000	7,350,000

Short-term loans to related party is bearing interest at the rates of 7.59% per annum and unsecured. Such loans are due on call.

*Potichew*



7.2 Transactions with related person and parties for the years ended December 31, 2023 and 2022 are summarized below:

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
Transactions with related person and companies	Pricing policy	2023	2022	2023	2022
<b>Revenue</b>					
Sales of goods	At market value	4,459,442	34,000	45,302,982	11,000
Management fee income	Contract	-	-	1,492,149	143,333
Other income	Contract and at cost	-	-	405,140	278,933
Interest income	At the rate of 6.09% – 7.59%	-	-	414,455	91,050
Service income from broadband internet	Contract	-	-	-	361,051
<b>Expense</b>					
Purchase of goods	At market value	5,816,290	462,980	-	399,600
Other expenses	At cost	-	-	-	7,200
Management fee	Contract	-	-	19,351,063	2,386,524
Wage expenses	Contract	-	-	6,970,800	-

### 7.3 Compensation of key management personnel

The Compensation of key management personnel for the years ended December 31, 2023 and 2022 as follows:

		Unit: Baht			
		Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Short-term benefits		39,580,849	46,144,452	12,712,957	10,397,334
Post-employment benefits		1,176,578	1,339,928	289,599	478,174
Total Compensation to key management personnel		40,757,427	47,484,380	13,002,556	10,875,508

*Petcher*

#### 7.4 Corporate guarantee to related party

As at December 31, 2023 and 2022, the subsidiary company has guarantee for payment in loan facilities for use as working capital for business operations amounting of Baht 86.50 million both years with financial institutions of Simat Label Co., Ltd.

As at December 31, 2023 and 2022, the subsidiary company's directors have guarantee for payment in loan facilities for use as working capital for business operations amounting of Baht 63.50 million both years with and credit facilities in forward contract has amounting of USD 0.65 million both years with financial institutions of Simat Label Co., Ltd.

### 8. CONTRACT ASSETS

Contract assets as at December 31, 2023 and 2022, were as follows:

	Unit: Baht	
	Consolidated financial statements	
	2023	2022
Contract asset – construction project	92,509,132	92,509,132
Contract asset – maintenance project	207,847,479	187,913,131
Other income	2,088,613	3,582,049
<b>Total</b>	<b>302,445,224</b>	<b>284,004,312</b>
<u>Less</u> Current contract assets	(207,847,479)	(187,913,131)
Non- current contract assets	94,597,745	96,091,181
<u>Less</u> deferred financial revenue	(3,818,175)	(7,090,896)
<b>Non-contract assets-net</b>	<b>90,779,570</b>	<b>89,000,285</b>

	Unit: Baht	
	Separate financial statements	
	2023	2022
Contract asset – construction project	92,509,133	92,509,132
Contract asset – maintenance project	206,790,096	187,913,131
<b>Total</b>	<b>299,299,229</b>	<b>280,422,263</b>
<u>Less</u> Current contract assets	(206,790,096)	(187,913,131)
Non- current contract assets	92,509,133	92,509,132
<u>Less</u> deferred financial revenue	(3,818,175)	(7,090,896)
<b>Non-contract assets-net</b>	<b>88,690,958</b>	<b>85,418,236</b>

*Petcharoon*

As at December 31, 2023 and 2022 the Group had outstanding balances of contract asset aged by the following numbers of months:

Ages of receivable	Unit: Baht	
	Consolidated financial statements	
	2023	2022
Less than 1-6 months	158,930,599	187,815,206
Over 6 months but not over 12 months	48,818,956	-
Over 12 months	94,695,669	96,189,106
Total	302,445,224	284,004,312

Ages of receivable	Unit: Baht	
	Separate financial statements	
	2023	2022
Less than 1-6 months	157,873,216	187,815,206
Over 6 months but not over 12 months	48,818,956	-
Over 12 months	92,607,057	92,607,057
Total	299,299,229	280,422,263

The contract assets will transfer to trade receivables within 6 months to 12 months.

#### Service agreement

On September 5, 2022, the Company entered into the 4<sup>th</sup> amendment service agreement for hi-speed internet in Remote Area (Zone C): Northeast Region 2, with the National Broadcasting and Telecommunications Commission (“NBTC”). The amendment service agreement reduces the service period to NBTC for project phase no.2, which will now commence from the date of the 3<sup>rd</sup> service period and extend for 57 months, rather than 60 months, and changes the agreement value to Baht 2,245 million.

*P. K. K.*

## 9. INVENTORIES –NET

Inventories as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial		Separate financial	
	statements		statements	
	2023	2022	2023	2022
Finished goods	79,236,996	54,172,056	33,930,198	15,981,864
Work in process	10,063,013	12,024,776	-	-
Raw materials	55,359,842	51,939,837	-	-
Goods in transit	-	557,809	-	-
Total	144,659,851	118,694,478	33,930,198	15,981,864
Less Allowance for decline values of inventories	(21,042,209)	(21,291,529)	(3,071,312)	(2,851,767)
Inventories–net	123,617,642	97,402,949	30,858,886	13,130,097

Movements of allowance for decline values of inventories for the years ended December 31, 2023 and 2022 were as follows:

	Unit: Baht			
	Consolidated financial		Separate financial	
	statements		statements	
	2023	2022	2023	2022
Balance as at January 1,	21,291,529	23,269,759	2,851,767	2,851,767
Addition	628,987	6,286,043	219,545	-
Transfer out	(878,307)	(8,264,273)	-	-
Balance as at December 31,	21,042,209	21,291,529	3,071,312	2,851,767

## 10. NON-CURRENT FINANCIAL ASSETS

As at December 31, 2023 and 2022, the Company's and subsidiary's fixed deposits totaling Baht 54.39 million and Baht 49.44 million, respectively, in consolidated financial statements, and Baht 32.49 million and Baht 26.49 million, respectively, in separate financial statements, have been pledged with banks as collaterals for bank overdrafts facilities, short-term loan, long-term loans, factoring of trade receivables, forward exchange contracts and letter of guarantee for the Company and its subsidiaries. These fixed deposits bear interest at 0.25% - 1.75% per annum. (Note 21)

*P. K. K.*

**11. INVESTMENTS IN ASSOCIATE COMPANY**

Investments in associated companies as at December 31, 2023 and 2022 are as follows:

Name of Associate company	Incorporation	Type of business	Unit: Baht							
			% of shareholding /		Consolidated financial		Separate financial			
			Voting rights held		statements		statements			
			2023	2022	Equity method		Cost method			
				2023	2022	2023	2022			
Sino Trading-Services Corporation	Vietnam	Trading of computer hardware, software and network and network accessories and computer in information technology system development	40.00	40.00	12,600,000	12,600,000	31,823,126	31,812,858	21,273,694	21,273,694
RGTech Simat Co., Ltd.	Thailand	Enterprise data collection	48.99	48.99	2,500,000	2,500,000	-	-	4,899,980	4,899,980
Total investments in associated companies							31,823,126	31,812,858	26,173,674	26,173,674

*Poteh...*

During the years, the Company recognized share of profits (loss) from investment in the consolidated financial statements as follow:

Name of Associate company	Unit: Baht	
	Consolidated financial statements	
	Share of profits (loss) from investments in associate company	
	2023	2022
Sino Trading – Services Corporation	10,268	618,087
RGTech Simat Co., Ltd.	-	-
<b>Total</b>	<b>10,268</b>	<b>618,087</b>

RGTech Simat Co., Ltd. has incurred operating losses. Therefore, the share of loss exceeds the Company's interest in associated company. The Company discontinues recognized share of loss from investment in associated company

Sino Trading-Services Corporation

The shares of Sino Trading – Services Corporation are not publicly listed on a stock exchange and, hence, published price quotes are not available. The aggregate amounts of the associate company in the consolidated financial statement for the years ended December 31, 2023 and 2022, can be summarized as follows:

	Unit: Baht	
	2023	2022
<b>As at December 31</b>		
Current assets	38,751,736	40,467,157
Non-current assets	6,704,119	1,633,808
Current liabilities	(10,654,657)	(6,415,826)
Non-current liabilities	-	-
<b>For the years ended December 31</b>		
Revenue	51,537,048	79,854,934
Profit for the years	25,670	1,545,217
Other comprehensive income (loss) for the year	-	-
<b>Total comprehensive income (loss) for the year</b>	<b>25,670</b>	<b>1,545,217</b>

*Patchara*

Reconciliation of financial information above with the equity method from the book value of associate company recognized in the consolidated financial statements is as follows:

	Unit: Baht	
	2023	2022
Net assets of the associate company	34,801,198	35,685,139
Proportion of shares held by the Company in associate company (%)	40	40
Net assets of the associate company by proportion of shares	13,920,479	14,274,056
Goodwill	13,717,038	13,717,038
Foreign currency translation differences	4,185,609	3,821,764
<b>Book value of investment value with the equity method in the associate company</b>	<b>31,823,126</b>	<b>31,812,858</b>

RGTech Simat Co., Ltd.

The shares of RGTech Simat Co., Ltd., are not publicly listed on a stock exchange and, hence, published price quotes are not available. The aggregate amounts of the associate company in the consolidated financial statement for the year ended December 31, 2023 and 2022 can be summarized as follows:

	Unit: Baht	
	2023	2022
<b>As at December 31</b>		
Current assets	30,726,615	26,016,094
Non-current assets	3,150,243	4,540,140
Current liabilities	(41,640,100)	(40,422,707)
Non-current liabilities	(2,623,906)	(2,219,984)
<b>For the years ended December 31</b>		
Revenue	33,911,625	41,726,011
Profit (Loss) for the years	1,699,435	976,146
Other comprehensive income (loss) for the years	-	-
Total comprehensive income (loss) for the years	1,699,435	976,146

*Petcher*

Reconciliation of financial information above with the equity method from the book value of associate company recognized in the consolidated financial statements is as follows:

	Unit: Baht	
	2023	2022
Net assets of the associate company	(10,387,148)	(12,086,457)
Proportion of shares held by the Company in associate company (%)	49	49
<b>Book value of investment value with the equity method in the associate company</b>	-	-

*Petcher*



**12. INVESTMENTS IN SUBSIDIARY COMPANIES-NET**

Investments in subsidiary companies as at December 31, 2023 and 2022 are as follows:

Name of subsidiary companies	Incorporation	Type of business	% of shareholding /		Unit: Baht			
			Voting rights held		Paid-up capital		Separate financial statements	
			2023	2022	2023	2022	2023	2022
Simat Telecom Co., Ltd.	Thailand	Sale of hardware, software and telecommunication services.	100.00	100.00	5,000,000	5,000,000	5,000,000	5,000,000
Hinsitsu (Thailand) Public Co., Ltd.	Thailand	Produce and sales of sticker and silk screen printing	63.00	60.00	200,000,000	200,000,000	292,500,000	240,000,000
Natural Power Energy Co., Ltd.	Thailand	Entrepreneurship, design, development, sale and maintenance of engineering systems and electrical equipment, energy	84.00	60.00	25,000,000	10,000,000	21,000,000	6,000,000
Digital Cable Communication Co., Ltd.	Thailand	Conducting business in telecommunication business, providing internet services cable television business and the business of providing infrastructure systems for the electrical system	50.00	50.00	12,500,000	12,500,000	6,250,000	6,250,000
Less Allowance for impairment of investment							(1,336,000)	(5,000,000)
Total investments in subsidiary companies-net							323,414,000	252,250,000

*P. Khor*

The company is under the control of Hinsitsu (Thailand) Public Co., Ltd., the financial information of which is included in the consolidated financial statement as follows:

	Type of Business	Proportion of investment (%)	
		2023	2022
Simat Label Co. Ltd. (Shares of 100%)	Wholesaler for barcode, productions and RFID, paper and related supplies	63.00	60.00
Hinsitsu Precision (Thailand) Co., Ltd. (Shares of 75.01%)	Research and development silk screen printing	47.26	45.01

The significant non-controlling interests of the subsidiary companies are as follows:

Name of Subsidiary companies	Country of incorporation and main location of business	Ownership and voting rights held by non-controlling interests	Comprehensive income (loss) for	
			non-controlling interests	Accumulated non-controlling interests
Hinsitsu (Thailand) Public Co., Ltd.	Thailand	37.00	2,907,274	175,496,098
Hinsitsu Precision (Thailand) Co., Ltd.	Thailand	52.74	(1,701,013)	7,931,461
Simat Label Co., Ltd.	Thailand	37.00	1,058,641	39,669,399
Natural Power Energy Co., Ltd.	Thailand	16.00	646,870	4,587,308
Digital Cable Communication Co., Ltd.	Thailand	50.00	(2,594,091)	2,779,968
Total			317,681	230,464,234

Unit: Baht

2023

*P. Pichai*

Unit: Baht

		2022		
Name of Subsidiary companies	Country of incorporation and main location of business	Ownership and voting rights held by non-controlling interests	Comprehensive	
			income (loss) for non-controlling interests	Accumulated Non-controlling interests
Hinsitsu (Thailand) Public Co., Ltd.	Thailand	40.00	23,457,051	180,332,522
Hinsitsu Precision (Thailand) Co., Ltd.	Thailand	54.99	(3,087,120)	9,632,474
Simat Label Co., Ltd.	Thailand	40.00	2,125,107	38,610,758
Natural Power Energy Co., Ltd.	Thailand	40.00	(45,043)	3,954,957
Digital Cable Communication Co., Ltd.	Thailand	50.00	36,507	5,374,060
<b>Total</b>			<b>22,486,502</b>	<b>237,904,771</b>

*Peter*

The financial information of the subsidiary companies before eliminated transactions is as follows:

Unit: Baht

	Hinsitsu (Thailand) Public Co., Ltd.	Hinsitsu Precision (Thailand) Co., Ltd.	Simat Label Co. Ltd.	Natural Power Energy Co., Ltd.	Digital Cable Communication Co., Ltd.	Total
<b>As at December 31, 2023</b>						
Current assets	148,434,622	20,681,179	38,324,575	17,593,623	3,572,759	
Non-current assets	744,866,000	18,811,011	347,689,705	89,137,255	5,922,483	
Current liabilities	(120,839,221)	(406,171)	(41,487,315)	(21,172,396)	(2,125,125)	
Non-current liabilities	(366,634,775)	(15,800,621)	(245,138,307)	(56,887,806)	(1,720,429)	
Net assets of subsidiary companies	405,826,626	23,285,398	99,388,658	28,670,676	5,649,688	
<b>Non-controlling interests</b>	175,496,098	7,931,461	39,669,399	4,587,308	2,779,968	230,464,234
<b>For the year ended December 31, 2023</b>						
<b>Revenue</b>	321,349,730	5,008,245	154,280,523	29,826,474	23,077,228	
Net profit (loss) for the year of non- controlling interests	2,907,274	(1,701,013)	1,058,641	646,870	(2,594,091)	
Other comprehensive income of non-controlling interests	-	-	-	-	-	
Total comprehensive income (loss) of non-controlling interests	2,907,274	(1,701,013)	1,058,641	646,870	(2,594,091)	317,681
<b>Dividend paid for non-controlling interests</b>	-	-	-	-	-	-

*Petcharoon*

Unit: Baht

	Hinsitsu (Thailand) Public Co., Ltd.	Hinsitsu Precision (Thailand) Co., Ltd.	Simat Label Co. Ltd.	Natural Power Energy Co., Ltd.	Digital Cable Communication Co., Ltd.	Total
Cash flows from (used in)						
Operating activities	54,481,008	3,875	6,683,573	(3,132,299)	(3,135,141)	54,901,016
Investment activities	(90,855,656)	(4,568,508)	(139,754,774)	(7,152,985)	(1,642,010)	(243,973,933)
Financing activities	10,554,087	(659,256)	122,877,617	10,037,833	-	142,810,281
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(25,820,561)</b>	<b>(5,223,889)</b>	<b>(10,193,584)</b>	<b>(247,451)</b>	<b>(4,777,151)</b>	<b>(46,262,636)</b>

*Petchai*

The financial information of the subsidiary companies before eliminated transactions is as follows:

	Unit: Baht					Total
	Hinsitsu (Thailand) Public Co., Ltd.	Hinsitsu Precision (Thailand) Co., Ltd.	Simat Label Co. Ltd.	Natural Power Energy Co., Ltd.	Digital Cable Communication Co., Ltd.	
<b>As at December 31, 2022</b>						
Current assets	184,259,922	20,232,597	56,583,324	1,613,394	8,492,652	
Non-current assets	428,176,805	7,164,321	220,928,709	8,402,940	2,966,301	
Current liabilities	(115,944,931)	(969,516)	(63,245,178)	(128,941)	(710,829)	
Non-current liabilities	(50,730,143)	-	(117,739,389)	-	-	
Net assets of subsidiary companies	445,761,653	26,427,402	96,527,466	9,887,393	10,748,124	
<b>Non-controlling interests</b>	180,332,522	9,632,474	38,610,758	3,954,957	5,374,060	237,904,771
<b>For the year ended December 31, 2022</b>						
<b>Revenue</b>	425,695,094	667,208	161,384,448	-	2,672,326	
Net profit (loss) for the year of non- controlling interests	23,717,518	(3,087,120)	1,280,473	(45,043)	36,507	21,902,335
Other comprehensive income of non-controlling interests	(260,467)	-	844,634	-	-	584,167
Total comprehensive income (loss) of non-controlling interests	23,457,051	(3,087,120)	2,125,107	(45,043)	36,507	22,486,502
<b>Dividend paid for non-controlling interests</b>	-	-	-	-	-	-

*Petcharoon*

Unit: Baht

	Hinsitsu (Thailand) Public Co., Ltd.	Hinsitsu Precision (Thailand) Co., Ltd.	Simat Label Co. Ltd.	Natural Power Energy Co., Ltd.	Digital Cable Communication Co., Ltd.	Total
Cash flows from (used in)						
Operating activities	119,727,679	(923,990)	25,757,269	(573,972)	(1,890,657)	142,096,329
Investment activities	(43,570,753)	(11,315,221)	(86,804,074)	(8,402,940)	(3,210,000)	(153,302,988)
Financing activities	(51,144,028)	16,793,252	62,427,899	10,000,000	10,500,551	48,577,674
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>25,012,898</b>	<b>4,554,041</b>	<b>1,381,094</b>	<b>1,023,088</b>	<b>5,399,894</b>	<b>37,371,015</b>

*P. K. K. K.*

### *Investment in subsidiary companies*

#### Hinsitsu (Thailand) Public Co., Ltd.

On January 11, 2023, the Company entered into a share purchase agreement with One To One Contacts Public Company Limited to purchase 6 million ordinary shares value, with a par value of Baht 0.50, representing a 3.00 percent share stake, in Hinsitsu (Thailand) Public Co., Ltd. at a purchase value totaling 52.50 million. The Company, according to the share purchase agreement, was repurchasing the shares in Hinsitsu (Thailand) Public Co., Ltd. at the same price it previously sold said shares to One To One Contacts Public Company Limited on September 9, 2021 (“Acquisition of investment in subsidiaries.”) The difference of purchase value higher than net book value amounted of Baht 44.76 million, was recorded as Discount on capital from change in proportion of investment in subsidiary company presented in the consolidated statement of change in shareholders’ equity. After acquisition of the shares in Hinsitsu (Thailand) Public Co., Ltd., the Company hold 126 million shares in Hinsitsu (Thailand) Public Co., Ltd., representing 63.00 percent of the total issued and paid-up ordinary shares of Hinsitsu (Thailand) Public Co., Ltd.

#### Natural Power Energy Co., Ltd.

On October 19, 2022, the Company along with Ultimo Energy Co., Ltd., established Natural Power Energy Company Limited, with a registered capital of Baht 1,000,000, divided into 10,000 ordinary shares, with a par value of Baht 100. The Company holds shares in the amount of Baht 600,000, or a 60 percent share stake in the entity. In November 2022, Natural Power Energy Co., Ltd. increased its registered capital to Baht 10,000,000, divided into 100,000 ordinary shares with a par value of Baht 100. The Company invested in the newly issued shares, increasing its shareholding to Baht 6,000,000 or 60 percent of total shares.

On April 20, 2023, Natural Power Energy Co., Ltd. increased its registered capital to Baht 25,000,000, equivalent to 250,000 ordinary shares, at the par value of Baht 100 in proportion to the shareholdings of existing shareholders of which two existing shareholders waived its subscription rights of 150,000 shares, or the equivalent to 24%, in Natural Power Energy Co., Ltd. to the Company. Consequently after the capital increase, the Company holds 84% of the registered capital in Natural Power Energy Co., Ltd.

#### Digital Cable Communication Company Limited

On October 12, 2022, the Company signed an agreement to invest in the share capital of Digital Cable Communication Company Limited along with FOT MSO Company Limited. Digital Cable Communication Company Limited has a registered capital of Baht 12,500,000, divided into 1,250,000 ordinary shares at a par value of Baht 10. The Company acquired 625,000 ordinary shares, a 50 percent share stake, from existing shareholders for Baht 6,250,000.

The Company recognises the specified assets received at a value equal to the compensation paid as investment in subsidiaries in its separate financial statements.

*Petchorn*



The acquisition of net assets of Digital Cable Communication Co., Ltd. is not a business acquisition. Because the net assets received do not have a process to produce results therefore, the purchase of investment in Digital Cable Company Communication Co., Ltd. is the purchase of assets that do not cause goodwill. The company records the difference between the cost of Investment (transferred compensation and book value in the specified net assets of Digital Cable Communication Company Limited in the amount of Baht 912,444 are intangible assets in the consolidated financial statements.

The book value of the specified assets received and the liabilities received by Digital Cable Communication Co., Ltd. and the fair value of the compensation transferred at the date of purchase are as follows:

	Unit: Baht
	Consolidated financial statements
Identifiable assets acquired and liabilities assumed	
Assets	
Short term loan to (Share Subscription Receivable)	12,500,000
Intangible assets	912,444
Total Assets	<u>13,412,444</u>
Liability	
Short term loan from	1,824,890
Total Liability	<u>1,824,890</u>
<b>Net assets</b>	<u>11,587,554</u>
Fair value of consideration transferred	6,250,000
Non-controlling interest in the acquiree measured in proportion of the specified net assets acquired on the date of purchase	5,337,554
<b>Total consideration paid at the acquisition date and the Non-controlling interest in the acquiree</b>	<u>11,587,554</u>

*Petcherw*

*Indirect subsidiaries*

Hinsitsu Precision (Thailand) Co., Ltd.

*Increase share capital*

On April 2022, Hinsitsu Precision (Thailand) Co., Ltd. an indirect subsidiary of the company has called up for remaining 340,000 ordinary shares, Hinsitsu (Thailand) Public Company Limited (“subsidiary company”) paid in such ordinary shares of Baht 12,002,000. Therefore, Hinsitsu (Thailand) Public Company Limited has its shareholding proportion to 75.01% of the registered capital of Hinsitsu Precision (Thailand) Co., Ltd.

*Petcher*

**13. LAND, BUILDING, EQUIPMENT AND LEASEHOLD IMPROVEMENTS-NET**

During the years ended December 31, 2023 and 2022 the Company and subsidiary have the following movements in the land, building, equipment and leasehold improvements-net:

Unit: Baht

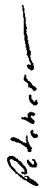
	Consolidated financial statements										
	Land and Land improvements	Building	Office equipment	Tools and equipment	Furniture and fixture	Motor vehicles	Machinery	Renovation	Machine under construction	Construction in Process	Total
<b>Cost</b>											
As at January 1, 2022	44,621,380	-	42,038,102	22,187,825	17,970,719	29,559,621	230,672,220	9,774,492	3,999,000	-	400,823,359
Increase/Transfer in	12,186,300	14,094,005	1,209,584	4,730,099	1,586,000	-	32,727,879	37,000	652,850	133,874,420	201,098,137
Decrease/ Transfer out	-	-	(877,500)	(4,497,269)	(63,493)	(16,629,450)	(21,694,560)	(5,000)	(3,999,000)	-	(47,766,272)
As at December 31, 2022	56,807,680	14,094,005	42,370,186	22,420,655	19,493,226	12,930,171	241,705,539	9,806,492	652,850	133,874,420	554,155,224
Increase/Transfer in	644,056	269,654,739	1,526,972	1,705,226	3,853,290	485,981	100,481,508	60,457,127	1,646,133	-	440,455,032
Transfers in from right-of-use assets - net	-	-	-	-	-	1,400,935	-	-	-	-	1,400,935
Decrease/ Transfer out	-	-	(29,370,804)	(783,234)	(15,197,809)	-	(11,000)	(3,974,867)	(2,298,983)	(133,874,420)	(185,511,117)
As at December 31, 2023	57,451,736	283,748,744	14,526,354	23,342,647	8,148,707	14,817,087	342,176,047	66,288,752	-	-	810,500,074
<b>Accumulated depreciation</b>											
As at January 1, 2022	-	-	(38,962,723)	(11,235,801)	(15,214,715)	(19,044,383)	(118,494,568)	(4,031,837)	-	-	(206,984,027)
Increase/Transfer in	-	(302,910)	(1,651,507)	(3,602,149)	(851,225)	(1,892,227)	(23,999,618)	(2,193,718)	-	-	(34,493,354)
Decrease/Transfer out	-	-	836,556	3,903,608	62,932	16,629,442	18,513,191	4,862	-	-	39,950,591

*Peter*

Unit: Baht

	Consolidated financial statements										Total
	Land and Land improvements	Building	Office equipment	Tools and equipment	Furniture and fixture	Motor vehicles	Machinery	Renovation	Machine under construction	Construction in Process	
As at December 31, 2022	-	(302,910)	(39,777,674)	(10,934,342)	(16,003,008)	(4,307,168)	(123,980,995)	(6,220,693)	-	-	(201,526,790)
Increase/Transfer in	-	(9,906,716)	(1,394,532)	(3,326,210)	(1,251,462)	(2,096,108)	(27,226,976)	(3,827,196)	-	-	(49,029,200)
Transfers in from right-of-use assets - net	-	-	-	-	-	(1,157,093)	-	-	-	-	(1,157,093)
Decrease/Transfer out	-	-	29,118,461	736,645	14,050,165	-	6,104	2,908,710	-	-	46,820,085
As at December 31, 2023	-	(10,209,626)	(12,053,745)	(13,523,907)	(3,204,305)	(7,560,369)	(151,201,867)	(7,139,179)	-	-	(204,892,998)
<b>Impairment</b>											
As at January 1, 2022	-	-	-	(438,037)	-	-	(18,591,827)	-	-	-	(19,029,864)
Increase/Transfer in	-	-	-	(1,931,780)	-	-	(5,997,060)	-	-	-	(7,928,840)
Decrease/Transfer out	-	-	-	371,155	-	-	3,738,922	-	-	-	4,110,077
As at December 31, 2022	-	-	-	(1,998,662)	-	-	(20,849,965)	-	-	-	(22,848,627)
Increase/Transfer in	-	-	-	-	(1,079,328)	-	(1,100,741)	-	-	-	(2,180,069)
Decrease/Transfer out	-	-	-	-	1,079,328	-	-	-	-	-	1,079,328
As at December 31, 2023	-	-	-	(1,998,662)	-	-	(21,950,706)	-	-	-	(23,949,368)
<b>Net book value</b>											
As at December 31, 2022	56,807,680	13,791,095	2,592,512	9,487,651	3,490,218	8,623,003	96,874,579	3,585,799	652,850	133,874,420	329,779,807
As at December 31, 2023	57,451,736	273,539,118	2,472,609	7,820,078	4,944,402	7,256,718	169,023,474	59,149,573	-	-	581,657,708

As at December 31, 2023 and 2022, the Group's equipment and vehicles amounting to Baht 96.03 million and Baht 92.03 million, respectively, are fully depreciated but still in use. Land and construction on its land are collateral to long-term loan from financial institution of Group Company and certain machinery and equipments are collateral to a long-term loan credit facility. (See note 21)



Unit: Baht

	Separate financial statements							Total	
	Land and improvements	Building	Office equipment	Tools and equipment	Furniture and fixture	Motor vehicles	Renovation		Construction in Process
<b>Cost</b>									
As at January 1, 2022	-	-	31,439,111	456,230	14,033,401	16,141,378	5,499,608	-	67,569,728
Increase/Transfer in	2,985,500	14,094,005	224,957	115,149	1,463,552	-	-	11,179,262	30,062,425
Decrease/ Transfer out	-	-	(210,686)	-	(51,495)	(15,193,000)	-	-	(15,455,181)
As at December 31, 2022	2,985,500	14,094,005	31,453,382	571,379	15,445,458	948,378	5,499,608	11,179,262	82,176,972
Increase/Transfer in	-	-	337,600	149,570	3,086,900	166,822	9,350,055	1,039,724	14,130,671
Decrease/ Transfer out	-	-	(27,470,711)	(51,000)	(13,026,445)	-	(1,343,120)	(12,218,986)	(54,110,262)
As at December 31, 2023	2,985,500	14,094,005	4,320,271	669,949	5,505,913	1,115,200	13,506,543	-	42,197,381
<b>Accumulated depreciation</b>									
As at January 1, 2022	-	-	(30,659,427)	(37,422)	(13,497,353)	(15,947,278)	(1,930,881)	-	(62,072,361)
Increase/Transfer in	-	(302,910)	(380,843)	(103,107)	(198,470)	(45,054)	(1,284,881)	-	(2,315,265)
Decrease/ Transfer out	-	-	207,563	-	51,470	15,192,994	-	-	15,452,027
As at December 31, 2022	-	(302,910)	(30,832,707)	(140,529)	(13,644,353)	(799,338)	(3,215,762)	-	(48,935,599)
Increase/Transfer in	-	(704,218)	(271,452)	(130,523)	(820,465)	(51,418)	(2,166,574)	-	(4,144,650)
Decrease/ Transfer out	-	-	27,386,710	20,301	13,020,223	-	1,305,137	-	41,732,371
As at December 31, 2023	-	(1,007,128)	(3,717,449)	(250,751)	(1,444,595)	(850,756)	(4,077,199)	-	(11,347,878)
<b>Net book value</b>									
As at December 31, 2022	2,985,500	13,791,095	620,675	430,850	1,801,105	149,040	2,283,846	11,179,262	33,241,373
As at December 31, 2023	2,985,500	13,086,877	602,822	419,198	4,061,318	264,444	9,429,344	-	30,849,503

As at December 31, 2023 and 2022, the Company's equipment and vehicles amounting to Baht 4.65 million and Baht 43.49 million, respectively, are fully depreciated but still in use.

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#### 14. FIBER OPTIC NETWORK EQUIPMENT-NET

During the years 2023 and 2022, the Company had the following movements in Fiber optic network equipment.

	Unit: Baht			
	Consolidated			
	As at December 31, 2022	Increase/ Transfer	Disposal/ Transfer	As at December 31, 2023
<b>Cost</b>				
Devices outside the fiber optic network	584,205,584	10,028,366	(2,880)	594,231,070
Fiber optic network equipment	584,865,331	435,078	(7,579,500)	577,720,909
Total cost	1,169,070,915	10,463,444	(7,582,380)	1,171,951,979
<b>Accumulated depreciation</b>				
Devices outside the fiber optic network	(131,768,398)	(7,322,429)	528	(139,090,299)
Fiber optic network equipment	(280,377,440)	(65,773,625)	3,450,185	(342,700,880)
Total accumulated depreciation	(412,145,838)	(73,096,054)	3,450,713	(481,791,179)
<b>Impairment</b>				
Impairment loss of asset	(472,320,779)	(20,000,000)	4,154,282	(488,166,497)
Fiber optic network equipment - net	284,604,298	(82,632,610)	22,615	201,994,303

	Unit: Baht			
	Consolidated			
	As at December 31, 2021	Increase/ Transfer	Disposal/ Transfer	As at December 31, 2022
<b>Cost</b>				
Devices outside the fiber optic network	576,733,945	7,471,639	-	584,205,584
Fiber optic network equipment	584,188,378	730,858	(53,905)	584,865,331
Total cost	1,160,922,323	8,202,497	(53,905)	1,169,070,915
<b>Accumulated depreciation</b>				
Devices outside the fiber optic network	(125,772,791)	(5,995,607)	-	(131,768,398)
Fiber optic network equipment	(213,438,637)	(66,989,365)	50,562	(280,377,440)
Total accumulated depreciation	(339,211,428)	(72,984,972)	50,562	(412,145,838)
<b>Impairment</b>				
Impairment loss of asset	(472,320,779)	-	-	(472,320,779)
Fiber optic network equipment - net	349,390,116	(64,782,475)	(3,343)	284,604,298

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	Unit: Baht			
	Separate financial statements			
	As at December 31, 2022	Increase/ Transfer	Disposal/ Transfer	As at December 31, 2023
<b>Cost</b>				
Devices outside the fiber optic network	581,205,584	8,561,661	(2,880)	589,764,365
Fiber optic network equipment	584,865,331	435,078	(7,579,500)	577,720,909
Total cost	1,166,070,915	8,996,739	(7,582,380)	1,167,485,274
<b>Accumulated depreciation</b>				
Devices outside the fiber optic network	(131,734,699)	(6,805,701)	528	(138,539,872)
Fiber optic network equipment	(280,377,440)	(65,773,625)	3,450,185	(342,700,880)
Total accumulated depreciation	(412,112,139)	(72,579,326)	3,450,713	(481,240,752)
<b>Impairment</b>				
Impairment loss of asset	(472,320,779)	(20,000,000)	4,154,282	(488,166,497)
Fiber optic network equipment - net	281,637,997	(83,582,587)	22,615	198,078,025

	Unit: Baht			
	Separate financial statements			
	As at December 31, 2021	Increase/ Transfer	Disposal/ Transfer	As at December 31, 2022
<b>Cost</b>				
Devices outside the fiber optic network	576,733,945	4,471,639	-	581,205,584
Fiber optic network equipment	584,188,378	730,858	(53,905)	584,865,331
Total cost	1,160,922,323	5,202,497	(53,905)	1,166,070,915
<b>Accumulated depreciation</b>				
Devices outside the fiber optic network	(125,772,791)	(5,961,908)	-	(131,734,699)
Fiber optic network equipment	(213,438,637)	(66,989,365)	50,562	(280,377,440)
Total accumulated depreciation	(339,211,428)	(72,951,273)	50,562	(412,112,139)
<b>Impairment</b>				
Impairment loss of asset	(472,320,779)	-	-	(472,320,779)
Fiber optic network equipment - net	349,390,116	(67,748,776)	(3,343)	281,637,997

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In year 2011, the Company has entered into the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiang Mai province to National Telecom Public Company Limited with the term of 60 months.

Both projects were approved by the Extraordinary Shareholder's Meeting No. 1/2011 dated July 29, 2011, with the total cost of project not exceeding Baht 520 million.

On February 22, 2013, the Company cancelled the service contract for rental of optical fiber cable network equipment in Nakornratchasima and Chiang Mai province with National Telecom Public Company Limited since National Telecom Public Company Limited has not proceeded the receipt of project according to the condition of the contract and ignored to take any action to comply with the contract although the Company had sent the warning letter to National Telecom Public Company Limited several times. Therefore, the Company reserved the right to cancel the contract and the cancellation letter had been already sent to National Telecom Public Company Limited. (See note 37)

#### 15. SOFTWARE DEVELOPMENT COST FOR SALES - NET

During the years ended December 31, 2023 and 2022, the group has software development cost for sale. Movements in software development cost for sales during the year were as follows:

Unit: Baht				
Consolidated financial statements				
As at December 31, 2022	Increase/ Transfer	Decrease/ Transfer	As at December 31, 2023	
Software cost for sales	13,165,452	382,250	(119,050)	13,428,652
Accumulated Depreciation	(10,634,195)	(1,816,222)	116,908	(12,333,509)
Cost for software development for sales – net	<u>2,531,257</u>			<u>1,095,143</u>

Unit: Baht				
Consolidated financial statements				
As at December 31, 2021	Increase/ Transfer	Decrease/ Transfer	As at December 31, 2022	
Software cost for sales	12,999,702	165,750	-	13,165,452
Accumulated Depreciation	(8,717,048)	(1,917,147)	-	(10,634,195)
Cost for software development for sales–net	<u>4,282,654</u>			<u>2,531,257</u>

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Unit: Baht			
Separate financial statement			
As at December 31, 2022	Increase/ Transfer	Decrease/ Transfer	As at December 31, 2023
Software cost for sales	6,889,797	-	6,889,797
Accumulated Depreciation	(6,726,803)	(115,635)	(6,842,438)
Cost for software development for sales-net	162,994		47,359

Unit: Baht			
Separate financial statement			
As at December 31, 2021	Increase/ Transfer	Decrease/ Transfer	As at December 31, 2022
Software cost for sales	6,889,797	-	6,889,797
Accumulated Depreciation	(6,507,966)	(218,837)	(6,726,803)
Cost for software development for sales-net	381,831		162,994

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

Movements in right-of-use assets-net during the year ended December 31, 2023 and 2022 are summarized below:

	Unit: Baht		
	Consolidated financial statements		
	Right of use		
	Vehicle	Building	Total
<b>Cost</b>			
As at January 1, 2022	31,123,615	48,972,920	80,096,535
Increase	2,496,021	9,995,011	12,491,032
Decrease/ Transfer out	(3,337,470)	(16,538,624)	(19,876,094)
As at December 31, 2022	30,282,166	42,429,307	72,711,473
Increase	4,467,253	-	4,467,253
Decrease/ Transfer out	(1,906,917)	(12,146,263)	(14,053,180)
Transfers to land, building, equipment and leasehold improvement-net	(1,400,935)	-	(1,400,935)
As at December 31, 2023	31,441,567	30,283,044	61,724,611
<b>Accumulated depreciation</b>			
As at January 1, 2022	(10,654,591)	(20,954,847)	(31,609,438)
Increase	(6,903,667)	(12,411,523)	(19,315,190)
Decrease/ Transfer out	2,991,679	8,824,318	11,815,997
As at December 31, 2022	(14,566,579)	(24,542,052)	(39,108,631)
Increase	(7,103,117)	(7,783,199)	(14,886,316)
Decrease/ Transfer out	1,906,917	12,146,263	14,053,180
Transfers to land, building, equipment and leasehold improvement-net	1,157,093	-	1,157,093
As at December 31, 2023	(18,605,686)	(20,178,988)	(38,784,674)
<b>Net book value</b>			
As at December 31, 2022	15,715,587	17,887,255	33,602,842
As at December 31, 2023	12,835,881	10,104,056	22,939,937

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	Unit: Baht		
	Separate financial statements		
	Right of use		
	Vehicle	Building	Total
<b>Cost</b>			
As at January 1, 2022	18,939,894	14,943,117	33,883,011
Increase	1,992,502	314,420	2,306,922
Decrease/ Transfer out	(2,083,749)	(8,853,583)	(10,937,332)
As at December 31, 2022	18,848,647	6,403,954	25,252,601
Increase	2,939,636	-	2,939,636
Decrease/ Transfer out	(1,357,359)	-	(1,357,359)
As at December 31, 2023	20,430,924	6,403,954	26,834,878
<b>Accumulated depreciation</b>			
As at January 1, 2022	(7,063,783)	(7,213,406)	(14,277,189)
Increase	(4,560,953)	(4,162,733)	(8,723,686)
Decrease/ Transfer out	2,083,749	8,824,318	10,908,067
As at December 31, 2022	(9,540,987)	(2,551,821)	(12,092,808)
Increase	(4,561,408)	(2,021,086)	(6,582,494)
Decrease/ Transfer out	1,357,359	-	1,357,359
As at December 31, 2023	(12,745,036)	(4,572,907)	(17,317,943)
<b>Net book value</b>			
As at December 31, 2022	9,307,660	3,852,133	13,159,793
As at December 31, 2023	7,685,888	1,831,047	9,516,935

As at December 31, 2023 and 2022, the Group had vehicle under the hire purchase contract amount is Baht 23 million and Baht 34 million, respectively, for the consolidated financial statements and the separate financial statements.

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## 17. DEFERRED TAX

Deferred tax as at December 31, 2023 and 2022 consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets	47,125,694	37,255,665	39,061,247	28,435,334
Deferred tax liabilities	-	-	-	-
Deferred tax assets	47,125,694	37,255,665	39,061,247	28,435,334

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

	Unit: Baht			
	Consolidated financial statements			
	Movement increase (decrease)			
	As at December 31, 2022	Statement of income	Other of comprehensive income	As at December 31, 2023
<b>Deferred tax assets:</b>				
Expected credit loss	5,662,202	258,263	-	5,920,465
Allowance for devaluation of inventories	2,988,405	196,284	-	3,184,689
Allowance for devalue of assets	2,007,647	(578,748)	-	1,428,899
Deferred income	1,418,180	1,743,735	-	3,161,915
Provision for decommissioning costs	1,025,000	(1,025,000)	-	-
Allowance for damage of inventories	-	45,583	-	45,583
Provision for employee benefit obligations	4,019,965	842,050	(171,805)	4,690,210
Tax losses	20,134,266	(9,811,794)	-	10,322,472
Depreciation difference from asset impairment	-	18,371,461	-	18,371,461
Total deferred tax assets	37,255,665	10,041,834	(171,805)	47,125,694

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Unit: Baht

	Consolidated financial statements			
	Movement increase (decrease)			
	As at		Other of	As at
	December 31, 2021	Statement of income	comprehensive income	December 31, 2022
<b>Deferred tax assets:</b>				
Expected credit loss	5,506,565	155,637	-	5,662,202
Allowance for devaluation of inventories	2,736,025	252,380	-	2,988,405
Allowance for devalue of assets	1,564,485	443,162	-	2,007,647
Deferred income	2,072,724	(654,544)	-	1,418,180
Provision for decommissioning costs	-	1,025,000	-	1,025,000
Provision for employee benefit obligations	3,732,194	652,874	(365,103)	4,019,965
Tax losses	19,432,060	702,206	-	20,134,266
<b>Total deferred tax assets</b>	<b>35,044,053</b>	<b>2,576,715</b>	<b>(365,103)</b>	<b>37,255,665</b>

Unit: Baht

	Separate financial statements			
	Movement increase (decrease)			
	As at		Other of	As at
	December 31, 2022	Statement of income	comprehensive income	December 31, 2023
<b>Deferred tax assets:</b>				
Expected credit loss	5,662,202	258,263	-	5,920,465
Allowance for devaluation of inventories	570,354	43,908	-	614,262
Allowance for devalue of assets	-	18,371,461	-	18,371,461
Deferred income	1,418,180	1,743,735	-	3,161,915
Provision for employee benefit obligations	650,332	192,145	(171,805)	670,672
Tax losses	20,134,266	(9,811,794)	-	10,322,472
<b>Total deferred tax assets</b>	<b>28,435,334</b>	<b>10,797,718</b>	<b>(171,805)</b>	<b>39,061,247</b>

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	Unit: Baht			
	Separate financial statements			
	Movement increase (decrease)			
	As at December 31, 2021	Statement of income	Other of comprehensive income	As at December 31, 2022
<b>Deferred tax assets:</b>				
Expected credit loss	5,506,565	155,637	-	5,662,202
Allowance for devaluation of inventories	570,354	-	-	570,354
Deferred income	2,072,724	(654,544)	-	1,418,180
Provision for employee benefit obligations	453,501	196,831	-	650,332
Tax losses	19,432,060	702,206	-	20,134,266
<b>Total deferred tax assets</b>	<b>28,035,204</b>	<b>400,130</b>	<b>-</b>	<b>28,435,334</b>

Deferred tax asset arising from temporary differences and accumulated loss not recognized in the financial statements as at December 31, 2023 and 2022 were summarized as follow:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Loss carry forward	6,124,472	6,616,388	-	-
Temporary differences	34,669,133	39,005,539	23,985,278	28,520,950
<b>Total</b>	<b>40,793,605</b>	<b>45,621,927</b>	<b>23,985,278</b>	<b>28,520,950</b>

The Group has not recognized temporary differences for cumulative losses which are expired in 2025 – 2027 and not recognized deferred tax assets for unexpired temporary differences due to there is no certain future taxable profit to be utilized.

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Income tax expenses for the years	6,337,176	17,759,071	-	-
Deferred income taxes	(10,041,834)	(2,576,715)	(10,797,718)	(400,130)
Corporate income tax (benefit)	(3,704,658)	15,182,356	(10,797,718)	(400,130)

Income tax rates for the the years ended December 31, 2023 and 2022 of the Company and its subsidiary companies range from 0% - 20%

#### 18. OTHER NON-CURRENT ASSETS-NET

Other non-current assets-net as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Revenue Department receivable	13,198,252	13,331,235	10,990,249	9,742,389
Advance Payment	580,742	1,522,396	400,202	1,522,396
Deposit	49,400	-	-	-
Transfer business receivables	18,358,471	18,358,471	18,358,471	18,358,471
<u>Less</u> Expected credit loss	(11,991,394)	-	(11,991,394)	-
Total	20,195,471	33,212,102	17,757,528	29,623,256

#### 19. SHORT-TERM LOAN FROM FINANCIAL INSTITUTIONS

Short-term loan from financial institution as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term loans	35,000,000	12,794,967	-	-
Total	35,000,000	12,794,967	-	-

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As at December 31, 2023 and 2022, the Company and subsidiary companies had short-term loan from a bank are as follows:

Consolidated financial statements			
December 31, 2023			
(Unit : million Baht)			
Balance	Rate	Due Date	Guaranteed
35	MLR-1.50% per annum	Within February and March 2024	Without guarantee
35			

Consolidated financial statements			
December 31, 2022			
(Unit : million Baht)			
Balance	Rate	Due Date	Guaranteed
4.20	3.95% per annum	Within February 2023	Hinsitsu (Thailand) Public Co.,Ltd's directors and savings account of Hinsitsu (Thailand) Public Co., Ltd.
8.59	MLR-1.50% per annum	Within April 10, 2023	Savings account and director of company.
12.79			<i>Petch ror</i>



## 20. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Trade payables</b>				
Trade payable-other parties	42,864,652	46,343,481	10,705,625	14,077,779
Trade payable related parties	2,194,918	35,631	-	2,422,155
Accrued expenses related parties	-	-	1,499,268	-
Accrued project cost	20,006,825	20,008,775	20,006,825	20,008,775
<b>Total trade payables</b>	<b>65,066,395</b>	<b>66,387,887</b>	<b>32,211,718</b>	<b>36,508,709</b>
<b>Other current payables</b>				
Other current payable-other parties	5,092,339	3,548,986	854,388	-
Other current payable-Director	-	38,000	-	38,000
Fixed assets payables	3,861,218	30,358,486	-	-
Deferred revenues	4,614,670	4,335,806	4,605,934	4,330,456
Provision for decommissioning	-	5,562,500	-	-
Accrued expenses	9,008,776	20,692,530	4,961,231	4,707,785
Other accrued expenses-related party	-	-	383,140	-
Deposit payable-Fttx	1,910,883	2,103,397	1,910,883	2,103,397
Retention	2,007,534	4,173,493	-	-
Other	4,847,552	9,909,327	2,551,024	6,098,933
<b>Total other current payables</b>	<b>31,342,972</b>	<b>80,722,525</b>	<b>15,266,600</b>	<b>17,278,571</b>
<b>Total trade and other current payables</b>	<b>96,409,367</b>	<b>147,110,412</b>	<b>47,478,318</b>	<b>53,787,280</b>

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## 21. CREDIT FACILITIES

As at December 31, 2023 and 2022, the Company and its subsidiaries have credit facilities with financial institution as follows:

Type of credit limit	Unit: Million Baht			
	Consolidated financial statements			
	2023		2022	
	Limit	Balance	Limit	Balance
Bank overdraft	38	-	38	-
Liabilities under trust receipt agreements, letters of credit, and others	134	-	104	4.20
Factoring of accounts receivable	75	-	75	-
Promissory note	82.60	35	62.60	8.58
Long-term loans	527.85	317.92	497.85	210.89
Forward exchange contracts	10	-	10	-
Letter of guarantee	154.15	139.25	150.15	138.25
Financial liability	78.18	66.87	-	-
<b>For Government Project</b>				
Promissory note	114	-	70	-

Type of credit limit	Unit: Million Baht			
	Separate financial statements			
	2023		2022	
	Limit	Balance	Limit	Balance
Bank overdrafts	20	-	20	-
Liabilities under trust receipt agreements, letters of credit, and others	39	-	9	-
Factoring of accounts receivable	55	-	55	-
Promissory note	20	-	20	-
Letter of guarantee	148.40	137.56	148.40	137.55
Long-term loans	16.50	15.41	16.50	16.50
<b>For Government Project</b>				
Promissory note	70	-	70	-

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Unit: Million US Dollars				
Consolidated financial statements				
Type of credit limit	2023		2022	
	Limit	Balance	Limit	Balance
Forward exchange contracts	8.42	0.19	8.42	-

Unit: Million US Dollars				
Separate financial statements				
Type of credit limit	2023		2022	
	Limit	Balance	Limit	Balance
Forward exchange contracts	6.75	0.19	6.75	-

The interest rate of above credit facilities according to the contract.

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Such credit facilities have been pledged with the Company's fixed deposit and transferring right to receive of government project receivable. In addition, the credit limit of Baht 16.50 million is guaranteed by mortgage on land with buildings on such land.

Under the term of such loan agreement for investment in the purchase of land and office buildings, the Company has committed to comply with important condition that is to maintain Debt to Equity Ratio not more than 3.0 for the consolidated financial statements for the year ending.

#### Hinsitsu (Thailand) Public Co., Ltd

Type of credit limit	Limit (Million Baht)	Guaranteed
Invest in machinery and equipment	70.2	Hinsitsu (Thailand) Public Co., Ltd.'s directors, fixed deposit amounted of Baht 6.25 million and machinery and equipments
Forward contract	USD 0.81 million	Without guarantee
Operation	80	Bank deposit of Hinsitsu (Thailand) Public Co., Ltd. amounting Baht 15 million, subsidiary and personal guarantees by the Hinsitsu (Thailand) Public Co., Ltd.'s directors totaling Baht 25.35 million.

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Type of credit limit	Limit (Million Baht)	Guaranteed
Investment in shares of Simat Label Co., Ltd.	190	3,399,995 ordinary shares of Simat Label Co., Ltd., which is 3,399,993 ordinary shares owned by Hinsitsu (Thailand) Public Co., Ltd.
Investment in the additional construction and system work	37	Land and buildings of Simat Label Co., Ltd., and registration of business collateral agreement as specified by the bank.

Under the term of such loan agreement, Hinsitsu (Thailand) Public Co., Ltd., has committed to comply with following certain condition:

- Maintain Debt to Equity Ratio not more than 2 but not less than zero.
- Maintain Debt-Service Coverage Ratio (DSCR) not less than 1.25.
- Hinsitsu (Thailand) Public Co., Ltd., agree to appraise of machinery which an appraiser has to approve by the bank. Such appraisal report has to be submitted to the bank within 4 months from the first withdraw. In addition, net book value of such machinery is not less than credit facility.
- Hinsitsu (Thailand) Public Co., Ltd., is required to maintain Simat Technology Public Company Limited and its two shareholders as its shareholders, totaling not less than 55 percent of the total number of shares.

Simat Label Co., Ltd.

Type of credit limit	Limit (Million Baht)	Guaranteed
Operation	111.15	<p>Credit facilities amounted of Baht 38.15 million have been pledged by the Company, directors and bank deposit amounted of Baht 5 million, Thai Credit Guarantee Corporation (TCG) totaling Baht 18.15 million.</p> <p>Credit facilities amounted of Baht 30 million have been pledged by the Company and personal guarantees by the Company's directors totaling Baht 25.35 million.</p> <p>Credit facilities amounted of Baht 43 million have been pledged by the Company, land and construction on its land and bank deposit amounted of Baht 6.90 million.</p>

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Type of credit limit	Limit (Million Baht)	Guaranteed
Forward contract	USD 0.87 million	Credit facilities amounted of USD 0.22 million without guarantee.  Credit facilities amounted of USD 0.65 million have been pledged by Hinsitsu (Thailand) Public Co., Ltd.'s directors and bank deposit amounted of Baht 5 million.
Investment in land and construction of factory buildings	221	Hinsitsu (Thailand) Public Co., Ltd., land and the construction on its land.

Under the terms of such the loan agreement for the purchase of land and construction of factory buildings, the subsidiary company has committed to comply with following certain condition:

- Maintain Debt to Equity Ratio not more than 2.0 for the year 2022, not more than 1.5 from the year 2023 onwards, but not less than zero.
- Maintain Debt-Service Coverage Ratio (DSCR) not less than 1.50.
- The subsidiary must increase its registered share capital by Baht 115 million, to total Baht 149 million and call up such share capital within July 31, 2024 to pay this loan from the bank.
- From the date of this loan agreement onwards, the subsidiary shall not extend additional loans to directors, executives and related parties, except where receiving written consent letter from the bank.
- Hinsitsu (Thailand) Public Co., Ltd. must support loans to the subsidiary in amounts not less than Baht 40 million. Where the subsidiary requires cash flow during construction exceeding Baht 120 million, the subsidiary must submit such loan agreement to the financial institution within the period specified by the financial institution. In addition, the bank's loan must have been paid in full before repayment of any loan from a related party.

As at December 31, 2023, the Subsidiary was unable to maintain financial ratios and certain conditions stipulated in an agreement. Under the agreement, this means the lender has the right to call the loan immediately, however the Subsidiary received a letter from the lender, granting a waiver for such non-compliance subject. The Subsidiary has therefore classified the loan as per original repayment schedule as at December 31, 2023.

The Subsidiary did not comply with the loan covenant related to maintaining debt service coverage ratio and debt to equity ratio for the year 2022. That causes an event of default under the loan agreements to allow the lender can demand for immediate repayment of the entire loan for credit facility for investment in the acquisition of land and the construction of factory buildings. The Subsidiary, therefore classify the long-term loans as current portion of long-term loans from financial institution in the consolidated statement of financial position as at December 31, 2022 in the amount of Baht 89.89 million.

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Natural Power Energy Co., Ltd.

Type of credit limit	Limit (Million Baht)	Guaranteed
Other financial lease	66.87	Simat Technologies Pcl., Transferring right to receive all the payment as per power purchase agreement receivable in case of default.

**22. LEASE LIABILITIES-NET**

Lease liabilities as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>Due not later than 1 year</b>				
Minimum payments	13,073,938	14,959,564	6,554,355	6,826,973
Deferred interest	(792,901)	(1,269,406)	(290,609)	(426,040)
Lease liabilities-net	<u>12,281,037</u>	<u>13,690,158</u>	<u>6,263,746</u>	<u>6,400,933</u>
<b>Due later than 1 year but not later than 5 years</b>				
Minimum payments	10,263,728	18,760,880	3,778,457	7,315,295
Deferred interest	(472,224)	(793,133)	(231,058)	(188,861)
Lease liabilities-net	<u>9,791,504</u>	<u>17,967,747</u>	<u>3,547,399</u>	<u>7,126,434</u>

A hire purchase of a subsidiary company is guaranteed by the subsidiary company's director without compensation. In 2023 and 2022, the balancing of such hire purchase is Baht 2.28 million and Baht 2.98 million, respectively.

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### 23. OTHER FINANCIAL LIABILITIES – NET

Other financial liabilities - net as at December 31, 2023 and 2022 are as follows:

	Unit: Baht	
	Consolidated financial statements	
	2023	2022
<b>Due not later than 1 year</b>		
Minimum payments	12,465,266	-
Deferred interest	(2,481,991)	-
Lease liabilities-net	9,983,275	-
<b>Due later than 1 year but not later than 8 year</b>		-
Minimum payments	62,554,152	-
Deferred interest	(5,666,346)	-
Lease liabilities-net	56,887,806	-

During period 2023, the subsidiary entered into 7 sale and leaseback machines agreement contracts with three financial institutions, for a period of 5-8 years. Sale and leaseback agreement transactions is considered as a transfer of asset which is not a sale in accordance with TFRS 15 “Revenue from Contracts with Customers”. Therefore, the Company continue recognizes such transfer assets as fixed assets in the financial statement and recognizes liabilities from sale and leaseback as other financial liabilities equal to the transfer proceeds of assets.

As at December 31, 2023, the machines have a booked value of Baht 75.65 million which is guaranteed by Simat Technologies Pcl.

### 24. LONG-TERM LOANS FROM FINANCIAL INSTITUTIONS–NET

Long-term loans from financial institutions as at December 31, 2023 and 2022 are as follows:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Long-term loans from banks				
<u>Less</u> current portion of long-term loans from financial institutions	317,923,077	210,892,388	15,409,087	16,500,000
	(51,433,910)	(145,430,619)	(1,204,045)	(1,925,000)
Total long-term loans-net	266,489,167	65,461,769	14,205,042	14,575,000

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On July 19, 2023, a subsidiary had entered into a loan agreement with a bank of Baht 37 million for the purchase of construction and system, bearing an interest rate according to the MLR-1.75%, repayable in monthly installments of Baht 0.62 million (55 months, in total).

On August 5, 2022, a subsidiary had entered into a loan agreement with a bank of Baht 11.20 million for the purchase of machine and equipment. Bearing interest rate according to the 2% per annum (for the first two years.) and the prime rate (for the third year onwards), repayable in monthly installments of Baht 0.20 million (60 months, in total)

On August 16, 2022, a subsidiary had entered into a loan agreement with a bank of Baht 195 million. Bearing interest rate according to the MLR-1.75%, repayable in monthly installments of Baht 1.33 million (60 months, in total).

On August 16, 2022, a subsidiary had entered into a loan agreement with a bank of Baht 26 million. Bearing interest rate according to the MLR-1.75%, repayable in monthly installments of Baht 0.27 million (96 months, in total).

## 25. NON-CURRENT PROVISIONS FOR EMPLOYEE BENEFITS

Movement of the present value of non-current provisions for employee benefits for the years ended December 31, 2023 and 2022 were as follows:

	Unit: Baht			
	Post-employment benefit plan			
	Consolidated financial statements		Separate financial statement	
	2023	2022	2023	2022
<b>Employee benefit at beginning of years</b>	20,099,831	18,660,975	3,251,664	2,267,509
Included in profit or loss:				
Current service cost	3,181,492	2,939,217	880,691	920,891
Interest cost	645,620	325,152	80,032	63,264
Included in other comprehensive income:				
Actuarial (gains) losses arising from				
Financial assumptions changes	-	(3,149,346)	-	-
Experience adjustments	-	1,323,833	-	-
Remeasurements of post-employment benefits	(475,883)	-	(475,883)	-
Other important events	-	-	-	-
In/out transfers - net	-	-	(383,140)	-
<b>Employee benefit obligations at end of years</b>	<b>23,451,060</b>	<b>20,099,831</b>	<b>3,353,364</b>	<b>3,251,664</b>

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Employee benefit expenses in profit or loss for the years ended December 31, 2023 and 2022, consisted of:

	Unit: Baht			
	Consolidated financial statements		Separate financial statement	
	2023	2022	2023	2022
Cost of sales and services	1,185,053	1,088,988	330,710	242,882
Distribution costs	331,878	277,903	20,205	50,390
Administrative expenses	2,310,181	1,897,478	609,808	690,883
<b>Total employee benefit expenses</b>	<b>3,827,112</b>	<b>3,264,369</b>	<b>960,723</b>	<b>984,155</b>

The actuarial assumption of discount rate is estimated from weighted average of yield rate of government bonds as at the end of reporting date that reflects the estimated timing of benefit payments.

The actuarial assumption of mortality rate for reasonable estimation of probability of retirement in the future is estimated from mortality table.

	Percentage (%)/annum			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	2.76 - 3.45	2.79 - 3.45	2.76	2.79
Long term inflation	3.00	2.75 - 3.00	3.00	2.75
Future monthly salary increase rate	4.00 - 6.00	4.00 - 6.00	4.00	4.00
Mortality rate	105% of Thai Mortality Ordinary Tables of 2017		105% of Thai Mortality Ordinary Tables of 2017	
Turnover rate	2.87 - 45.84		3.82 - 45.84	

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

	Unit: Baht			
	Change of the present value of the employee benefit obligations			
	Consolidated financial statement			
	2023		2022	
Increase	Decrease	Increase	Decrease	
(Change 1%)				
Discount rate	(2,728,642)	3,021,816	(2,010,867)	2,383,731
Salary increase rate	3,201,669	(2,567,416)	2,311,765	(1,991,164)
Turnover rate	(2,604,180)	3,490,092	(2,391,888)	3,109,868

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	Unit: Baht			
	Change of the present value of the employee benefit obligations			
	Separate financial statement			
	2023		2022	
	Increase	Decrease	Increase	Decrease
(Change 1%)				
Discount rate	(321,792)	370,481	(416,325)	495,323
Salary increase rate	362,008	(321,092)	519,887	(442,816)
Turnover rate	(352,272)	432,273	(588,439)	819,090

## 26. CHANGE IN PROPORTION OF INVESTMENT IN SUBSIDIARIES COMPANIES

Change in proportion of investment in subsidiary companies as at December 31, 2023 and 2022 are as follows:

	Unit: Baht	
	Consolidated financial statements	
	2023	2022
Hinsitsu (Thailand) Public Company Ltd.	55,694,504	100,450,805
Simat Label Co., Ltd	(57,097,390)	(57,097,390)
Hinsitsu Precision (Thailand) Co., Ltd.	(4,307,237)	(4,307,237)
Natural Power Energy Co., Ltd.	14,519	-
Total change in proportion of investment in subsidiary companies	(5,695,604)	39,046,178

## 27. LEGAL RESERVE

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside at least 5% of its net profit after deduction of deficit (if any) as a legal reserve until the reserve reaches 10% of the registered capital. The legal reserve is non-distributable.

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## 28. REVENUE FROM CONTRACT WITH CUSTOMERS

Disaggregation of revenue for the years ended December 31, 2023 and 2022 as follow:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Sales of goods	500,852,743	580,340,902	80,094,018	725,809
Rendering of services	57,333,137	51,469,954	47,345,448	51,541,934
Revenue from contract work	312,349,503	289,904,296	275,303,308	278,897,669
<b>Grand total</b>	<b>870,535,383</b>	<b>921,715,152</b>	<b>402,742,774</b>	<b>331,165,412</b>
Timing of revenue recognition				
At a point in time	500,852,743	580,340,902	80,094,018	725,809
Overtime	369,682,640	341,374,250	322,648,756	330,439,603
<b>Total</b>	<b>870,535,383</b>	<b>921,715,152</b>	<b>402,742,774</b>	<b>331,165,412</b>

## 29. EXPENSES BY NATURE

Significant expenses by nature for the years ended December 31, 2023 and 2022 as follows:

	Unit: Baht			
	Consolidated financial statement		Separate financial statement	
	2023	2022	2023	2022
Changes in finished goods and work in process	(24,975,170)	(599,194)	(19,803,318)	(851,347)
Purchase of goods	882,458,866	833,642,495	595,681,413	500,641,742
Salary and wages and other employee benefits	225,460,862	253,198,595	80,354,673	102,737,306
Depreciation and amortisation	140,170,718	128,815,358	83,422,108	84,209,060
Expected credit loss	13,282,707	778,184	13,282,707	778,184
Allowance for devalue of inventories	628,987	6,286,106	219,545	-
Cost of warranty	1,830,568	3,867,823	1,830,568	3,867,823
Rental expense	6,324,525	7,977,593	5,048,410	5,740,039
Purchase of software	136,900	24,233	136,900	24,233
Internet cost	14,096,549	14,804,955	14,094,553	14,804,955

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### 30. BASIC EARNING (LOSS) AND DILUTED EARNINGS PER SHARE

Basic earnings (loss) and diluted earnings (loss) per share are calculated as follows:

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit attributable to equity holder of the Company (Baht)	24,169,653	62,706,544	12,428,701	26,476,511
Number of ordinary shares outstanding at beginning of years (Shares)	648,564,609	648,564,609	648,564,609	648,564,609
Weighted average number of ordinary shares outstanding during the years (basic) (Shares)	648,564,609	648,564,609	648,564,609	648,564,609
Earning per share (Baht)	0.04	0.10	0.02	0.04
Number of ordinary shares outstanding at beginning of years (Shares)	648,564,609	648,564,609	648,564,609	648,564,609
Effect of warrant to be exercised (SIMAT-W5) (Shares)	-	4,566,058	-	4,566,058
Weighted average number of ordinary shares outstanding during the years (diluted) (Shares)	648,564,609	653,130,667	648,564,609	653,130,667
Diluted Earning per share (Baht)	0.04	0.10	0.02	0.04

### 31. PROVIDENT FUND

On June 20, 2006, the Company and subsidiaries and their employees jointly established a provident fund plan as approved by the Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. Employees and the Company and its subsidiaries contribute to the fund at the rate of 3 percent of employee salaries. The provident fund will be paid to the employees upon termination of employment in accordance with fund rules. The fund is managed by Thanachart Bank.

During the years ended December 31, 2023 and 2022, the Company and local subsidiaries contributed a total of Baht 3.58 million and Baht 4.25 million, respectively, to the fund.

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### 32. FINANCIAL INFORMATION BY SEGMENT

Segment information is presented in respect of the Group's geographic segments based on the Group's management and internal reporting structure.

Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise corporate assets and expenses.

In presenting information on the basis of geographical segments, segment revenue is based on the geographic location of customers.

Segment expenses are allocated based on the related revenue from sale of goods.

Segment assets are based on the geographical location of the assets.

#### Business segments

The Group's segmental information is divided as follows:

1. Data collection
2. Production and sale of labels
3. Stickers and silk screen printing
4. Government project
5. Broadband internet for upcountry region (Chiang Mai, Nakorn Ratchasima, Khon Kaen) and Bangkok metropolitan region
6. Sales, install and maintain engineering systems and electrical equipment, renewable energy.

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

Business segments as presented in the financial statements for the years ended December 31, 2023 and 2022 as follows:

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Unit: Baht

## Consolidated financial statement

For the year ended December 31, 2023

	Enterprise data collection	Production and Sales of label	Stickers and Silk screen printing	Government Project	Broadband internet service	Sales, install and maintain engineering systems and electrical equipment, renewable energy	Other	Elimination	Total
<b>Revenues</b>	1,947,041	249,785,285	199,047,544	270,639,769	74,906,252	85,524,028	76,105,525	(87,420,061)	870,535,383
Cost of sales and services	(3,610,021)	(175,016,160)	(137,568,616)	(176,280,078)	(63,501,862)	(74,347,989)	(65,504,066)	81,488,544	(614,340,248)
<b>Gross profit (loss)</b>	(1,662,980)	74,769,125	61,478,928	94,359,691	11,404,390	11,176,039	10,601,459	(5,931,517)	256,195,135
Gain on exchange rate									604,390
Other income									6,852,445
Distribution cost									(25,850,470)
Administrative expense									(175,559,436)
Loss on impairment of fixed assets									(23,006,824)
Finance cost									(18,462,832)
Share of profit of investments in associate companies									10,268
Profit before income tax									20,782,676
Income tax benefit									3,704,658
<b>Net profit for the year</b>									24,487,334
<b>Profit attributable to</b>									
Equity holders of the Company									24,169,653
Non-controlling interests									317,681
									24,487,334

24,169,653

317,681

24,487,334

Unit: Baht

Consolidated financial statement

For the year ended December 31, 2022

	Enterprise data collection	Production and sales of label	Stickers and silk Screen printing	Government Project	Broadband internet service	Other	Elimination	Total
<b>Revenues</b>	3,432,898	251,831,599	297,989,200	271,018,798	56,713,716	53,529,803	(12,800,862)	921,715,152
Cost of sales and services	(5,588,328)	(166,480,062)	(182,489,976)	(163,607,414)	(59,285,084)	(40,524,161)	10,147,578	(607,827,447)
<b>Gross profit (loss)</b>	(2,155,430)	85,351,537	115,499,224	107,411,384	(2,571,368)	13,005,642	(2,653,284)	313,887,705
Gain on exchange rate								325,823
Other income								6,649,726
Distribution cost								(34,346,554)
Administrative expense								(167,973,099)
Loss on impairment of assets								(3,818,762)
Finance cost								(15,551,691)
Share of profit of investments in associated company								618,087
Profit before income tax								99,791,235
Income tax expense								(15,182,356)
<b>Net profit for the year</b>								84,608,879
<b>Profit attributable to</b>								62,706,544
Equity holders of the Company								21,902,335
Non-controlling interests								84,608,879

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The Company has revenue from broadband internet service under its License to Provide Internet Service – Form No 3, with License No. NTC/MM/INT/|||/001/2555 for the years ended December 31, 2023 and 2022 as follows

	Unit: Baht	
	2023	2022
Internet Service Revenue	46,729,681	51,069,930

### Significant customers

For the year ended December 31, 2023 and 2022, Group has significant customers as below:

	2023	2022
Number of customers	1	1
Group's revenues (million Baht)	271	271
% of Group's revenue	31%	29%

### 33. INCOME TAX

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

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit before tax	20,782,676	99,791,235	1,630,983	26,076,381
Income tax rate	20%	20%	20%	20%
Current income tax expense as tax rate	4,156,535	19,958,247	326,197	5,215,276
Non-deductible expenses by the Revenue Code	6,557,365	2,464,403	3,534,773	88,784
Effect from promoted activities	(394,082)	(315,698)	-	-
Tax effect from equity method in share of profit in associated company	(2,053)	(123,618)	-	-
Effect from eliminate transactions	1,401,538	334,504	-	-
Tax loss utilized for the year	(22,521)	(2,934)	-	-
Depreciation of fiber optic network equipment	(4,793,368)	(5,704,190)	(4,793,368)	(5,704,190)
Deductible expenses	(1,863,922)	(2,352,127)	-	-
Reverse deferred income tax	8,506,141	-	8,506,141	-
Unrecognized deferred income tax	(18,448,088)	-	(18,371,461)	-
Unused tax loss	1,260,414	994,179	-	-
Tax benefit for SMEs	(62,617)	(70,410)	-	-
Income tax (benefit) expense	(3,704,658)	15,182,356	(10,797,718)	(400,130)
Average effective tax rate	(17.83%)	15.21%	(662.04%)	(1.53%)

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#### 34. PROMOTIONAL PRIVILEGES

Simat Label Co., Ltd. (subsidiary company) received promotional privileges from the Board of Investment, under Certificate No. 59-1705-1-00-0-0, dated December 26, 2017, pursuant to the Investment Promotion Act, B.E.2520, for the manufacture of telecommunications parts according to the conditions state in said certificate. The privileges include a 7-year exemption from corporate income tax for revenue earned as from the commencement date of the promoted operations (June 2, 2017). Such promotional privileges has expired during the year 2023.

Revenue for the years ended December 31, 2023 and 2022, derived from BOI promoted activities, totals Baht 9.41 million and Baht 9.84 million respectively.

#### 35. COMMITMENTS

##### Bank guarantee

As at December 31, 2023 and 2022, the Company had outstanding bank guarantee issued on behalf of the Company and for which it is contingently liable to its customers pursuant to a sales agreement and bidding as follows.

	Unit: Million Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Retention	134.85	137.56	134.10	137.56
Electricity use, among others	3.46	-	3.46	-

##### Operating lease commitments

The Company and its subsidiaries have commitments under long-term service agreements. Summarised below are the future rental and service fees under the agreements:

	Unit: Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Due within 1 year	2,611,726	7,095,975	1,909,726	1,803,994
Due over 1 year but not over 5 years	308,126	12,424,930	208,126	343,326
Total	2,919,852	19,520,905	2,117,852	2,147,320

##### Capital Commitments

As at December 31, 2023 and 2022, the Group has commitment from consulting contract, service construction agreements for its factory, office and decoration contract totaling amount of Baht 9.36 million and Baht 139.49 million respectively.

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### 36. WARRANT

The Company issued and allocated warrants to purchase ordinary shares to existing shareholders of the Company in proportion to their shareholdings (Right Offering), the details of which are as follows:

	Issuance and Offering Date	Term of Warrant (Year)	Issuing Unit	Exercise Price Baht : Share	Exercise Ratio Unit : Share	Unexercised Unit As at December 31. 2023 (Unit)
Warrant of SIMAT-W3	April 29. 2015	10	37,813,172	21.7941 : 1	1: 1.3765	37,811,271
Warrant of SIMAT-W5	September 3. 2021	3	159,347,695	2 : 1	1: 1	159,347,695

#### *The issuance of SIMAT-W5 warrants*

On August 11, 2021, the Extraordinary Meeting of Shareholders of the Company passed a resolution to issue and allocate the SIMAT-W5 warrants to the existing shareholders proportionate to their respective shareholding (Rights Offering) in amount not exceeding of 160,000,000 units and on September 9, 2021, the Company has issued the SIMAT-W5 warrants totaling 159,347,695 units an offering price of Baht 0 per unit. The exercise ratio is 1:1 and the exercise price in Baht 2 per ordinary share. The warrants have life of 3 years and exercisable on the September 2, 2024.

### 37. LITIGATION

On December 26, 2013, the Company filed a lawsuit with the Administrative Court against National Telecom Public Company Limited (Formerly: CAT Telecom Public Company Limited ("CAT")) to claim damages in the amount of Baht 665.62 million. According to the operating lease of optical fiber network system contracts with National Telecom Public Company Limited for Nakhon Ratchasima and Chiang Mai provinces, dated June 10, 2011 and June 13, 2011, respectively, the Company purchased and completely installed equipment, and the entirely delivered the system to National Telecom Public Company Limited for the Nakhon Ratchasima and Chiang Mai province networks on May 21, 2012 and July 11, 2012, respectively. However, National Telecom Public Company Limited failed to accept delivery. The Company sent several reminder letters to National Telecom Public Company Limited, but the latter failed to comply with the contract. Therefore, the Company exercised its right to terminate the contract on February 22, 2013 and then proceeded to litigate. The Administrative Court and assigned it as Undecided Case No. 2518/2556 on February 6, 2014.

On December 20, 2018, the Administrative Court of the First Instance ("Court") issued its Judgment, No. 247/2561, ordering National Telecom Public Company Limited to:

- 1) Pay Baht 53.23 million, including interest at 7.5% per annum, for the delivered equipment used to control and investigate network systems.
- 2) Return the bank guarantee to the Company, and compensate the Company for the bank guarantee fee at the rate of Baht 0.14 million per annum, counting from the complaint filing date until National Telecom Public Company Limited's completion of repayment.

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- 3) Assume liability for opportunity costs representing the Company's estimated earnings losses from its operation. However, the Court ruled that such losses are estimates only, and not closely related to actual damages. The Court, therefore, did not determine these particular damages.

Management has determined that damages awarded by Court do not represent actual, true damages sustained by the Company.

As such, On January 18, 2019, the Company filed an appeal with the Supreme Administrative Court further clarifying facts about the Company's purchase of the equipment, including labor costs for installation and financial cost arising during network construction, all totaling Baht 434.24 million. The Company filed an appeal with the Supreme Administrative Court totaling of Baht 448.45 million and pay to the fee amounting of Baht 0.59 million. Currently, the case is still on the processing of the Supreme Administrative Court.

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### 38. DISCLOSURE OF FINANCIAL INSTRUMENTS

#### Foreign Currency Risk

The Company and subsidiaries are exposed to foreign currency risks primarily related to accounts payable. The Company and subsidiaries do not enter forward exchange contracts for trading or speculation purpose.

#### Interest Rate Risk

The interest rate risk is related to future movements in market interest rates that will affect the results of the Company and subsidiary's operations and their cash flows. The Company and subsidiaries are exposed to interest rate risk primarily related to deposits with banks and short-term loan from related parties and directors and borrowings from financial institutions as follows:

Unit: Million Baht					
Consolidated financial statements					
December 31, 2023					
Non – interest					
	Floating rate	Fixed rate	bearing	Total	Interest rate
<b>Financial assets</b>					
Cash and cash equivalents	48	-	15	63	0.05% - 1.75%
Trade and other current receivables - net	-	-	146	146	-
Contract assets - current	-	-	208	208	-
Current financial assets	-	51	-	51	5.55%
Non-current financial assets	54	-	-	54	0.25% - 1.75%
Non-current contract assets	-	89	2	91	3.60%
	<u>102</u>	<u>140</u>	<u>371</u>	<u>613</u>	
<b>Financial liabilities</b>					
Short-term loan from financial institution	35	-	-	35	MLR MLR - 1.50%
Trade and other current payables	-	-	96	96	-
Current portion of lease liabilities – net	-	12	-	12	1.72%-8.72% MLR-1.105%
Current portion of other financial liability - net	-	10	-	10	5.55%
Current portion of long-term loan from financial institutions	47	4	-	51	2%, 3.25% MLR - 1.5% MLR - 1.75% Prime rate - 2%
Lease liabilities - net	5	5	-	10	1.72%-8.72% MLR-1.105%

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Unit: Million Baht

Consolidated financial statements					
December 31, 2023					
Non – interest					
	Floating rate	Fixed rate	bearing	Total	Interest rate
Other financial liability - net	-	57	-	57	5.55%
Long-term loan from financial institutions- net	263	3	-	266	2%, 3.25% MLR - 1.5% MLR - 1.75% Prime rate -2%
	<u>350</u>	<u>91</u>	<u>96</u>	<u>537</u>	

Unit: Million Baht

Consolidated financial statements					
December 31, 2022					
Non – interest					
	Floating rate	Fixed rate	bearing	Total	Interest rate
<b>Financial assets</b>					
Cash and cash equivalents	186	-	24	210	0.05% - 0.45%
Trade and other current receivables - net	-	-	150	150	-
Contract assets - current	-	-	188	188	-
Non-current financial assets	49	-	-	49	0.10% - 0.50%
Non-current contract assets	-	85	4	89	3.60%
	<u>235</u>	<u>85</u>	<u>366</u>	<u>686</u>	
<b>Financial liabilities</b>					
Short-term loan from financial institution	13	-	-	13	3.95% MLR – 1.50%
Trade and other current payables	-	-	147	147	-
Current portion of lease liabilities – net	-	14	-	14	3.97%
Current portion of long-term loan from financial institutions	145	-	-	145	2.89% - 5.15%
Lease liabilities - net	-	18	-	18	3.97%
Long-term loan from financial institutions- net	65	-	-	65	MLR – 2.00% MLR - 1.105%
	<u>223</u>	<u>32</u>	<u>147</u>	<u>402</u>	

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Unit: Million Baht

Separate financial statements

December 31, 2023

	Non – interest			Total	Interest rate
	Floating rate	Fixed rate	bearing		
<b>Financial assets</b>					
Cash and cash equivalents	36	-	8	44	0.95% - 1.75%
Trade and other current receivables - net	-	-	48	48	-
Contract assets - current	-	-	207	207	-
Short-term loan to related party	-	10	-	10	7.59%
Non-current financial assets	32	-	-	32	0.10% - 0.15%
Non-current contract assets - net	-	89	-	89	3.60%
	<u>68</u>	<u>99</u>	<u>263</u>	<u>430</u>	
<b>Financial liabilities</b>					
Trade and other current payables	-	-	47	47	-
Current portion of lease liabilities – net	-	6	-	6	MLR -1.105%
Current portion of long-term					MLR – 1.50%
loan from financial institutions	1	-	-	1	MLR- 1.75%
Lease liabilities - net	4	-	-	4	MLR -1.105%
Long-term loan from financial					MLR – 1.50%
institutions- net	14	-	-	14	MLR- 1.75%
	<u>19</u>	<u>6</u>	<u>47</u>	<u>72</u>	

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Unit: Million Baht

Separate financial statements					
December 31, 2022					
	Non – interest				
	Floating rate	Fixed rate	bearing	Total	Interest rate
<b>Financial assets</b>					
Cash and cash equivalents	139	-	4	143	0.25% - 0.45%
Trade and other current receivables - net	-	-	26	26	-
Contract assets - current	-	-	188	188	-
Short-term loan to related party	-	7	-	7	6.09%
Non-current financial assets	26	-	-	26	0.10% - 0.15%
Non-current contract assets - net	-	85	-	85	3.60%
	<u>165</u>	<u>92</u>	<u>218</u>	<u>475</u>	
<b>Financial liabilities</b>					
Trade and other current payables	-	-	54	54	-
Current portion of lease liabilities – net	-	6	-	6	3.97%
Current portion of long-term loan from financial institutions	2	-	-	2	2.89% - 5.15%
Lease liabilities - net	-	7	-	7	3.97%
Long-term loan from financial institutions- net	15	-	-	15	2.89% - 5.15%
	<u>17</u>	<u>13</u>	<u>54</u>	<u>84</u>	

### Credit Risk

The Group provides credit term for many trade transactions. The Group manages its exposure to credit risk by closely monitoring collection of accounts receivable and focusing on overdue accounts. The Group will consider the provision for accounts receivable on amounts which may prove to be uncollectible. Currently, the Group does not expect major or significant losses from the collection of accounts receivable except the amount the allowance for doubtful accounts had been provided.

### Risk liquidity

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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As at December 31, 2023 and 2022 and the period of time from the balance sheet date to their maturity dates are as follows:

	Unit: Million Baht					
	Consolidated financial statement					
	December 31, 2023					
	At call	Within 1 year	Within 2-5 year	Over 5 year	No limited	Total
<b>Financial assets</b>						
Cash and cash equivalents	63	-	-	-	-	63
Trade and other current receivables - net	-	146	-	-	-	146
Contract assets - current	-	208	-	-	-	208
Current financial assets	-	51	-	-	-	51
Non-current financial assets	-	-	54	-	-	54
Non-current contract assets - net	-	-	91	-	-	91
	<u>63</u>	<u>405</u>	<u>145</u>	<u>-</u>	<u>-</u>	<u>613</u>
<b>Financial liabilities</b>						
Short-term loan from financial institution	-	35	-	-	-	35
Trade and other current payables	-	96	-	-	-	96
Current portion of lease liabilities – net	-	12	-	-	-	12
Current portion of other financial liabilities – net	-	10	-	-	-	10
Current portion of long-term loan from financial institutions	-	51	-	-	-	51
Lease liabilities - net	-	-	10	-	-	10
Other financial liability - net	-	-	55	2	-	57
Long-term loan from financial institutions- net	-	-	58	208	-	266
	<u>-</u>	<u>204</u>	<u>123</u>	<u>210</u>	<u>-</u>	<u>537</u>

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	Unit: Million Baht					
	Consolidated financial statement					
	December 31, 2022					
	At call	Within 1 year	Within 2-5 year	Over 5 year	No limited	Total
<b>Financial assets</b>						
Cash and cash equivalents	210	-	-	-	-	210
Trade and other current receivables - net	-	150	-	-	-	150
Contract assets - current	-	188	-	-	-	188
Non-current financial assets	-	-	49	-	-	49
Non-current contract assets - net	-	-	89	-	-	89
	<u>210</u>	<u>338</u>	<u>138</u>	<u>-</u>	<u>-</u>	<u>686</u>
<b>Financial liabilities</b>						
Short-term loan from financial institution	-	13	-	-	-	13
Trade and other current payables	-	147	-	-	-	147
Current portion of lease liabilities – net	-	14	-	-	-	14
Current portion of long-term loan from financial institutions	-	145	-	-	-	145
Lease liabilities - net	-	-	18	-	-	18
Long-term loan from financial institutions- net	-	-	65	-	-	65
	<u>-</u>	<u>319</u>	<u>83</u>	<u>-</u>	<u>-</u>	<u>402</u>

	Unit: Million Baht					
	Separate financial statements					
	December 31, 2023					
	At call	Within 1 year	Within 2-5 year	Over 5 year	No limited	Total
<b>Financial assets</b>						
Cash and cash equivalents	44	-	-	-	-	44
Trade and other current receivables - net	-	48	-	-	-	48
Contract assets - current	-	207	-	-	-	207
Short-term loan to related party	10	-	-	-	-	10
Non-current financial assets	-	-	32	-	-	32
Non-current contract assets - net	-	-	89	-	-	89
	<u>54</u>	<u>255</u>	<u>121</u>	<u>-</u>	<u>-</u>	<u>430</u>

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Unit: Million Baht

Separate financial statements					
December 31, 2023					
	Within	Within	Over	No	
At call	1 year	2-5 year	5 year	limited	Total
<b>Financial liabilities</b>					
Trade and other current payables	-	47	-	-	47
Current portion of lease liabilities - net	-	6	-	-	6
Current portion of long-term loan					
from financial institutions	-	1	-	-	1
Lease liabilities - net	-	-	4	-	4
Long-term loan from financial					
institutions- net	-	-	14	-	14
	-	54	18	-	72

Unit: Million Baht

Separate financial statements					
December 31, 2022					
	Within	Within	Over	No	
At call	1 year	2-5 year	5 year	limited	Total
<b>Financial assets</b>					
Cash and cash equivalents	143	-	-	-	143
Trade and other current receivables - net	-	26	-	-	26
Contract assets - current	-	188	-	-	188
Short-term loan to related party	7	-	-	-	7
Non-current financial assets	-	-	26	-	26
Non-current contract assets - net	-	-	85	-	85
	150	214	111	-	475

<b>Financial liabilities</b>					
Trade and other current payables	-	54	-	-	54
Current portion of lease liabilities - net	-	6	-	-	6
Current portion of long-term loan					
from financial institutions	-	2	-	-	2
Lease liabilities - net	-	-	7	-	7
Long-term loan from financial					
institutions- net	-	-	15	-	15
	-	62	22	-	84

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### Fair value of Financial Instruments

The following methods and assumptions are used to estimate a fair value of each class of the Group's financial instruments.

- Financial assets are shown at estimated fair value.
- Financial liabilities are shown at their book value which is considered fair value because such liabilities will be matured in short-term and long-term loans bearing floating interest rates.

### 39. CAPITAL MANAGEMENT

The Board's policies are to maintain a strong capital base so as to provide assurance to shareholders, investors, creditors and its markets and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity, (excluding non-controlling interests), and also monitors the level of dividends to ordinary shareholders.

### 40. RECLASSIFICATION

Certain amounts in the statement of financial position as at December 31, 2022, and the statement of comprehensive income for year ended December 31, 2022, have been reclassified to conform to the current period's classification. The reclassifications are as follows:

Account	Unit: Baht		
	Consolidated financial statement		
	As previously reported	Reclassified amount	As reclassified
<b>STATEMENT OF FINANCIAL POSITION</b>			
Trade and other current receivables - net	168,426,049	(18,358,471)	150,067,578
Land, equipment and leasehold improvement - net	332,746,108	(2,966,301)	329,779,807
Fiber optic network equipment-net	281,637,997	2,966,301	284,604,298
Prepayment-maintenance project	9,742,389	(6,502,014)	3,240,375
Other non-current assets	8,351,617	24,860,485	33,212,102
Current portion of long-term loan from financial institutions	(55,537,337)	(89,893,282)	(145,430,619)
Long-term loan from financial institutions - net	(155,355,051)	89,893,282	(65,461,769)
		<u>-</u>	<i>Petchera</i>

Account	Unit: Baht		
	Separate financial statements		
	As previously reported	Reclassified amount	As reclassified
<b>STATEMENT OF FINANCIAL POSITION</b>			
Trade and other current receivables - net	44,002,726	(18,358,471)	25,644,255
Prepayment-maintenance project	9,742,389	(9,742,389)	-
Other non-current assets	1,522,396	28,100,860	29,623,256
		-	

Account	Unit: Baht		
	Consolidated financial statements		
	As previously reported	Reclassified amount	As reclassified
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
Revenues from sales and services	648,904,471	1,791,883	650,696,354
Other income	8,441,609	(1,791,883)	6,649,726
Cost of sales and services	(437,933,927)	(6,286,106)	(444,220,033)
Administrative expenses	(174,259,205)	6,286,106	(167,973,099)
		-	

#### 41. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's board of directors on February 29, 2024.

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# Attached Documents

### Attachment 1

**Details of directors, executives, controlling persons, the person assigned the highest responsibility in the accounting and finance, the person assigned to be directly responsible for supervising accounting, and company's secretary.**

#### **Board of Director**

As of December 31, 2023



**Asst. Prof. Pisit Saeng-Xuto**

Chairman of the Board of Directors



**Mr. Boonlerd lewpornchai**

Vice Chairman of the Board  
of Directors



**Mr. Tanawat Ueasiripan**

Director



**Miss Tasnaporn Yodmongkol**

Director



**Assoc. Prof. Dr. Sarayut Ruengsuwan**

Director



**Mr. Worapoj Lapwatanamongkol**

Audit Committee  
and Independent Director



**Miss Napaporn Mesayanon**

Chairman of the Audit Committee  
and Independent Director



**Mr. Wutichai Anantakul**

Audit Committee  
and Independent Director

### Executive Committee



**Mr. Boonlerd Iewpornchai**

Chairman of the Executive Committee / Chief Executive Officer



**Mr. Witoon Sintoptharachai**

Vice President of Operations



**Miss Tasnaporn Yodmongkol**

Chief Financial Officer



**Miss Thikumporn Yodsakultip**

Vice President of Financial



**Mr. Sompote Trameekun**

Asst. Vice President of  
Operations



**Pachcharrah Gajajiva D.V.M.**

Asst. Vice President of  
General Administration





**Mr. Kittichet Katanyuaphiwich**


Asst. Vice President of  
Accountancy





**BOARD DIRECTORS**

Name / Position	Age (Year)	Age (%) of Share Possession	Family Relationship Among Directors and Executives	Education / Certification	Working Experience in the 5 Preceding Years (As of December 31, 2023)		
					Time period	Position Company	
<p><b>Asst. Prof. Pisit Saeng-Xuto</b> Chairman of the Board of Directos</p>  <p><b>(Appointed : November 25, 2022)</b></p>	51	0.00	None	<ul style="list-style-type: none"> <li>● Education                             <ul style="list-style-type: none"> <li>- Master's degree of Engineering, Chulalongkorn University.</li> <li>- Bachelor's degree of Engineering, Chiang Mai University.</li> </ul> </li> <li>● Certification                             <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) Class 159/2019</li> </ul> </li> </ul>	2016-Present	Chairman of the Board of Directors / Chairman of the Risk Management Committee/ Independent Director  Independent Chairman / Chairman Audit Committee Member / Chairman of the Good Governance and Social Responsibility Committee/ Executive Committee	Thai Enger Holding PLC.          Project Planning Service PLC
					2019-2021	Independent Director / Audit Committee Member  Faculty member of the Department of Industrial Independent Director	Innovek Asia Co., Ltd.   Ramkhamhaeng University


Name / Position	Age (Year)	Age (%) of Share Possession	Family Relationship Among Directors and Executives	Education / Certification	Working Experience in the 5 Preceding Years (As of December 31, 2023)		
					Time period	Position	Company
<p><b>Mr. Boonlerd lewpornchai</b> Vice Chairman of the Board of Directors / Chief Executive Officer</p>  <ul style="list-style-type: none"> <li>● Director (Appointed : February 24, 2021)</li> <li>● Chief Executive Officer (Appointed : March 11, 2021)</li> </ul>	54	2.81	None	<ul style="list-style-type: none"> <li>● Education                             <ul style="list-style-type: none"> <li>- Master's degree of Engineering (Industrial Engineering), Chulalongkorn University</li> <li>- Master's degree of Business Administration (Finance), Kasetsart University.</li> <li>- Bachelor's degree of Laws, Thammasat University.</li> <li>- Bachelor's degree of Engineering (Industrial Engineering), Kasetsart University</li> </ul> </li> <li>● Certification                             <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) Class 86/2010</li> </ul> </li> </ul>	2022 - Present 2021 - Present 2022 - Present 2022 - Present 2022 - Present 2017 - 2023 2020 - 2021 2019 - 2020 2010 - 220	Director Director Director Director Director Audit Committee Executive committee / Vice Chairman of the Board of Directors Executive committee / Chief Financial Officer Audit Committee	T.M.C. Industrial PLC. Simat Telecom Co., Ltd. Digitalcable Communication Co., Ltd. Natural Power Energy Co., Ltd. Hinsitsu (Thailand) PLC. Alpha Divisions Co., Ltd. One to One Contact PLC. Inter Far East Corporation PLC. Sky ICT PLC.


Name / Position	Age (Year)	Age (%) of Share Possession	Family Relationship Among Directors and Executives	Education / Certification	Working Experience in the 5 Preceding Years (As of December 31, 2023)		
					Time period	Position	Company
<b>Mr. Tanawat Ueasiripan</b>  Director	48	0.0000018	None	<ul style="list-style-type: none"> <li>Education</li> <li>- Bachelor's degree of Bussiness Administration in Management, University of Thai Chamber of Commerce.</li> <li>Certificate</li> <li>- Director Accreditation Program (DAP) Class 185/2021</li> </ul>	2022 - Present	Vice Chairman of the Board of Directors	WOW Factor PLC.
<ul style="list-style-type: none"> <li>Director (Appointed : February 24, 2021)</li> </ul>					2022 - Present	Director	Natural Power Energy Co., Ltd.
					2021 - Present	Director	Simat Telecom Co., Ltd.
					2021	Director	One to One Contact PLC.


Name / Position	Age (Year)	Age (%) of Share Possession	Family Relationship Among Directors and Executives	Education / Certification	Working Experience in the 5 Preceding Years (As of December 31, 2023)		
					Time period	Position	Company
<p>Miss Tasnaporn Yodmongkol</p> <p>Director / Chief Financial Officer / Company Secretary</p>  <ul style="list-style-type: none"> <li>● Director (Appointed : May 18, 2021)</li> <li>● Company Secretary (Appointed : July 1, 2021)</li> <li>● Chief Financial Officer (Appointed : July 9, 2021)</li> </ul>	51	0.00	None	<ul style="list-style-type: none"> <li>● Education                             <ul style="list-style-type: none"> <li>- Master's degree of Business Administration (Marketing), Kasetsart University</li> <li>- Bachelor's degree of Account, Ramkhamhaeng University</li> <li>- Bachelor's degree of Science (Agricultural and Resource Economics), Kasetsart University.</li> </ul> </li> <li>● Certification                             <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) Class 185/2021</li> <li>- Company Secretary Program (CSP) Class 98/2019</li> <li>- Strategic CFO in Capital Markets Program Class 8</li> <li>- IDE to IPO Class 2</li> </ul> </li> </ul>	2022 - Present 2022 - Present 2022 - Present 2022 - Present 2017 - Present 2019 - 2020 2010 - 2019	Director Director Director Director Assistant Auditor Vice President of Finance Vice President of Finance	Simat Telecom Co., Ltd. Digital Cable Communication Co., Ltd. Sino Trading and Service Corporation, Vietnam RGTech Simat Co., Ltd. RK Pro Audit Co., Ltd. Sky ICT PLC. Karncorn Co., Ltd.

Name / Position	Age (Year)	Age (%) of Share Possession	Family Relationship Among Directors and Executives	Education / Certification	Working Experience in the 5 Preceding Years (As of December 31, 2023)		
					Time period	Position	Company
<b>Assoc. Prof. Dr. Sarayut Ruengsuwan</b> <b>Director</b> 	40	0.00	None	<ul style="list-style-type: none"> <li>● Education</li> <li>- Doctor of Philosophy in Accountancy, University of Exeter, UK.</li> <li>- Master of Research in Finance with Merit, City University of London, UK.</li> <li>- Master of Public Affairs, University of California, Berkeley, USA.</li> <li>- Master of Business Administration, Thammasat University.</li> <li>- Bachelor of Law (Second Class Honors) Chulalongkorn University.</li> <li>- Bachelor of Accountancy. (First Class Honors), Thammasat University</li> <li>● Certification</li> <li>- N/A</li> </ul>	2023 - Present	Independent Director	Takuni Group PLC.
					2022 - Present	Executive Director	Aikchol Hospital PLC.
					2022 - Present	Associate Professor of Accounting	Faculty of Commerce and Accountancy, Thammasat University.
					2017 - Present	Independent Director	All Inspire Development PLC.
					2017 - Present	Director	Thai Aviation Co., Ltd.
					2018 - 2022	Assistant Professor of Accounting	Faculty of Business Administration, Kasetsart University.
					2020 - 2021	Head of the Accounting Department	Faculty of Business Administration, Kasetsart University.
					2018 - 2021	Director	C.A.S. Holding Group Co., Ltd.

**(Appointed :  
November 25, 2022)**

Name / Position	Age (Year)	Age (%) of Share Possession	Family Relationship Among Directors and Executives	Education / Certification	Working Experience in the 5 Preceding Years (As of December 31, 2023)		
					Time period	Position	Company
<b>Miss Napaporn Mesayanon</b> <b>Chairman of the Audit Committee and Independent Director</b>  <b>(Appointed : June 19, 2021)</b>	54	0.00	None	<ul style="list-style-type: none"> <li>Education                             <ul style="list-style-type: none"> <li>- Business Administration, Chulalongkorn University,</li> <li>- Bachelor's degree in Statistics (Electronic Data Processing), Chulalongkorn University</li> </ul> </li> <li>Certification                             <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) Class 86/2010</li> </ul> </li> </ul>	2021 - Present 2020 - Present	Director Vice President	Merchant Capital Limited, Merchant Partner Securities PLC.

Name / Position	Age (Year)	Age (%) of Share Possession	Family Relationship Among Directors and Executives	Education / Certification	Working Experience in the 5 Preceding Years (As of December 31, 2023)		
					Time period	Position	Company
<b>Mr. Worapoj Lapwatanamongkol</b> <b>Audit Committee and Independent Director</b> 	47	0.00	None	<ul style="list-style-type: none"> <li>Education                             <ul style="list-style-type: none"> <li>- Master's degree of Science (applied statistics) Major in Actuarial Science and risk management, National Institute of Development Administration. (NIDA)</li> <li>- Bachelor's degree of Science (Applied Mathematics), Thammasat University.</li> </ul> </li> <li>Certification                             <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) Class 186/2021</li> <li>- Boardroom Success through Financing &amp; Investment (BFI) Class 10/2021</li> <li>- Successful Formulation Execution of Strategy (SFE) Class 36/2021</li> <li>- Advanced Audit Committee Program (AACP) Class 47/2023</li> </ul> </li> </ul>	2023 - Present	CEO Consultant	Shu Global Co., Ltd.
					2023 - Present	Chief Strategy Officer	T.V. Burapha Co., Ltd.
					2002 - 2022	Director	Printing Solution Co., Ltd.
					2019 - 2022	Director	TOIN (Thailand) Co., Ltd.

Name / Position	Age (Year)	Age (%) of Share Possession	Family Relationship Among Directors and Executives	Education / Certification	Working Experience in the 5 Preceding Years (As of December 31, 2023)		
					Time period	Position	Company
<b>Mr. Wutichai Anantakul</b> <b>Audit Committee and Independent Director</b>  <b>(Appointed : November 16, 2022)</b>	52	0.00	None	<ul style="list-style-type: none"> <li>Education                             <ul style="list-style-type: none"> <li>- Master's degree of Engineering (Industrial Engineering), Chulalongkorn University</li> <li>- Bachelor's degree of Engineering (Production Engineering), King Mongkut's University of Technology Thonburi</li> </ul> </li> <li>Certification                             <ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP) Class 159/2019</li> <li>- Director Certification Program (DCP) Class 307/2021</li> <li>- Getting Stared in Responsible Investment / UN PRI Academy</li> </ul> </li> </ul>	2022 - Present 2022 - Present 2019 - 2022 2019 - 2022 2018 - 2022	Audit Committee/ Independent Director Vice Chief Executive Officer Executive Committee / Company Director/ Managing Director Company Director Company Director / Chief Project Officer / Executive Director	Lamair Palm Oil Co., Ltd. Eastern Spectrum Group Co., Ltd. Siam Herbal Tech Co., Ltd. DOD Healthy Life Co., Ltd. DOD Biotech PLC.



### Biography of Chief Financial Officer and Company Secretary



**Miss Tasnaporn Yodmongkol**

**Chief Financial Officer**

(Since July, 9 2021 - Present)

**Company Secretary**

(Since July 1, 2021 - Present)

(%) of Share Possesion : 0%

Family Relationship Among Directors and Executives : None

#### Education :

- Master's degree of Business Administration (Marketing), Kasetsart University.
- Bachelor's degree of Accountancy, Ramkhamhaeng University.
- Bachelor's degree of Science (Agricultural and Resource Economics), Kasetsart University.

**Company secretary training history :**

- Company Secretary Program (CSP) Class 98/2019

**Certification :**

- Director Accreditation Program (DAP) Class 185/2021
- Strategic CFO in Capital Markets Program Class 8

**Work Experience :**

<u>Time Period</u>	<u>Position</u>	<u>Company</u>
2022 - Present	Director	Simat Telecom Co., Ltd
2022 - Present	Director	Digitalcable Communication Co., Ltd.
2022 - Present	Director	SINO Trading and Service Corporation, Vietnam.
2021 - Present	Director	AGTech Simat Co., Ltd.
2021 - Present	Director / Chief Financial Officer / Company Secretary	Simat Technology PLC.
2017 - Present	Audit Assistant	RK Pro Audit Co., Ltd.
2019 - 2020	Vice President of Accounting	Sky ICT PLC.
2010 - 2019	Vice President of Accounting	Karncom Co., Ltd.
2014 - 2016	Vice President of Accounting	Vita Food Factory (1989) Co., Ltd.

### Biography of Accounting Supervisor



**Mr. Kittichet Katanyuaphiwich**  
**Accounting Supervisor**

(Since March 1, 2023 - Present)

(%) of Share Possession : 0%

Family Relationship Among Directors and Executives : None

#### Education :

- Bachelor's degree of Accounting, Rajamangala University of Technology Krungthep.

#### Work Experience :

<u>Time Period</u>	<u>Position</u>	<u>Company</u>
2023 - Present	Asst. Vice President of Accountancy	Simat Technology PLC.
2012 - 2023	Manager	A.M.T. & Associates

### Attachment 2

**Details of the directors of the subsidiaries and associated companies.**

List of Subsidiaries, Associated Companies	List of directors								
	Hinsitsu PCL. (Thailand)	Simat Telecom Co., Ltd.	RGTEch Simat Co., Ltd.	Simat Co., Ltd. Label	Co., Ltd. Hinsu Tsu Precision (Thailand)	Digital Cable Co., Ltd. Communication	Natural Power Energy Co., Ltd.	Sino Trading and Service Corporation Co., Ltd.	
1. Mr. Boonlerd lewporchai	#	#		#	#	#	#		
2. Mr. Tanawat Ueasiripan		#					#		
3. Miss Tasnaporn Yodmongkol		#	#			#		#	
4. Mr. Siraphop Lamchan	#			#	#				
5. Mr. Teerarat Tangsathapornphong	#			#	#				
6. Mr. Chien Kwan Sin	#			#	#				
7. Mr. Vincent Lua Bik Yong	#			#	#				
8. Mr. Wet Nuchcharoen	X								
9. Mr. Sommai Yanoi	/								
10. Mr. Worapot Phokaew	/								
11. Mr. Sirisak Manitkunakorn	/								
12. Mr. Putuchon Sirimongkollawan						#			
13. Mr. Wei Lien-Feng						#			
14. Mr. Sorakrai Srisatcharak							#		
15. Mr. Yap Ban Phu			#						
16. Mr. Yap Sin Saeng			#						
17. Mr. Nguyen Quyet Thang									X
18. Mrs . Nguyen Thi Thang									#
19. Mr. Tran Anh Duc									#

note : / = Director X = Chairman # = Executive Committee

### Attachment 3

#### Details of the Company's internal auditors and compliance.

#### Details of the Company's internal auditors



#### **Einstwin Company Limited**

The Company has outsourced services to external agencies. The Audit Committee has evaluated and chosen companies that submitted proposals, considering their past work experience. Einstwin Company Limited has been selected since September 2021, with Mr. Phong Sak Thanopachaiyothin serving as the head of internal audit for the Company. They have also developed an annual audit plan, and audit reports are presented to the Audit Committee quarterly.

- Name : Mr. Pongsak Thanopajaiyothin, Age 57
- Current position : Audit Manager, Einstwin Company Limited
- Educational : Bachelor's degree of Business Administration Finance and Banking Branch  
Ramkhamhaeng University
- Bachelor's degree of Laws Thammasat University
- Experience : Experience as an internal auditor for companies in various businesses such as construction business, insurance business , trading , factory business producing automotive accessories, etc.
- Training seminars : 1. COSO 2013 course, framework and guidelines for internal control systems.  
2. Integrated internal auditing course for sales and receivable systems.

### **Details of the Company's Compliance**

- Name : Mr. Boonlerd lewpornchai, Age 54
- Current position : Chief Administrative Officer  
which is responsible for supervising operations To be correct and appropriate according to the rules, regulations, and ethics of the organization.
- Educational :
  - Master' degree of Engineering ( Industrial Engineering ) Chulalongkorn University
  - Master' degree of Business Administration (Finance) , Kasetsart University
  - Bachelor's degree of Laws Thammasat University
  - Bachelor's degree of Engineering (Industrial Engineering ) , Kasetsart University
- Experience : Previously held the position of Deputy Chief Executive Officer Chief Financial Officer, Director, Executive Committee Audit committee members in many companies such as
  - Sky ICT Public Company Limited
  - Inter Far East Energy Corporation Public Company Limited
  - One to One Contacts Public Company LimitedAnd currently still holds the position of director and audit committee members in many companies such as
  - T.M.C. Industry Public Company Limited
  - Hinshitsu (Thailand) Public Company Limited
  - Hin Chit Su Precision (Thailand) Co. , Ltd.
  - Simat Label Co., Ltd.
  - Simat Telecom Co. , Ltd.
  - Digital Cable Communication Co. , Ltd.
  - Natural Power Energy Co. , Ltd.
- Training : 1. Course Director Accreditation Program (DAP) Class 86/2010

#### Attachment 4

#### Assets used in business operations.

#### 1. The Fixed Assets of the Company and Subsidiaries.

The main fixed assets used in business operations as of December 31, 2023 consists:

Asset Type	Ownership	Assets (million baht)	Obligation
1. Land and Land improvements	Company owned	57.45	The Company and its subsidiaries used some assets as collateral for a loan in the amount of 23.74 million baht.
2. Building	Company owned	273.54	The subsidiary company used some assets as collateral for a loan in the amount of 245.60 million baht.
3. Office equipment	Company owned	2.47	no obligation
4. Tools and Equipment	Company owned	7.82	no obligation
5. Furniture and fixture	Company owned	4.94	no obligation
6. Machinery	Company owned	169.02	The subsidiary used some assets as collateral for a loan in the amount of 71.94 million baht.
7. Vehicles	Company owned	7.26	no obligation
8. Renovation	Company owned	59.15	no obligation
9. Software cost for sales	Company owned	1.10	no obligation
10. Fiber optic network equipment (before deducting allowance for impairment)	Company owned	690.16	no obligation
11. Right to use assets	Under the lease agreement	22.94	no obligation

## 2. Rental offices and warehouses for business operations

The Company and subsidiaries' office space has been rented for use in conducting business. The details are summarized as follows:

office / warehouses	Contract details
<u>Simat Technologies Public Company Limited</u> No. 183 Regent House Building, Floor 9th, Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330	Contract party: Ratchadamri Commercial Building Co.,Ltd. Period: 16 December 2021 – 15 December 2024 Rent: 35,475.00 baht per month Service fee: 119,325.00 baht per month
<u>Simat Technologies Public Company Limited</u> Branch 1, 2 commercial buildings, No. 179/69-70 Soi Mittraphap 4, NaimMueang, Mueangnakhon ratchasima, Nakhonratchasima.	Contract party: Mr. Krit Lertyingyot Period: 1 January 2020 – 31 December 2024 Rent: 46,315.79 baht per month
<u>Simat Technologies Public Company Limited</u> Branch 2, MODE OFFICE, No. 68 Moo 4, Nonghoi, Mueangchiangmai, Chiangmai.	Contract party: Jira Property Co.,Ltd. Period: 1 May 2021 – 30 April 2024 Rent: 36,000 baht per month Service fee: 2,250 baht per month
<u>Simat Technologies Public Company Limited</u> Branch 3, 2 commercial buildings, No. 251/8 Theparak Road, Naimueang, Mueangkhonkaen, Khonkaen.	Contract party: Mrs. Ratchanee Manosudprasit Period: 1 November 2022 – 31 October 2024 Rent: 27,789.48 baht per month
<u>Simat Technologies Public Company Limited</u> Warehouse, Building No. 1/7, Thewaphiban Road, Naimueang, Mueangroi-et, Roi-et.	Contract party: Mr. Sanya Tanthasin Period: 1 November 2021–until contract termination. Rent: 31,587.95 baht per month
<u>Subsidiary company</u> Head office building Floor 1 - 2 , size 1,949.50 square meters, No. 123 Soi Chalong Krung 31, Ladkrabang Industrial Estate, Chalongkrung Road, Lamplatew, Ladkrabang, Bangkok.	Contract party: Simakulthorn Holding Co.,Ltd. Period: 1 May 2022 – 30 October 2025 Rent: 371,028.84 baht per month



### **3. Investment policy in subsidiaries and associated companies**

The Company has a policy of investing in subsidiaries and associated companies that align with its goals, vision, and strategic plans for the growth of the group of companies. This strategic investment approach aims to enhance the company's operating results and profitability while boosting the competitiveness of the entire group. To achieve its objective of becoming a leading operator in its core business, the Company, along with its subsidiaries and/or associated companies, may explore additional investment opportunities by recognition the return on investment through the control and supervision of the management of subsidiaries. If that business has potential, or growth, or be able to being expanded, or benefit to the group of companies which can generate good return on investment by considering the Company's, subsidiaries, and associated companies' investment. The Company will conduct the investment feasibility analysis and consider the potential and risk factors from the investment. The investment analysis process is appropriate as if it were a unit of the company, as well as monitoring the management to maintain the Company's investment continuously and sustainably, which must be agreed and/or approved by the board of directors' meeting and/or the Company's shareholders' meeting. Such investment decisions shall adhere to regulations set forth by the Securities and Exchange Commission and relevant announcements from the Stock Exchange of Thailand.

#### 4. Percentage of Shareholding in subsidiaries

Subsidiary companies	Percentage of shareholding / Voting rights hold		Type of businesses
	December 31, 2023	December 31, 2022	
	<u>Subsidiaries directly held by the Company</u>		
Simat Telecom Co., Ltd.	100.00	100.00	Sales of hardware, software and telecommunication services
Hinsitsu (Thailand) PLC.	63.00	60.00	Produce and sales of sticker and silk screen printing
Natural Power Energy Co., Ltd.	84.00	60.00	Entrepreneurship, design, development, sale and maintenance of engineering systems and electrical equipment, energy
Digital Cable Communication Co., Ltd.	50.00	50.00	Conducting business in telecommunication business, providing internet services cable television business and the business of providing infrastructure systems for the electrical system
<u>Subsidiaries held by Hinsitsu (Thailand) Public Company Limited</u>			
Hinsitsu Precision (Thailand) Co., Ltd.	47.26	45.01	Produce and sales of sticker and label, raw materials for making stickers. (Hinshitsu Company holds 75.01% of the shares)
Simat Label Co., Ltd.	63.00	60.00	Wholesaler for barcode, productions and RFID, papers and related supplies. (Hinshitsu Company holds 100% of the shares)

## **Attachment 5**

**Full version of corporate governance policy and guidelines, and business ethics.**

### **1. Good Corporate Governance Manual Ethical standards and business ethics of Simat Technologies Public Company Limited**

Simat Technologies Public Company Limited has implemented a policy on good corporate governance aimed at guiding the board of directors, executives, and all employees in their roles. This policy serves to enhance the company's efficiency in business operations, foster excellent corporate governance practices, and uphold ethical standards in conducting business. Transparency and accountability are key principles upheld by the Company.

The Company has publicly disclosed its principles of good corporate governance and developed a comprehensive manual outlining ethical standards and business ethics for the guidance of the Board of Directors, executives, and all employees. This manual serves as a cornerstone of the company's operations and is accessible through the SIMAT INTRANET network system, which serves as an organizational platform connecting all personnel.

For further details regarding the Company's approach to good corporate governance, as well as the manual outlining ethical standards and business ethics, please refer to the following link.

➔ <https://irsimat.simat.co.th/th>

### **2. Authority and duties of the Board of Directors and authority and duties of the Sub-Committees of Simat Technologies Public Company Limited**

#### **Authority and Duties of the Company's Board of Directors**

(Reported under Part 2 "Section 7 . 2 . 3 Information on the roles and responsibilities of Directors")

#### **Authority and Duties of the Company's Sub-Committees**

(Reported under Part 2 "Section 7. 3 Information on Sub-Committees")

## Attachment 6

### **Audit committee report.**

#### **The Audit Committee independently performed**

##### Accuracy and reliability of financial reports

The Audit Committee has thoroughly reviewed the auditor's reports on the quarterly financial statements, as well as the annual financial statements audited by the company's certified public accountants. They are of the opinion that the Company's financial reports are accurate, complete, and reliable.

##### Sufficiency of the internal control system

The Audit Committee has evaluated the adequacy of the company's internal control system, taking into account the reports and findings of the internal auditor. They believe that the Company's internal control system is sufficient and appropriate, operating at a satisfactory level.

##### Compliance with relevant laws and regulations

The Audit Committee has assessed the Company's compliance with applicable laws and regulations, particularly those pertaining to securities and stock exchange requirements. They confirm that the Company has adhered to these laws and regulations correctly and appropriately.

##### Suitability of the auditor

The Audit Committee has examined the independence, suitability, and reasonableness of compensation of the auditor.

##### Transactions that may cause conflicts of interest

The Audit Committee has scrutinized all connected transactions or transactions that may cause conflict of interest on a quarterly basis. They confirm that there were no transactions with significant conflicts of interest that could impact the company's financial position and operating results.

##### Opinions or observations obtained from the performance of duties

The audit committee has not identified any transactions or actions that may significantly impact the company's financial position and operating results. They have no doubts regarding the integrity of the company's operations.



