

Annual Registration Statement/ Annual Report 2023

Technology for sustainable goals





Vision

To become the best technology company that *unleashes employees' full potential* to create and innovate solutions that *uplift your digital life*

Mission

To drive innovations that *enhance people's digital life*

Our Core Values



❏ **"ULTIMATE PASSIONATE PLAYER"**
Demonstrate enthusiasm, passionate, sense of ownership and enjoyment to energize self-responsibility.

❏ **"INSPIRATIONAL FOOTBALL PLAYER"**
Have intrinsic motivation and pass on to others.



❏ **"BREAK THE RECORD"**
Delivering "maximum results in minimum time" with ultimate performance.

❏ **"MAN OF THE MATCH"**
Continuous process improvement to initiate and generate new skills and valuable resources.



❏ **"PLAYMAKER"**
Sharing knowledge and skills with best efforts to support and uplift your team/ cross-functional team/ cross-business unit.

❏ **"ATTACKING"**
Being an important part of the team by delivering ultimate performance, being proactive, and goal-oriented, as well as understanding the potential differences of individuals and able to connecting the dots.



❏ **"EXTRA-MILE PLAYER"**
Voluntary work; giving more than taking by supporting and uplifting other projects, works of your team/ cross-functional team/ cross-business unit.

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Message from Chairman

The MFEC Group is committed to conducting business with dedication towards the development of high-quality, efficient, and internationally standardized products and services. The organization places great importance on the development of its employees and encourages learning beyond theory, benefiting students in various universities, in order to enhance the resources of the new generation of “quality people”. This is the foundation for the economic and social growth of the country, contributing to the sustainable business growth of the organization, consistent with the mission of the company’s business operations, *“To be a driving force in improving your Digital Life”* by pushing and promoting learning and skill development of its employees, coupled with the strengthening of the educational foundation for the future of Thailand.

The MFEC Group is aware of, and places great importance on, conducting business with transparency and fairness, under good corporate governance practices, adhering to moral principles, being socially responsible, while creating good business performance that links to the goal of sustainable growth and development of the organization. During the past year of 2023, MFEC has set a goal to achieve continuous net profit growth of 15% over 5 years, driven by purposeful organization and emphasized the importance of Sustainable Development to improve the quality of life for people in society. As a leader in IT who has been conducting business and digital transformations, we remain steadfast in our commitment to developing our infrastructure and designing solutions for Big Data within organization and deep integration of cybersecurity measures into our operating systems. With these efforts, we aim to contribute to the country’s development through business operations that are Premium Sustainability.

We place importance on conducting business in conjunction with sustainable development, through a growth strategy that encompasses three key pillars: employees, customers, and technology which is committed to delivering technology to enhance the quality of life of society sustainably across three dimensions. These include 1) actively taking care of and preserving the environment, 2) empowering the limitless potential of our employees, and 3) guiding, nurturing, and driving sustainable economic growth. The sustainable development framework in all three dimensions will serve as a key foundation in creating a driving force, allowing everyone in Thai society to have a digital life coupled with environmental preservation.

Finally, on behalf of the company’s board of directors, we would like to express our gratitude to all the supporting groups, including customers, partners, shareholders, as well as all employees and executives in the company’s group who have contributed to the company’s success and supported it continuously. The board of directors certifies that it will firmly adhere to and guide the company’s operations towards continuous and sustainable growth, and play a role in creating a society that develops individuals, driving digital life as a fundamental force towards strong and continuous future prosperity.



(Mr. Sirisak Tirawattanangkul)
Chairman

Part 1

Business Operations and Performances



1. Business Structure and Operation

1.1 Policies and Business Overview

MFEC Public Company Limited (MFEC) is a Tech Company that operates behind the scenes to provide large organizations with IT solutions and provides consulting, development, computer system, and information technology network solutions for large organizations ranging from private sector corporations to government agencies. The company focuses on large enterprise customers who are leaders in each industry, such as financial institutions, telecommunication companies, energy, manufacturing industries, and others who have high demand for information technology services.

MFEC emphasizes the development of its current and future employees' potential, as the company believes that the potential of every employee is the backbone of the technology that will help improve the quality of life for everyone.

1.1.1 Visions, Objectives, Goals, and Strategies

Vision

To become the best technology company that unleashes employees' full potential to create and innovate solutions that uplift your digital life.

Mission

To drive innovations that enhance people's digital life.

Strategies and Goals of the Company's Business Operations

MFEC has a goal to transform from being a Systems Integrator (SI) company to become a fully-fledged Tech Company. MFEC aims to achieve sustainable growth through the "3-Axis Growth Strategy" emphasized by the CEO. The three key axes are:



Axis 1: Employees

MFEC must have a continuous development and people value-added process. The company ensures that every year, employees can improve, becoming more skilled and capable of creating business transformations for clients. MFEC implements projects to enhance employees' abilities and bring out their full potential, offering everyone the opportunity to grow in their careers. And believes that as long as employees can grow in their professional paths, the growth of the business will contribute to the long-term sustainability and stability of the company.

Axis 2: Customers

MFEC focuses on serving large enterprise customers and government organizations that contribute to the country's development. MFEC positions itself as a business partner and utilizes a strategy of self-transformation to understand the New S-curve in specific industries. The company acknowledges the challenges that customers are currently facing and looks toward the future. Develops strategies to respond to these challenges and propose recommendations to customers, aiming to enhance their capabilities and collaborate in creating new business opportunities on the New S-curve.

Axis 3: Technology

MFEC's technology focuses on building secure and efficient digital infrastructure that serves as a vital foundation for customers. This is a key aspect of the business transformation towards the digital economy through the infrastructure as follows:

- App Development
- Data
- Enterprise IT Solution
- Security
- Cloud/System/Network

1.1.2 Major Changes and Developments

History and Background of MFEC PCL.

MFEC Company (Public Company Limited) was founded at the beginning of 1997 by a joint venture between Modernform Group (Public Company Limited) and a group of professional executives who have computer and communication technology experience. The organization's purpose is conducting business in consulting and implementing a network communication technology system for both government and private sectors. The organization's focus on large enterprise sectors, especially the leader of each industry: telecommunications, financial institutions, government agencies, state-owned enterprises, energy, manufacturing businesses, etc. Additionally, the organization changed strategic plans to enhance the organizational capability to support future business opportunities, especially in the economic regionalization period, including the economic community or AEC (ASEAN Economic Community) with a commitment to provide excellent service which caused the company to have good operating results and to grow up accordingly. On July 1st, 2003, the company registered to transform into Public Company Limited, and the first public trading on the Stock Exchange of Thailand was held on October 8th, 2003 with Modernform Group Public Company Limited as a "Major Shareholder".

During establishing the company, the executives foresaw that the business of buying and selling tends to have a lot of competitors, which will lead to price competition and cause the company unable to increase sales by keeping profit margins. In addition, entrepreneurs had to maintain inventory resulting in sufficient working capital for the aforementioned business, causing the risk of obsolete products which will decrease the selling price. The executives had started the business in the form of consulting service and implementing a network communication technology system by opening the Research and Development Center at Lao Peng Nguan Tower, Vibhavadi-Rungsit Road, which it is a center for researching and developing new technology and products of the company, supporting the job expansion, and focusing on sales of services. Those allowed the company to avoid price competition and maintain an appropriate profit ratio, and also helped to reduce dependence on manufacturers or distributors of various products, enhancing competitiveness and conducting business for the company to create added value by presenting new innovations to customers before competitors. In addition, the experience and work, which the company had received from providing services, helped to promote the company having the main customers in the telecommunication group, financial institution group, government agencies and state enterprises, energy, manufacturing industry, and others.

In 2004-2005, the Company invested in 6 subsidiaries, consisting of; 1) Promptnow Company Limited, MFEC holds 60% of the registered capital 2) Four Business Company Limited, MFEC holds 51% of the registered capital 3) Advanced Intelligence Modernity Company Limited, MFEC holds 51% of the registered capital 4) Modernform Integration Services Company Limited, MFEC holds 100% of the registered capital 5) M.I.S. Outsourcing Company Limited, MFEC holds 80% of the registered capital through Modernform Integration Services Company Limited and 6) Sky Blitz (1995) Company Limited, MFEC holds 100% of the registered capital through Modernform Integration Services Company Limited. All subsidiaries are companies about information technology business group, providing hardware and software services, which have a tendency to grow business in the small and medium-sized customers in order to expand their leadership in all areas of information technology services. In 2008-2010, the Company had disposal of shares in Sky Blitz (1995) Company Limited and Four Business Company Limited since they had accumulated loss. It was good to the Company, which did not need to receive operating loss in the future, for the organization growth and becoming a leader in the country's information technology services.

In 2011-2012, the executives decided to invest buying and transferring the business of NTS which MFEC holds 100% of the registered capital (which resulted in the Soft Square Group of 7 companies as a subsidiary, consisting of; 1) Hong Son Software Company Limited 2) Soft Professional Company Limited 3) Soft Plus Technology Company Limited 4) K Soft Consulting Company Limited 5) Sam Mok Software Company Limited 6) Soft square (1996) Company Limited 7) Khon Kaen Soft Tech Company Limited, holding through Soft Square (1999) Company Limited), with a decision to invest buying and transferring the business of the Magus Group which MFEC holds 100% of the investment. That made Motif Technology Public Company Limited and Business Application Company Limited become subsidiaries in MFEC Group, also jointly invested in Angstrom Solutions Company Limited which MFEC holds 40% of the registered capital. To strengthen the leadership in information technology business and continuously extend the investment of the Company's intellectual property development, MFEC Group consisted of one (1) associated company and thirteen (13) subsidiaries.

In 2014 and 2015, Modernform Group Public Company Limited, a major shareholder, approved the disposal of MFEC Public Company Limited shares in the amount of 61,983,675 shares or 14.07% of the paid-up capital to TIS Inc., in Japan, at the price of 10.70 baht per share, totally 663,225,322.50 baht on May 14th, 2014. After the said sale, the proportion of the shares of Modernform Group decreased to 2.41%, resulting in TIS Inc. who bought shares from Modernform Group and invested in 18% of registered capital, as a "major shareholder" instead of Modernform Group Public Company Limited. The said transaction by a major shareholder caused a positive change since TIS Inc. is a foreign company which is a leader in information technology business in Japan. It was considered to increase trade opportunity developing the potential and capacity in information technology which is equivalent to leading international companies. The Company had developed and improved business practices to be in line with market demand, trend, technology, as well as customers' needs. There was also an internal control system with organizational restructuring and new business management strategies in accordance with the economic downturn both domestic and international, including quick changes in information technology that is driving the behavior of consumers. For example, business transformation strategies focus on using advanced technology and develop a changing business, using the potential and expertise that MFEC has to solve and create a competitive advantage for customers in other industries, which is facing economic challenges and various changes including creating new business

models in the form of joint ventures with partners in various industrial groups such as print media, television media, entertainment group, etc.

In the years 2016-2017, there was an important internal organizational reformation, which was the rearrangement of the new office environment that is the second branch of the Company and the product development center. The concept reflects the image of the organization that is full of creative power, along with work enhancement under the concept of “New Office – New Culture” consisting of 1. Collaboration 2. Communication 3. Concentration 4. Chill Out. MFEC’s new office is located at SJ Infinite Building, 11th-12th Floor. The executives had a concept with a policy to support creative employees, having work potential, and managing to grow, expand, and register as a new subsidiary. There was also a policy to expand investment for new revenue streams and expand the customer base to other industries, which will strengthen the leadership in the information technology business. In addition, there were 4 investment companies comprising: 1) Playtorium Solutions Company Limited, MFEC holds 70% of the registered capital 2) Fanster Media Company Limited, MFEC holds 30% of the registered capital 3) Data Café Company Limited, MFEC holds 60% of the registered capital and 4) Digital Savvy Company Limited, MFEC holds 36% of the registered capital.

In 2018, it was a significant adjustment year for the MFEC Group in the midst of a change. The Company increased investment in Fanster Media Company Limited, which increased the registered capital to further expand business, news distribution services, and activities through applications, issuing additional shares to executives and employees to encourage development and expand the business. As a result, the Company’s shareholding proportion remained 29% of the registered capital. The Company had sold shares in two (2) companies of Soft Square Group, which were Soft Square (1999) Company Limited and Khon Kaen Soft Tech Company Limited, as well as merging business groups of companies in similar groups together in the Soft Square Group including; 1) Soft Professional Company Limited 2) Soft Plus Technology Company Limited 3) K Soft Consulting Company Limited and 4) Sam Mok Software Company Limited by amalgamating the companies under the name of Soft plus Technology Company Limited. The Company also adjusted internal businesses for the benefit of building business strength, increasing opportunities and revenue, reducing business risks, and strengthening business operations. Including financial enhancement and adjusting the structure of the affiliated companies, the Company purchased ordinary shares of M.I.S. Outsourcing Company Limited in the proportion

of 75% of the registered capital from PralN FinTech Company Limited, for the benefit of managing the subsidiary before proceeding with the sale of some investment to J. Ventures Company Limited in “JMART” group, with the objective of business expansion, building business strengths. Currently, the Company had the remaining shares 71.62% of the registered capital, and also bought the shares of Advanced Intelligence Modernity Company Limited from minority shareholders, 38.2%, resulting in the increase in the Company’s shareholding 98.2% of the registered capital for the benefit of subsidiary management and driving the organization to grow in the future. From the important changes of the Company, MFEC focused on the creation of people and increased business opportunities, including internal and external reinvestment by increasing investment in Fanster Media, purchasing common shares in MISO and AIM, distributing and consolidating businesses of the Soft Square Group companies. The joint venture of PralN Fintech Company Limited “Subsidiary” with companies in the JMART Group would enable the subsidiary to expand the business base more widely, which would strengthen the MFEC Group to be a strong information technology business leader.

Thailand had entered the era of Digital Disruption, which is full of challenges to business changes and the environment of the competitions whether it was an adaptation to the new competition, the rapid changes of technology and new innovations. Being able to quickly respond to the competitive environment, MFEC transformation focused on two (2) important parts in the organization; 1) People Transformation: People are significant resources, and they are transformers to create changes within an organization, specifically, building an environment that suits next-generation newcomers, and enhancing internal workflow to have more efficiency. Consequently, it will be an effective method to train human resources and acquire new skills to prepare for new emerging technology and support the latest innovation creation. 2) Business Transformation: The result of the unexpected change in technology and innovation has an impact on customer behaviors, including suppliers. MFEC oversees that if we conduct business in a traditional approach, it will not correspond with employees’ development growth. It is essential to find a new business model to step into the uncharted business territory. MFEC will motivate talented employees who have big ideas to start a new actual business to respond to changing consumer needs and behaviors. The new company will be invested through Corporate Venture Capital. Additionally, suppliers will do Venture Building, which will co-invest in available technologies, capabilities, and workforce to achieve faster Time to Market.

In 2019, MFEC continued to restructure the organization and its affiliated companies. In addition, the Company determines business management strategies to be in line with changes in information technology, and improves business practices to meet the needs of the market by expanding the business model to be more diverse, for example; Solution Provider: To provide the best IT solutions to customers, which still attach importance to the Enterprise and Government customers as main customers of the Company, Revenue Sharing: To invest in potential businesses creating a continuous and sustainable income, The merger of MFEC's subsidiaries: To merge similar businesses of the affiliated group benefitting their business strength, increasing opportunities and revenue, reducing business risks and building business operations strength, including financial enhancement and To restructure the investment in the group of the affiliated companies for the benefit of subsidiary's management.

In 2020, Adaptation during the Crisis of Coronavirus Pandemic. Since the end of 2019, the start of the Coronavirus pandemic was the great crisis that affected the business sector all around the world. Many organizations had to prepare for such situations by actively focusing on digital transformation, emphasizing that IT is the essential part for the survival of businesses. As a result, the Company's operational guidelines continue to focus on developing products and services, to further build on the existing technology in order to create new innovations that enhance Company's products and services. Therefore, the Company sees trends and market's needs, business competition and opportunities that will strengthen clients' businesses despite critical situations. This year, TIS Inc. has entered into a business alliance with MFEC due to its confidence in its potential as a leading provider of information technology services. TIS Inc. has made a partial tender offer (PTO) for 24.10 percent. After the completion of the tender offer, TIS Inc. holds 49.00 percent of the total ordinary shares. The transaction was a turnaround, with TIS Inc. being the second largest provider of information technology revenues in Japan.

Important changes and developments in the past three (3) years (2021-2023)

2021

Throughout 2021, amidst the continuing COVID-19 pandemic, the company remained focused on its principal customers within the financial and banking sectors and the telecommunications industry, particularly emphasizing services related to Data and Security management. This approach reassured customers of our ability to deliver highly efficient outcomes. Numerous organizations, including those in the financial and banking sectors, have increasingly sought to transform themselves to embrace disruption, from which MFEC has directly benefited. This transformation is especially evident in the rapid expansion of Cloud and Data Center services.

That year, the company's board also resolved to establish a subsidiary, Venture Lab Co., Ltd., aimed at supporting research and development services for new products and services. Moreover, it approved an increase in investment share in Data Cafe Co., Ltd., a subsidiary, to enhance business advisory services and data analysis in various formats, ensuring continuous provision of technology and information personnel services to diverse business organizations.



2022

In 2022, MFEC advanced as a central link connecting customers with technology users across Thailand, aiming to elevate to a higher level of digital life. Serving as both a partner, advisor, and supporter, MFEC enabled all customers to grow together, even in times of crisis, through a strategy focused on enhancing human potential, leading the organization toward becoming a Tech Company. Additionally, it introduced the Cybersecurity Operations Center (CSOC) to offer CSOC as a service to large enterprises, aiming to prevent cyber-attacks with expertise from MFEC's cybersecurity professionals. A Memorandum of Understanding (MOU) was signed with the Faculty of Engineering at Mahidol University, bridging the gap between the educational and IT industry sectors to foster knowledge development and research for the next generation, particularly in the application of technologies in CSOC, within a university framework.

To strengthen its business, MFEC proceeded to divest its Digital Delivery business unit, responsible for Customized Software Development, to Bluebik Group Public Co., Ltd., reallocating the proceeds to invest in innovative development for sustained growth.



2023

By 2023, MFEC embraced a strategy aimed at a Sustainable Business Model, focusing on increasing recurring business and investing in future-growth-facilitating technologies, such as ChatGPT (AI) and the ESG Platform, to ensure continuous growth and achieve a 15% annual sales target as planned.

The organization has undergone a structural transformation towards a Network organization structure that emphasizes openness, collaboration, and agility, connecting relevant individuals through KPIs, and objectives, and by leveraging core values or corporate culture to support internal employee operations. The key focus is to use strategies that yield the best results. Under the concept of "Synergy makes our Goal Come True," the board of directors has approved the establishment of a subsidiary company called Sinergy Ventures Limited. This subsidiary aims to invest in securities in businesses that have potential and are related to the group's core operations. The key focus is on utilizing strategies that yield the best results. Under the guiding principle of "Synergy makes our Goal Come True" This year, directors have approved the establishment of a subsidiary company, namely Synergy Group Ventures Co., Ltd., for the purpose of investing in securities related to businesses that have potential and are related to the core operations of the company group.

MFEC has fully embraced sustainability, earning an "AA" level in the 2023 SET ESG Ratings. This achievement reflects our commitment to enhancing societal quality of life through ESG practices. Our aim is to lead in consultancy, development, and the deployment of computer and information technology network systems, continuously driving value creation and sustainable growth.



Awards and Achievements for 2023



- The assessment of the quality of the Annual General Meeting (AGM) for the year 2023 is rated as “Excellent”
- SET ESG Ratings: Achieving an “AA” level
- Excellent CG Scoring: Good corporate governance practices in accordance with the international standard of “Excellence” for five (5) consecutive years.
- ISO/IEC 20000 The international standard for IT service management with an effective Service Management System
- ISO/IEC 27001 The international standard for Information Security Management Systems (ISMS)
- Fortinet Best Technical Partner of The Year
- Insider Partner of the Year
- Microsoft Partner of the Year 2022 - Culture Innovation - Power Platform
- National Innovation Awards
- Cisco FY23 Innovation Partner of The Year
- Veritas Platinum Partner Award FY23
- Pure Storage FY23 Technical Innovation - Partner
- NECTEC SMC Partners Excellence Award 2023

1.2 Nature of Business

1.2.1 Income Structure

During 2021 - 2023 as of 31 December 2023, the company and its subsidiaries' income structure was classified by type of products and services in the following table:

Products	Y2023		Y2022		Y2021	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Business Development and System Implementation	1,228	16.49	1,164	19.69	1,851	35.56
Maintenance Service	3,361	45.13	2,628	44.45	1,784	34.27
IT Professional Service	925	12.42	1,160	19.62	939	18.04
Cloud Service	1,162	15.60	818	13.84	559	10.74
Others	63	0.84	77	1.30	41	0.78
Income from sales and services	6,739	90.49	5,846	98.88	5,174	99.39
Profit from the transfer of all business operations of the subsidiary company.	650	8.73	-	-	-	-
Profit from changing type of investment	-	-	33	0.56	-	-
Other income /1	58	0.78	32	0.54	32	0.61
Total income	7,447	100.00	5,912	100.00	5,206	100.00

Remark: /1 Other income consists of marketing promotion income from product sellers, interest income, profits from fair value adjustments of derivatives, foreign exchange profit and other miscellaneous income.

The company group operates the main business of providing development and system installation services, maintenance services and business development in information technology. The revenue from the three (3) core business segments accounted for 74.04% and 83.76% of the total revenue for the year 2023 and 2022, respectively.

The company is also a cloud computing service provider, accounting for 15.6% and 13.84% of the total revenue for the year 2023 and 2022, respectively. The revenue from cloud services is from the Group's core business segment, which has the revenue growth in this segment as high as 42% from the year 2022 (the 2022 growth rate is 46%).

1.2.2 Product Information

Features of our Products and Services

MFEC Public Co., Ltd. operates the business of providing services in information and communication technology, from consultation to development of IT solutions. The Company specializes in implementation of computer systems and IT networks for clients who are the leaders in various business sectors. Our goal is to be a reliable partner with innovation and excellence services, so that we can provide services efficiently and effectively and meet clients' needs (Solution Delivery). There are 5 Pillars: Holistic Cybersecurity, Data Modernization & AI, Cloud-Native Technologies & Hybrid Infrastructure, Enterprise Agility and Digital Transformation & AI Adoption.

The Company has set the policies for each business unit to focus on development of a full range of information technology and by working together (Team Synergy) between each business unit, resulting in the impact solutions that meet clients' specific needs with a focus on solutions that optimize digital transformation of clients' organizations. Based on the expertise in Data and AI, together with a collaboration from the Cyber Security, the Company sees the importance of fixing problems and forecasting probable problems. This creates Company's competitive advantages. Moreover, products and services from our Group of Companies can facilitate the creation of integrated technology and solutions (One Stop Service), as well as meeting clients' business strategies. 5 Pillars consist of:

Holistic Cybersecurity

The Information Security team focuses on comprehensive Information Technology system security checks and protection, in addition to having complete Information Security certification. MFEC is an organization with a diverse team of knowledgeable professionals who work collaboratively to provide complex solutions to meet the business needs of its customers. The Information Security team has divided its solutions into seven (7) categories:

1. Network Security It consists of network security systems that protect against threats from both external and internal networks, such as Firewall, Intrusion, Prevention System, Email Security, and Proxy.

2. Data Security Data is one of the most valuable assets of an organization. In a data security solution, the Information Security team will supervise, control and ensure the highest level of security for the storage, use, and transmission of data.

3. End Point Security It is considered the weakest link in terms of security in an organization. Therefore, the Information Security team has developed a security solution that directly relates to user usage, or also known as Endpoint Security. This solution consists of antivirus systems, anti-malware, multi-factor authentication, and more.

4. Security Assessment It is a service provided only by leading IT service providers. It consists of two main parts: Technical Assessment such as Vulnerability Assessment, Penetration Testing, and Compliance Assessment such as ISO27001 Assessment, CSA Assessment.

5. Cloud Security Presently, it is undeniable that Cloud has become an integral part of organizations. Many organizations use Cloud in their main business operations, and as the demand for its use increases, security becomes a concern for every organization. The Information Security team recognizes the need to protect the organization's systems that are being used on Cloud, whether in Public Cloud, Private Cloud, or Hybrid Cloud. We have solutions for both Compliance Verification and Cloud Security Protection to ensure that the organization's valuable data remains secure even when used in the Cloud system.

6. DevSecOps The Digital era has fully arrived. In the past few years, the Software Development team has become a crucial part of leading organizations to success. Releasing applications and services to consumers is not only a matter of competition in usage, but also in accessing new services quickly. Applications or services with vulnerabilities can cause damage to both consumers and organizations. Therefore, creating security for application development is essential in the Digital world. The solutions provided by the Information Security team include DevOps Platforms, Security for DevOps, and Container Security.

7. SOC The cybersecurity monitoring center established with expertise in protecting large-scale data networks nationwide is a solution for preventing threats from outside the organization. It offers a range of leading global technologies for enhancing cybersecurity capabilities as required by the Cybersecurity Act.

Data Modernization & AI

Data analytics technology that responds to data usage from the past, present to the analysis of predictions of what will happen in the future. The information you have can be managed to create efficiency and value. MFEC Digital Information Service has experience and expertise in Therefore confident and ready to provide comprehensive data management services including the design, planning, storage, processing, analysis, and reporting including providing training and consultation at the policy level to ensure that customers truly make use of the organization's data.

The Digital Information Services team applies business concepts to applications and divide solutions. To help develop digital businesses with partners and partners for sustainable stability by dividing the solution into 4 solutions as follows:

1. Database Solution Services is a database solution that is both On-Premise or Cloud to meet the needs of customers who want to develop systems or applications. That has data stored in various formats, both RDBMS and NoSQL.

2. Big Data Solution Services is the process of collecting, analyzing, and finding value in data from various sources within an organization, not just from the RDBMS database system, in order to improve business performance. Partners can benefit from data that was previously unavailable within the organization.

3. Analytic and Business Intelligent is the result of having sufficient data that is useful and relevant Digital Information Services has a team of data scientists who are capable of analyzing data at various levels, such as data mining, machine learning, sentiment analysis, and social listening to extract insights or to predict future trends. They provide customized reports that are easy to understand, in order to create a competitive advantage in business.

4. Application Infrastructure Services involve bringing Middleware solutions, both On-Premise or Cloud, to meet the needs of customers who want to develop systems or applications. Services are provided in various areas, such as Web Application, Message Services, Integration Services, or Service Oriented Architecture. The capabilities of these services are combined to support the requirements of the Application effectively.

Cloud-Native Technologies & Hybrid Infrastructure

IT Operation Managed Services

As an SI company with comprehensive IT infrastructure services, MFEC supports outsourcing and managed services, as well as installation and maintenance of IT infrastructure equipment. Currently, customers still require an IT team with skills that keep up with changing technologies, in order to enable their businesses to compete with their rivals. Therefore, the ITOMS team has divided its services into four (4) areas:

1. Outsource and Managed Services They provide engineer teams to work onsite with customers. There are various types of engineers available, including Network Engineers, System Engineers, and IT Support. In addition, services are also available that do not require an engineer to work onsite with the customer. This is done through a team of professionals who provide monitoring and remote support to customers.

2. Installation and Maintenance Service It offers consultation, design, installation, and maintenance of Network, System, CCTV, Access Point, Beacon, signal cables, electrical systems, and air conditioning systems in Data Centers. Additionally, IT equipment transportation services are provided to customers in Bangkok and other provinces with service centers nationwide.

3. Microsoft Service It provides consultation, design, installation, and maintenance of Microsoft products such as Windows Server, Hyper-V Management, Exchange Server, Office 365, Microsoft EMS (AIP/RMS/Intune), SCCM, SharePoint. Additionally, training services are also provided to customers.

4. Other Product Support It offers consultation, design, installation, and maintenance of other IT infrastructure products supported by the team, such as HPE Aruba, SolarWinds, Zabbix.

System Infrastructure

The System Infrastructure team is able to respond to changing business needs while reducing costs in IT system development, as well as increasing the ability to rapidly expand infrastructure. They can fully manage the infrastructure with personnel who have expertise and experience in technology development for applications. Additionally, they can provide customers with confidence that we can deliver work efficiently. The team offers services in four areas:

1. System Infrastructure Services It provide services ranging from consultation and solution design of infrastructure to be used in both legacy and modern systems, including developing DR (Disaster Recovery) solutions to create backup sites in case of emergencies and migrating data from old systems to new ones.

2. Modernize Data Center Services It is a service that helps organizations to manage their data centers to be up-to-date and support modern applications and rapidly changing business needs, using technologies such as Hyper Converged, Virtualization, Automation, Hybrid-Cloud, and Private-Cloud.

3. Intelligent Data Protection Services They are backup and recovery services that prevent data loss at both the server and desktop levels. In addition, these services include data management of backed-up data to increase efficiency and reduce preparation time, such as using the data for testing/UAT. These services also reduce costs by allocating space and allowing developers to access and manage the data themselves for faster application development.

4. Digital Workspace Services They are services related to managing end-users' use of applications and data across various devices, including the use of personal data within the organization.

Cloud Solution Services

MFEC Cloud Services is a comprehensive cloud service provider that offers consulting, design, construction, and management of cloud systems to meet the needs of businesses of all types. Cloud technology is designed to meet the needs of businesses in all forms, and MFEC Cloud Solution Services has experts in cloud technology on all platforms and formats to provide comprehensive service immediately. As a leader in the System Integrator business, our design is based on "Design for Operation" to ensure that our customers' business designed by us are efficient and meet their needs. The Cloud Solution Services team has therefore applied business ideas by dividing solutions into four (4) areas, including:

1. Cloud Platform Services It is a service that provides design and development of cloud technology on various platforms for customers who require convenience and speed in establishing a cloud infrastructure. It offers a basic foundation for creating innovations for organizations, with services that include pricing assessment and cost management, notifications, monthly reporting, billing services that comply with domestic and international tax regulations.

2. Professional Services They are services that provide consultation, design, and development of complex systems, both in terms of infrastructure and system and data operations, to ensure that the designed system meets various requirements while still supporting business needs that require flexibility, speed, stability, security, and ability to handle all workloads.

3. Technical Operation Services It is a post-sales service that customers need assistance in creating, designing, and continuously maintaining their systems. We take care of the complex system maintenance tasks so that customers can focus on creating and developing new innovative services in their business independently.

4. Service Package A service package is a set of services with clear boundaries and defined timeframes to meet the quantitative demands of customers. The service package includes the following sets of services:

- **Migration Services** a service set for migrating a system from one system to another.
- **Hybrid Gateway** a service set for connecting systems between On-Premise and Public Cloud.
- **Optimization** a service set for conducting a current system audit and proposing appropriate models for greater efficiency.

Network

MFEC has a team of quality personnel who are Cisco Certified Engineer, capable of providing comprehensive services to customers, including consulting, design assistance, installation planning, technology training, sales support, and 24-hour customer service. With extensive experience and continuous development, we have a customized team that provides solutions that are appropriate for each customer's organization. We are also a Cisco Advanced Architecture Specialization in five main technologies, including Enterprise Networks, Security, Collaboration, Data Center, and Service Provider, which are capable and ready in every aspect for all organizations. Our sub-solutions are divided into seven (7) categories, including:

1. Enterprise Networking Solution for Network Systems, Software-Defined Networking, Switch, Router, Wireless, Network Management, and Optical Networking.

2. Wireless and Mobility Wireless and Mobility Solution, Software-Defined Access, Wireless Controllers, Indoor Access Points, Outdoor and Industrial Access Points, and Cloud-Managed Access Points.

3. Security Network security solution, Next Generation Firewalls, Advanced Malware Protection, Cloud Security, Network Visibility and Segmentation, Email Security, and Web Security

4. Collaboration Unified Communication Solutions, IP-Telephony Systems, Contact Center Systems, Voice & Video Conference and collaboration Endpoints.

5. Data Center Data Center Solutions - Unified Computing, Data Center Management and Automation, Data Center Switches, Data Center Security, Hyperconverged Infrastructure, Storage Networking and Virtual Networking.

6. Hybrid-IT Innovative solutions that improve work efficiency and convenience in both Cloud Services and Managed Services, such as Cisco Meraki, Cisco Webex, and Cisco Umbrella.

7. Network Programming Cisco's product APIs are leveraged to meet customer needs by providing services in various areas such as web applications, integration services, IoT platforms, and automation to reduce redundant work.

Enterprise Agility

Business Service Management

Nowadays, large organizations need to enhance their business competitiveness by utilizing Enterprise IT Solutions. MFEC has an experienced team that provides guidance, development, and customer support for IT-related matters. This has resulted in a large customer base in various business sectors such as Banking, Telecom, Insurance, Enterprise, and Government. The BSM team offers solutions in both On-premise and Cloud formats, which consist of four (4) main components:

1. Monitoring Solution is a solution that checks and alerts the performance of a large organization's systems or applications. The solution covers monitoring in both the application and infrastructure areas from the customer's perspective, such as mobile iOS, Android, various websites, to minimize problems and increase the speed of detecting and resolving issues with minimal impact on customers. This leads to revenue and business advantages from providing services and creating customer satisfaction.

2. IT Service Management Solution is a solution designed and developed to manage IT tasks to comply with ITIL standards, which consist of various processes. It provides support to both internal and external customers of the organization to ensure maximum efficiency.

3. IT Automation and Robotic Solution is the use of automation solutions to develop and manage various IT tasks to be more efficient and responsive to the rapidly advancing and complex world of IT. The solution includes the use of robots to perform tasks, the use of AI to analyze text, and the automation of batch job management. The solution aims to improve productivity for employees, reduce costs from errors, and create faster response times for new business demands in IT.

4. Customer Engagement Solution is a new solution that helps track and support customers through various channels, known as Omnichannel Customer Engagement, in order to truly understand their needs and respond quickly. The channels that the solution can work with are diverse and lead to customer satisfaction and follow-up to increase business value significantly.

Business Solution

We are a professional service team that focuses on technology to provide high-level business solutions in financial solutions, digital process automation, enterprise content management, and CRM, using world-class products. With our knowledgeable and experienced business solution team in both the business domain and solution development, we provide excellent support and create long-term value for our customers.

1. Financial Solution

1.1 Capital Market Solution is a financial market solution that comprises products for foreign exchange transactions, interest rate risk management, and commodity price risk management. It supports End-to-End operations from Front-Office, Middle, Back-Office to Accounting, with a foundation of Process Automation and Straight Through Processing (STP) to enhance efficiency and Time-to-Market.

1.2 Lending Solution is a system for loan origination and core loan management. It supports secured and unsecured loan products for retail customers and institutions, such as term loans, mortgage loans, auto loans, hire purchase/leasing, and others. The system covers functions including apply loan request, loan approval and credit analysis, customer management, receivable management, and debt collection.

2. Digital Process Automation (DPA) is a technology that enables end-to-end business process automation to drive digital transformation. DPA drives workflow automation among humans, systems, and robotics, from individual processes to integrated business management. This helps to visualize, understand, and improve business processes efficiently.

3. Enterprise Content Management (ECM) is a solution for managing content and documents within an organization in a complete digital format. It covers content import (check-in), scan and indexing, search and view, editing, and version control (check-out), document security according to specified conditions, and automatic archiving and content destruction according to retention policy. Organizations can reduce paper usage, eliminate data redundancy, and increase efficiency in data usage and distribution both internally and externally.

4. CRM - Customer Service Solution is a solution for managing customer relationships to create a good long-term relationship with customers using technology for managing and responding to customer interactions. It involves learning the different needs of customers and responding to those needs with the most suitable products or services for each individual customer. For example, a customer service management system utilizes CRM tools in a business or organization to help improve the components of customer service processes.

Digital Transformation & AI Adoption

Marketing Technology Innovation

Organizations of all sizes and business service providers, including government agencies and private sectors, providing services to consumers or the public, require diverse information for various purposes such as understanding consumer behavior, business planning, product development, distribution planning, and many others. MarTech innovation, or Marketing Technology, is a business tool that is used to achieve these purposes. The MarTech innovation team at MFEC consists of experienced professionals who have a deep understanding of a variety of businesses, making them capable of being part of long-term planning and utilizing various technological tools to enhance and upgrade customer service. The current customer base includes government, banking, insurance, enterprise, and media sectors. The solutions provided by the MarTech team are as follows:

1. Business Consulting Our consulting and planning services offer a variety of options, from business planning for new products to strategic planning for service or product development. This includes utilizing tools such as the Design Thinking Process

and Business Model Canvas to help customers understand problems and find true innovations. We also offer comprehensive marketing planning consulting services, including the development of a Technology Market Stack, to help customers use tools that are more appropriate and effective. Additionally, we provide services for inspecting and improving the efficiency of currently used technologies to increase their potential.

2. Customer Data Platform (CDP) Tools are used for collecting customer data in various social media platforms such as Facebook, Twitter, LINE, IG, TikTok. After the contact has been established, the tools are used to analyze customer segmentation, behavior, product trends, purchasing spends, predict customer profiling, and customer journey. They also help in managing data analysis, product and marketing plan information, and customer satisfaction management.

3. Growth Marketing Platform (Marketing Automation) The tool is installed on the website or mobile application of customers, used for analyzing customer data such as customer origin, then presenting Marketing Personalization. This is created through the AI Engine that learns customer behavior when accessing the website or mobile application, or clicking on links. Then, it matches with the customer profile previously learned and present products or services that customers are interested in. This makes it easier to close sales, quickly increase sales, and also provides notifications to customer to not miss new products or new promotions consistently. Therefore, it is called Emotional Marketing.

4. Chatbot The tool that helps answer questions and replace the work of employees greatly is Chatbot. Chatbots will integrate with the customer's backend system, whether it is CRM or ERP, making tasks, registrations, and chatbot Q&A work with various chat messaging platforms such as Facebook Messenger, LINE API, and LINE Lift. This creates a truly disruptive flow that enhances the work experience and provides better data for analysis for MFEC's customers.

5. Social Listening The tool is used to study and understand customer behavior better, but requires experience in creating the desired keyword set to be studied. This will enable more beneficial use and help the customer's business manage crisis situations in a timely manner.

M-Lab

In today's world where every industry is disrupted by new business models, even in the IT industry, we need a development team that is capable of developing new applications to keep up with the changes and respond to the business models of organizations and customers promptly. This is to use in problem-solving or improving the old working system, as well as creating new working systems accurately and quickly. Therefore, the M-Lab team has solutions that support customer needs, such as

Application Development

With the technology stack that we have chosen to use, the limitations in application development have been expanded to another level. This includes accuracy, speed in development, testing, and delivering the work.

Internet of Things

The Internet of Things (IoT) technology for industrial factories is used to upgrade the control system of traditional machinery used in factories. Data obtained from machinery in the factory is sent to a central hub and displayed to relevant personnel through mobile devices, computers, and monitors in real-time. This process integrates multiple systems to work seamlessly together, including sensor hardware platforms and mobile applications. MFEC is a business operator with the full potential and capabilities required for these tasks. The services provided are designed to be suitable for industrial factories in Thailand. The company is confident that it can assist its customers in managing IT operations in the long term, making them ready to adapt to rapid changes in the digital world.

1. Sensors IoT technology is about collecting data from various sensors, which have small but numerous amounts of data and high frequency of data transmission. There are various types and qualities of sensors, and it is crucial to choose the appropriate sensors for the intended purpose. The team has conducted research and developed sensors of different types and suitability in terms of both quality and price to meet the needs of Customers

2. Communication from Sensors devices to the data storage source is also crucial because in real working environments, there are often limitations in communication and energy. The IoT modules from MFEC support various communication formats including NB-IoT, LoRa, Wi-Fi, BLE, RS-232, RS-484, Dry Contact, and Modbus to ensure seamless communication between devices and data storage sources

3. Platform The data storage system for IoT sensors must be designed to accommodate a large amount of data, but with a small data size. Therefore,

a specialized data storage system that is suitable for IoT data storage and can be expanded into the realm of BIG DATA is necessary. This will allow for the integration of AI technology into the system to enhance its capabilities, such as event prediction and future machine maintenance (Predictive Maintenance or PdM)

4. Application After having the data, it is necessary to present such information appropriately and quickly. Developing programs on smartphones, including notifying information when there are errors in the factory or machinery immediately through various channels, such as Line, Messenger, Email, SMS, and App Notification, is crucial.

Marketing and Competition

Overall industry conditions and market trends

Krungsri Research reports on business and industry trends of Thailand from 2023-2025 that over the next 3 years, Economic growth is expected to slow over the next three years, dropping from 2022's forecast of 3.2% to 2.7% in 2023 and then rebounding to around 3.0% in each of 2024 and 2025. Although the negative impact of the COVID-19 pandemic is expected to diminish, several factors continue to exert pressure on the economy, particularly the Russia-Ukraine conflict leading to trade sanctions and the energy crisis with a potential for further escalation. The slowdown of the Chinese economy, as well as the economic decoupling led by the United States and China, could have repercussions on global supply chains and potentially intensify the trend of deglobalization. In addition, the use of high-interest rate policies in 2022-2023 to control inflation amidst high energy prices will impact the costs and debt burdens of both the public and private sectors, as well as overall market volatility. In general, the global economy faces a strong risk of a downturn in 2023. The delay in global demand may help alleviate inflationary pressures in the long run, allowing the primary axis countries to reduce interest rates to protect the economy from prolonged weakness.

New technology is becoming increasingly important for restructuring industrial sectors to maintain competitiveness. Digital technology is considered a crucial fundamental factor in driving value creation in manufacturing and service sectors under the New Normal, emphasizing sustainable growth based on resilience in global supply chains and responses to environmental conservation movements, particularly in energy saving. With this context, technology that will assume a particularly important role over the next three years will include the following.

· **The Internet of Things (IoT):** IoT will play a role gathering data from sensors in everything from everyday gadgets to smart factory machines, though this will be especially important in industries involved in the production of electronics, auto parts, electrical appliances, and medical equipment. In the service sector, IoT applications are being used in hotels, hospitals, and logistics operations. The increasing spread of 5G services and improved data transfer speeds is also helping IoT applications find a growing number of uses involving machine learning with a higher processing speed through sensor system.

· **Robotics:** The use of robots is increasingly widespread in the manufacturing and service sectors, in particular in the auto manufacturing, healthcare, and logistics industries, where robots' ability to carry out precision work helps to increase safety. Fortune Business Insights estimates that the global market for robotic systems will enjoy annual growth of 10% over 2020-2028, although at present, the use of fully autonomous manufacturing robots carries a high price tag and so most industrial applications are of cobots (collaborative robots) that are deployed alongside human staff.

· **Artificial intelligence (AI):** When AI is used in industry, it is often combined with other technologies such as cloud computing and IoT for use in big data analytics in, for example, the auto and electronics industries, where AI helps to reduce waste. AI is also used in medicine to help track the spread of infections, in the real estate industry to help with the design of buildings, and in modern trade to predict trends in consumer demand.

· **5G technology:** Commercial 5G use cases are multiplying rapidly, especially in manufacturing, agricultural, construction, and telemedicine contexts, where 5G helps with the remote control of drones and robots. Next Move Strategy Consulting estimates that the global market for 5G infrastructure will see annual growth of 66.0% over 2020-2030. Locally, the Thai government has pushed forward with the development of 5G digital infrastructure that will support cloud AI systems and metaverse platforms. This is part of the wider plan to promote investment in the new, high-tech S-curve manufacturing and service industries.

· **Drone:** Drones (remotely controlled pilotless aircraft) are reducing companies' dependency on labor and cutting the time taken to survey land, especially in agriculture and construction, where they can be used in situations that would be dangerous for humans. Electric drones are also being used in logistics, where their ability to take off and land vertically makes deliveries easier. Currently, drone technology is being used to develop unmanned aerial vehicles in Japan, China, and Europe.

· **Blockchain:** Blockchains are a means of storing data on distributed ledgers that are accessible to those within a network and that allow for the secure and safe confirmation and recording of transactions. Blockchains are now finding uses in a wide range of industries beyond finance, especially in retail, transport, and manufacturing. National Digital Identity therefore predicts that the global blockchain industry will be worth USD 11.7 billion in 2022, increasing to USD 20.0 billion by 2024.

· **3D printing:** Advances in 3D printing technology now allow for the rapid, low-cost design and production of a huge range of products. This is thus adding to companies' competitiveness by providing them with the means for mass customization, which is then helping them to respond to diversifying consumer demand for attractively priced goods. 3D printing is also establishing a more central role in manufacturing supply chains in, for example, the production of auto parts, electronics equipment, medical devices, and construction materials, in the latter case for the printing of floors, walls, and roofs.

· **Synthetic biology:** The most common application of synthetic biology is in the production of new types of agricultural products that are designed to meet demand from the growing number of health-conscious consumers and elderly consumers. This includes cultured meat grown from stem cells from the target animal (e.g., from cows, chickens, pigs and tuna), and in the manufacture of plant-based meat, that is, plant products that have the taste and texture of real meat. These products reduce exposure to some of the health risks related to meat consumption and provide an alternative source of protein in the event of outbreaks of livestock disease.

The establishment of ESG goals is helping companies grow sustainably, though this may also put pressure on some heavy industries. Worldwide, businesses are rapidly becoming much more conscious of the need to plot a path to sustainable long-term growth, and this has then underpinned the development of the ESG movement. This covers matters relating to the environment, social issues and governance, and ESG is now being used as a tool to strategically manage risk, to assure partners and stakeholders of the security of the core business, and to guarantee safe long-term returns to investors. PwC's 2021 Global Investor ESG Survey showed that of the 325 respondents, 79% believed that the ESG framework was an important factor influencing investment decisions. Likewise, research by Deloitte (April, 2022) based on data from the Australian stock market indicates that ESG-informed investing is positively correlated with total shareholder returns. Within this, environmental factors and especially reductions in

carbon and greenhouse gases emission were the most closely correlated with investor returns, and so it is the 'environment' in ESG that is both the most urgent and that has the most impact on businesses. Currently, 137 countries have signed up to the UN Climate Convention and to achieving carbon neutrality as soon as they are able. Thailand is among this group, and the country has set a goal of achieving carbon neutrality by 2050 and of reaching net zero for all greenhouse gases by 2065. As part of this, Thailand has already put in place plans to encourage investment in renewables and electric vehicles. There are also plans to support businesses that will supply cost-cutting infrastructure, such as the establishment of smart industrial estates and smart logistics hubs, which will then help to underpin growth in these industries. Alongside this, though, carbon-intensive heavy industries may be adversely affected by these trends, and so businesses dealing with cement, metals (steel and aluminum), and chemical fertilizers will need to act rapidly to overhaul their operations, as they are at risk of being levied carbon tax most notably by the EU, which is introducing its carbon tax in 2023.

Marketing Policies

The Company sees a way to reduce and remove processes that cause waste. The Company is ready to be a partner with the clients in creating the New S-Curve. The strategy that the Company focuses on is promoting the growth of its subsidiaries (BU Growth Strategy) as the speed of each business is not the same. Therefore, the Company sees more potential of products and services for various industries. This enables them to leverage the strengths of their businesses to maximize benefits.

The Company's main businesses is to build End-to-End IT Infrastructure, from consulting, system design and implementation, setting up networks, servers, and software. The Company's services include Cloud Computing services, service maintenance, services related to cyber security through the Company's main products and services. The Company still values existing clients and aims to expand to a larger client base to strengthen its Customer Centric aspect and stably expand its client bases. The Company also focuses on developing its personnel and new-blood leaders, and is ready to support the works that create value-added to the existing works, to further develop such works to High Value Products that can keep up with market needs.

Customer characteristics and target customers

The company has a clear policy for establishing a trusted advisor strategy based on a holistic approach,

providing solutions, including investments and labor to support customers in the long term. The company will focus on leading customers in each industry that use modern technology to be a leader cover all each type of industry, whether the telecommunication group, financial Institution group, government and education group, manufacturing industry group, state enterprise and public utilities group, and medical service group.

Besides, the company has laid out a strategy to expand the customer base, focusing on the target market (Segmentation and Targeted Marketing) and focusing on creating non-technological business alliances such as collaborations between organizations or universities. By taking the ability and add technology to solve problems for specific groups of customers, including investment with external personnel in various forms, including startups, to create products and services that are clear in the market and specified needs.

Research and Development

Research guidelines of the Research & Development Division. In 2023, more emphasis has been made on research and focusing on creating Deep Tech by considering the cost of investment in research together with comparing various options. Whether it is a joint venture with the technology owner Technology purchase or the selection that is developed from other people's technology which is based on the speed of going into the market. There are mainly guidelines for research on various topics, such as linguistics research, including characters, images, and sounds that providing services which more likely to use spoken and written language as a medium for transmitting the information. There are many plans to embed Thai language processing capabilities into more company solutions. Most research will focus on tools that are open source to provide cost-effective and freedom as well.

As for further, education with other technologies is important such as application development on the Block chain, Auto ML research or Mobile Application development consistent with the growth of the Mobile Device. The company has focused on technology Cross-Platform Application by creating emphasis and great user experience, etc. The research in various ways mentions that the goal is to increase the potential of the company in terms of being one of the technology leaders and increase the capability of the company in terms of service and support customers to the highest satisfaction.

Distribution Channel

The Company has established and divided into six (6) sale groups according to the characteristics of the target customer group, consisting of:

1. Telecommunication Groups
2. Government and Education Groups
3. State Enterprises and Public Utilities
4. Financial Institutions
5. Manufacturing Industries
6. Medical Service Groups

Through direct contact and negotiation with customers mostly, it is a large organization and enterprise, both private and government. In 2023, the Group will recognize 90% of revenue from projects with private sector customers as end user customers, while recognizing revenue from government customers and government sectors, accounted for approximately 10%. (For the year 2022, the proportion of revenue is 85:15 percent, private sector customers: government customers and agencies). By taking care and offering various services to customers as well as increasing the capability of providing services to meet customer's needs, most of the company's revenue still comes from the existing customer base. This is a result of the strategy of building good relationships with customers in the form of "Customers as Partners" with experience and expertise. By designing solutions that meet the needs of customers to increase competitiveness, the company continues to gain trust from customers with increasing work value.

Procurement of products and services

From the rapid change in information technology as well as new innovations to play a role instead of working in the original form, all affected businesses in various industrial sectors. The strengths of MFEC's products and services are the use of experience, quality work, service excellence and a complete variety of products, including bringing experiences from various industries to assimilate for the best benefit of the customers' business as well as development research and researching in investment education in various innovations, including joining with customers to build strength from Core Competency, which is a way to create products that meet the needs and sustainability of customers' business.

Another strength of the company is an organization that realizes and gives importance to the core of the business providing consulting services, development and implementation of computer systems and

information technology networks. This is a business that relies on experience and expertise with hardware devices and software or program development to be able to connect and coordinate various equipment working together analytical competence as well as a deep and comprehensive understanding of the customers' business nature operation and the direction of today's technology changes.

Quality of Products and Services

In the field of servicing products or goods, selecting and sourcing a quality product or merchandise from an appropriate source, the company will order most of its products from the manufacturers that the company has appointed as a distributor. The company has knowledge and expertise in equipment and is confident in the quality. For products that the company has not been appointed as a distributor, the company will only order from distributors on the list of distributors that have been considered by the company for the quality and service until they are initially accepted (Approved Venders List).

In addition, the company is also aware of the rights and good work practices in cooperation with business partners or partners in accordance with the framework of corporate business ethics, which has established a code of conduct in writing and communicating to each other in general. Business partners must have good business ethics, following the framework of good faith and supporting the creation of fair competition between trade partners complying with various conditions. In the event that the conditions cannot be met, they must notify in advance in order to jointly find solutions and prevent from being damaged as well as not calling or accepting or paying any benefits who are dishonest in trade with partners. There are accurate, complete and truthful financial reports to enhance mutual efficiency or in other words, complementing each other's strengths, making a difference, including building a good relationship with each other. This will lead to long-term competitiveness in the market and grow together.

In terms of operations with partners, partner screening guidelines as well as evaluation of business partners' performance, the company has considered suitability in various dimensions before signing a contract as a business partner. There are 5 main steps;

- The accounting department is screened from tax documents (Phor Phor.), trade registration documents, registered capital to review and approve operations.

- The Partner Alliance department inspects contract terms, such as regulations or conditions that are illegal within the framework of the company or not, or examining trade disadvantages.

- The Legal department examines various signing contracts before the collaboration was “Business Partners” that are legitimate or not.

- The Sales department considers a cooperative framework for achieving a common objective of proposing/ purchasing agreements for services and products between organizations and customers.

- The Product development department (Delivery) takes into account the potential of research and development of products, technology trends and customers’ and market’s needs study as a whole, as well as developing quality personnel to support various services.

Individual Partner Assessments

The Partner Alliance department conducts quarterly review of joint operational capabilities, mainly based on the internal fiscal year of the organization. The framework is to oversee the goals that are mutually agreed, including solutions to problems and business operations.

Proportion of Purchasing Products and Employment of Services

In 2023, MFEC Co., Ltd. had a direct and distributor purchase ratio of 35.42% for foreign products and 64.58% for the total sales volume. The highest purchased product was Microsoft, accounting for 27.83% of total sales, purchased from Microsoft Regional Sales Pte. Ltd.

For Professional Services, the company employs staff in two (2) categories, namely: 1. In-House employees (In-Houses) and 2. Temporary Contract employees (Outsource). When hiring Outsourcing employees, the company considers selecting companies or personnel with knowledge, ability, and expertise in various matters to work on specific tasks. The criteria for selecting Outsourcing include: 1. The ability to reduce the burden of work on the organization or how much risk is involved 2. Experience and expertise in managing specific work professionally 3. The ability to solve specific problems faced by staff at all levels related to that work 4. Results of past and present work performance, and so on.

Following the company’s commitment to always operate its business alliances in a good manner, the company has developed to become a cloud distributor. It has utilized cloud technology products under the Microsoft brand (License/Cloud) as a partner in

the Gold Partner level, resulting in the highest sales ranking. Additionally, the company has partnered with AWS at the Advanced Tier Services Partner level and with Google as a Premier Partner, continuously expanding its market and becoming a leader in the service provider market. The combined sales of all three (3) cloud products have resulted in increased total sales for the company and we have been awarded the Regional Partner of the Year 2022 by CHECKPOINT in the Y22 Top Cloud Security Partner of the Year event for generating the highest sales in the Cloud security solutions product category. We guarantee the delivery of services in line with internationally recognized standards related to Cloud Security systems. These include the leading international standards in IT service management ISO/IEC 20000 and the management of information security ISO/IEC 27001, certified by BSI Group (Thailand) Limited, the national certification institute of the United Kingdom (The British Standards Institution-BSI).

MFEC is honored to be recognized as the Cisco FY23 Innovation Partner of The Year, at Cisco Thailand & Myanmar Partner Appreciation Event 2023, reflecting our continuous leadership in the software field. As a partner, we have consistently driven the growth of Cisco products and achieved the highest sales of AppDynamics. With MFEC’s strong technological potential, we possess extensive knowledge and understanding gained of experience and expertise in products and are committed to continuously developing the efficiency of our service delivery because we believe that “customer experience is more important than anything else.”

With exemplary leadership in data security, MFEC has achieved the Cyber Security Excellence Award 2022 at the Digitech One Award Night held on February 20th, 2023. This award serves as a testament to the quality of cyber security services and efforts have been consistently made to strengthen to provide comprehensive protection and stay ahead of evolving risks.

In addition, the company has also been honored with the Culture Innovation - Power Platform award at the Microsoft Thailand Partner Awards 2022, as a longstanding Strategic Partner providing comprehensive Microsoft Solutions. With extensive expertise in utilizing Low-Code tools such as Power Apps and Power Platform, the company has influenced various organizations across industries to adopt Low-Code solutions, enabling the creation of new standards and highly efficient workflows in alignment with MFEC’s vision of uplifting the quality of life for everyone, which aims to uplift the quality of life for everyone. Through comprehensive technology-driven services, including consultation, strategic planning, and IT system management, the company ensures that both current and future customers achieve

their desired outcomes and maximize operational efficiency, as a distinguished partner, the company excels in providing service and generating customer satisfaction. It ensures that there are no dependencies or risks associated with relying on any specific suppliers.



Customer Relationship Management

MFEC Public Company Limited, has presented a systematic process for gathering data and customer requirements utilizing various tools such as questionnaires and interviews. This aims to assess the level of customer satisfaction related to the usage of the company's products and services. Additionally, it encompasses finding ways to fully respond to customer expectations.

The company has conducted meticulous data collection from its current customer base in order to prioritize their needs. This enables the company to develop products and offer services that are stable and reliable. Similarly, the company emphasizes the creation of satisfaction and strong customer loyalty towards the products and services it provides. To achieve this, the company has set five (5) objectives or guidelines for enhancing customer satisfaction:

1. Study customer behavior and expectations: Explore the needs, desires, and requirements of customers to understand perspectives and their ways of utilizing the products or services offered by the company

2. Acknowledge the current status of the business operations: Use the survey results to determine clear objectives or set goals for future development and improvement.

3. Reduce miscommunication: Check and rectify any errors or gaps that may occur between the business and customers, in order to improve efficiency and communication.

4. Measuring customer satisfaction as a means of communication: Utilize surveys as a channel for communicating with customers, fostering understanding and building good relationships.

5. Benefits of establishing standards and quality improvement: Survey results provide useful data for establishing work practice standards and ongoing quality improvement efforts.

The company has determined tools for surveying customer satisfaction, using systematically developed questionnaires validated through statistical analysis. These tools are considered standardized and widely used in business industry

The company has chosen to use the Customer Satisfaction Index (CSI) as the primary tool for monitoring and tracking customer satisfaction consistently. This enables executives and employees to have continuous insights into their performance.

Creating an organization's satisfaction index is considered an important task, achieved by collecting ratings from evaluations in all areas to derive an overall satisfaction average. Setting a minimum satisfaction threshold of no less than 85% each year is an effective method for continuously improving service performance.

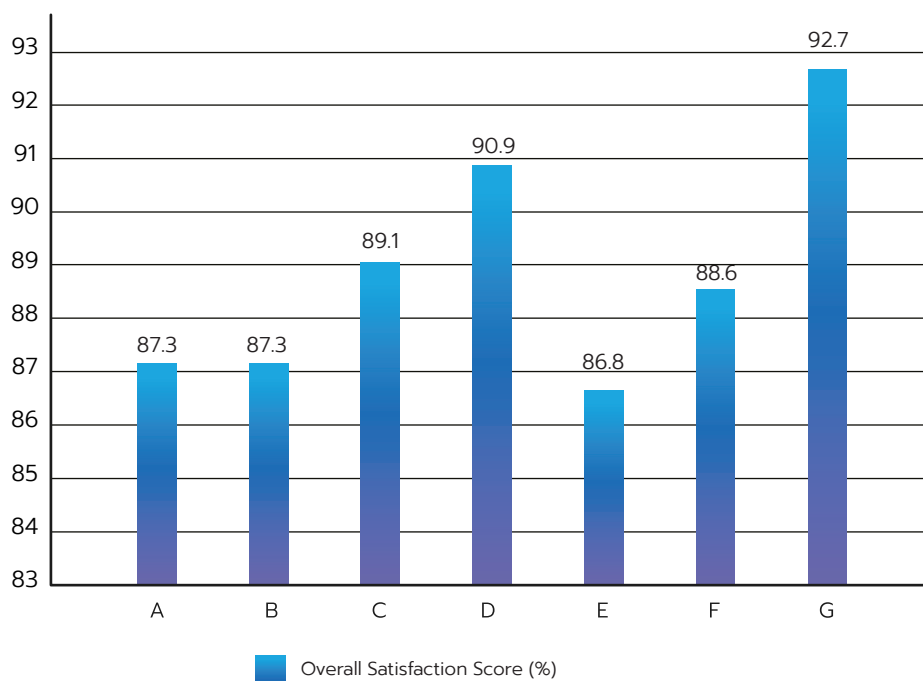
In 2023, the company established a Customer Success department with the mission of providing ongoing support to customers, from being a target group during sales to becoming regular users of the company's products or services. This department also serves as a direct channel for customers to file complaints, allowing for detailed and comprehensive feedback through various engagement activities such as observation, interviews, meetings, and more. The focus is on building customer loyalty and fostering long-term relationships while taking care of existing customers as long as they continue to work with the company business.

As part of the main KPI of the Customer Success department, there have been added tools for measuring customer satisfaction have been implemented from a different perspective, namely the Net Promoter Score (NPS). This metric has gained importance and popularity in assessing customer satisfaction and honesty. It helps the organization gain a deeper understanding of customer satisfaction levels beyond average ratings obtained from CSI surveys alone. The department has set a target NPS score with a minimum of 40 for the first year.

For the Customer Satisfaction Index (CSI), there have been enhancements in the details of collecting more in-depth data, such as feedback and suggestions for improvement. This is to further align with the activities of Customer Success, which involves closely monitoring feedback through a Close Loop process. The aim is to foster a better understanding between the company and customers regarding the situation or issues that arise, with a more proactive approach focused on building long-term relationships and customer satisfaction. In the year 2023, Close Loop activities were conducted for all three customer projects through engagement activities, primarily consisting of meetings and interviews.

Customer Satisfaction Survey

Question set topics	No.	Total Satisfaction Score (%)
Overview of services, compared to other service providers in the market	A	87.3
(Sales) The frequency of meetings to gather customer requirements.	B	87.3
(Sales) Contact and assistance	C	89.1
(Service) Prompt assistance and problem-solving issues	D	90.9
(Service) Knowledge and competence of project managers	E	86.8
(Service) Knowledge and skills of the installation team	F	88.6
You are pleased to use the MFEC services.	G	92.7
Average		89.0



Assets used in Business Operations

As of 31 December 2023
the main fixed assets used by
the Group business operation



Net residual value after
deducting accumulated
depreciation of
126.4 million baht



Building and equipment
renovations in the amount
of 106.3 million baht and
Intangible assets in the
amount of 20.1 million baht



Additional details in Attachment 4

Assets used for business and Details of property appraisal items

Backlog

The Company and its subsidiaries had product and service contracts with customers which had not been delivered or provided (Backlog) as of December 31, 2023, totaling 7,563 MB., which increased 36 MB. from the end of 2022 with the value of work that had not yet been delivered (Backlog) totaling 7,563 MB.

Backlog had been significantly higher compared to the value at the end of 2022. Due to the increase in project value received during the year 2023, mostly from continuous system maintenance services, which have a recurring income recognition based on service contracts, the majority of the company's projects have a long-term duration of 3-5 years. At the end of the year 2023, the longest-running project is scheduled to be completed in 2029

(Unit : Million Baht)

	31 December 2023	31 December 2022	Increase (Decrease)
Company	7,160	7,116	44
Subsidiary	403	411	(8)
Total	7,563	7,527	36

1.3 Shareholding Structure of the Company Group

1.3.1 Shareholding Structure of the Company Group

MFEC Public Company Limited and its subsidiaries provide IT professional services and system integration for both public and private sectors. The Company focuses on large-sized enterprises which lead each industry highly demanding IT services. Scope of the services extends from advice to solve problems or satisfy customers' need, development and integration of computer systems and IT network with hardware, software, extension and network equipment, system integration and tests, training for users to maintaining services.

The Company has the following, three (3) main businesses:

1. IT Professional Services
2. System Integration
3. Professional Services

In order to strengthen the organization and comply with the government's direction which supports and promotes the digital economy among new-gen people and others, develops and creates technological innovation for business extension via digital technology for products and services based on a combination of innovation and business, MFEC Executives during 2020 - 2023 have had the following policies:

- Encourage the creative employees with work and management capabilities to grow business units together with the organization expansion by holding shares, registering business units as new subsidiaries, and allowing the employees to take part in businesses as owners and shareholders.
- Expand investment with groups of allies for new channels of income to enlarge the organization's income base to other industries.
- Intend to "Produce People" by developing both internal and external human resources in the fields which matches the ICT industry's needs.

- Merge similar businesses in the group for business strength and dissolve the subsidiaries which have no trend to grow for greater opportunity, higher income, fewer risks, business advantages and higher financial efficiency.

During 2019 - 2023, the Company invested in the following, new companies:

- February 2019: MFEC bought shares from employees holding shares in Digital Savvy Co. Ltd. "DS", in order to maintain the combined shareholding of the company and with the employees of the company in the proportion of 49 percent of the registered capital (30,000,000 baht), causing the Company to invest in 39.18 percent of the registered capital.

A new company was established by MFEC and outsiders who have expertise in consulting business and being a cloud development service provider, under the name of "Undefined Co., Ltd." with the objective of providing development services; software applications and software with cloud computing technology. The Company invested in 40 percent of the registered capital (10,000,000 baht).

In this regard, the Extraordinary Meeting of Shareholders No. 1/2019 on December 26, 2019 has resolved to liquidate the business, since the company's original business plan is not consistent with the future economic trends.

- March - April 2019: MFEC increased the registered capital of Digital Savvy Co., Ltd., "DS" in order to increase liquidity in business operations, allowing the company to operate in accordance with the business plan. The Company held 41.64 percent of the registered capital (40,000,000 baht).

And MFEC reduced the registered capital of Data Café Co., Ltd. in order to make the company to have a suitable level of the registered capital for the management and business operations of the organization. The Company held a reduced investment in the proportion of 59.90 percent of the registered capital (8,000,000 baht).

- June – July 2019: MFEC reduced the registered capital of Motif Technology PLC. “Motif” in order to be at an appropriate level for the management and business operations. In this regard, the Company had reduced the remaining investment in the proportion of 99.99 percent of the registered capital (40,000,000 baht).

MFEC increased the registered capital of Fanster Media Co., Ltd., “FM” in order to expand the service, disseminated news, activities of famous people through applications and other channels. This will increase business benefits, in which the Company held 34 percent of the registered capital (67,000,000 baht).

In this regard, the Extraordinary General Meeting of Shareholders No. 2/2019, Advance Intelligence Modernity Company Limited “AIM” has resolved to liquidate since there is a tendency for growth not in accordance with the business guidelines.

- July – September 2020: MFEC sold 24.10% of the Company’s ordinary shares to TIS Inc. “TIS” in order to expand the banking information technology business, payment system, information technology structure, and information security technology system, which is the main business that TIS has expertise. It also increases business opportunities through the Company’s distribution channels in Thailand. MFEC held shares in investment decreased in proportion of 51 of the registered capital (441,453,555 baht).

- October 2020: MFEC purchased new ordinary shares of I Two Enterprise Company Limited “I Two” for the benefit of the business operation especially the expansion of the customer base to the government and state enterprises. MFEC invested 15% of the registered capital after the issuance and offering of new ordinary shares (70,588,200 baht).

- January 2021: MFEC registered to establish a new company in the name of “Venture Lab Company Limited” with the objective of doing business related to research and development of products and services. MFEC invested in 99.99% of the registered capital (5,000,000 baht)

- May 2021: MFEC increased the investment in the ordinary shares of Data Café Company Limited “DC” from a shareholder in the said subsidiary. MFEC held 73% of the registered capital (8,000,000 baht).

- June 2022: MFEC jointly invested with Bangchak Corporation Public Company Limited (“BCP”) in Data Café Company Limited (“DC”), which is currently a subsidiary in which the Company holds 64.90% of the registered capital (8,000,000 baht).

MFEC increased the registered capital from 8,000,000 to 12,307,700 baht by issuing additional ordinary shares and offering new shares to BCP in order to help strengthen competitiveness and drive DC to grow and be profitable in the future. As a result, the Company’s investment in DC decreased from the original to only 42.185% of the registered capital (12,307,700 baht), which the Company changed DC’s shareholding status from a subsidiary to an associated company.

- December 2022: MFEC established two (2) new subsidiaries for the purpose of restructuring business in the Group, namely Eastwind Holding Company Limited (“EWH”) in which the Company

holds 94.21% of the registered capital (51,000,000 baht) and Vulcan Digital Delivery Company Limited (“VDD”) in which Eastwind Holding Company Limited holds 100% of shares.

MFEC sold assets used in the Digital Delivery business unit, such as computers and related equipment, to Vulcan Digital Delivery Company Limited (“VDD”), an indirect subsidiary of the Company. Also, MFEC transferred approximately 300 software development employees and all other relevant staff in the Digital Delivery business unit to VDD in order to restructure the Company’s business.

- In April 2023, a new subsidiary company, Synergy Group Ventures Co., Ltd, was established with the purpose of investing in securities within businesses that are potential and relevant to the core business operations.

- A new business structure for the group of companies was formed by merging two subsidiary companies, namely Business Application Solutions Co., Ltd (“BAC”) and Hongson Co., Ltd (“HS”), in which MFEC holds shares in both of these aforementioned subsidiary companies

- In May 2023, Synergy Group Ventures Co., Ltd (“SGV”), a subsidiary company in which MFEC holds 100% of the shares, made investments by acquiring a portion of the businesses in two associated companies. These companies are Secure D Center Co., Ltd and A-Host Co., Ltd. As a result of these investment transactions, the company indirectly holds shares through Synergy Group Ventures Co., Ltd, which will subsequently become an associated company within the group of companies after the completion of the investment transaction.

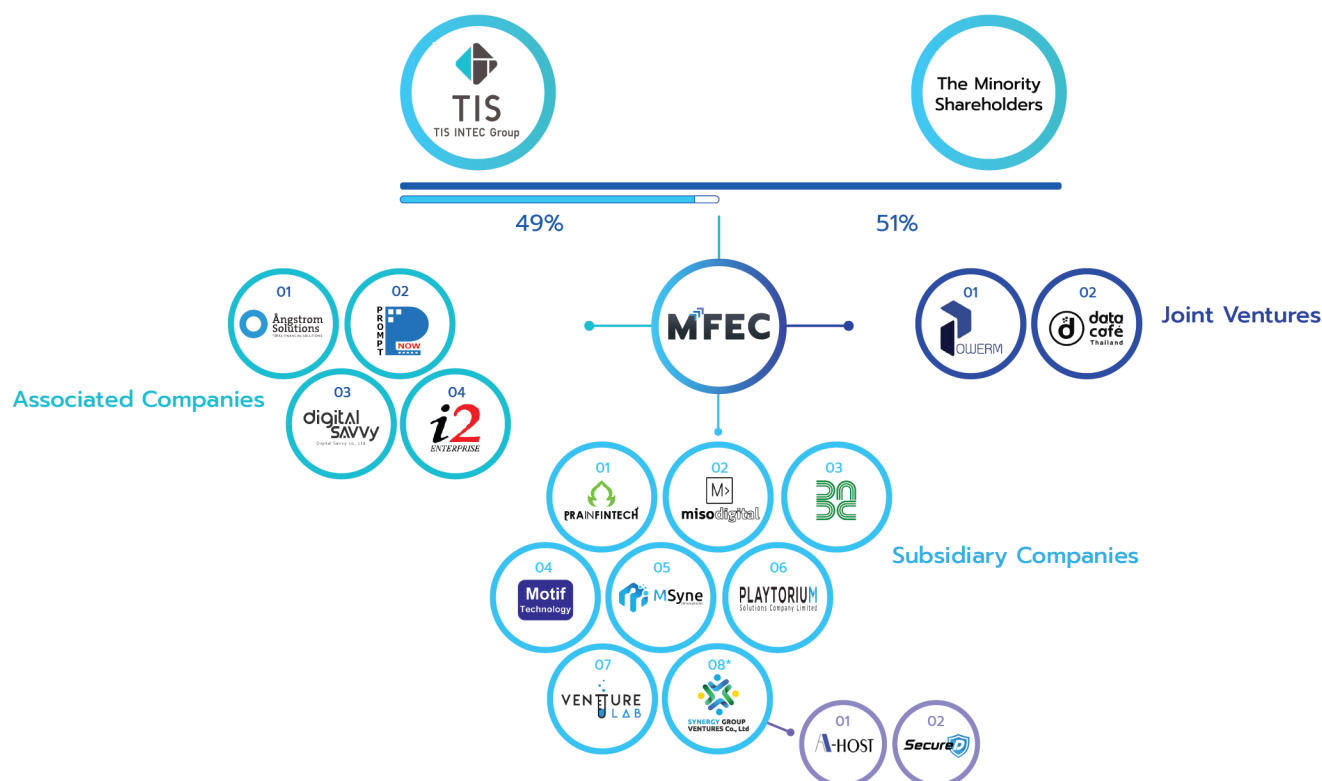
- In August 2023, Synergy Group Ventures Co., Ltd (“SGV”) acquired 18,000,000 shares of i2 Enterprise Public Co., Ltd. (“I2”). After the investment by SGV in I2, the group of companies will hold a total shareholding proportion of 15% of the issued and fully paid-up capital of I2. This shareholding is held by both the company and SGV. After the IPO of I2, the respective proportions will be 10.71% and 4.29% for the company and SGV, respectively.

- Fanster Media Co., Ltd, an associated company, has ceased its operations as it no longer engages in commercial activities and unfavorable operating conditions. Fanster Media Co., Ltd provides data services through its application, with a registered capital of 67,000,000 Baht. The company holds a 34% share in this joint venture. The discontinuation of operations by this associated company does not have any impact on the company’s ongoing business operations or financial position.

- In November 2023, A new business structure was implemented within the group of companies by merging the operations of MSyne Innovations Co., Ltd (“MSyne”). The company holds all the shares in this subsidiary. The objective of this merger is to enhance operational efficiency, reduce costs and expenses, and align with the company’s long-term strategic plans.

As a result of investment in new companies and liquidation of some companies as mentioned above, MFEC Public Company Limited and its subsidiaries, as of 31 December 2023, consisted of four (4) associated companies and eight (8) subsidiaries and two (2) joint ventures as follows:

Structure of MFEC Public Company Limited and its subsidiaries



Shareholders

MFEC Public Company Limited

Associated Companies 01

Angstrom Solution Co., Ltd.
40.00%

Associated Companies 02

Promptnow Co., Ltd.
20.00%

Associated Companies 03

Digital Savvy Co., Ltd.
41.50%

Associated Companies 04

I2 Enterprise Public Co., Ltd.
15.00%

Subsidiary Companies 01

Prain FinTech Co., Ltd.
71.62%

Subsidiary Companies 02

MISO Digital Co., Ltd.
75.00%

Subsidiary Companies 03

Business Application Co., Ltd.
99.99%

Subsidiary Companies 04

Motif Technology Public Co., Ltd.
99.99%

Subsidiary Companies 05

MSyne Innovations Co., Ltd.
99.99%

Subsidiary Companies 06

Playtorium Solutions Co., Ltd.
70.00%

Subsidiary Companies 07

Venture Lab Co., Ltd.
99.99%

Subsidiary Companies 08

Synergy Group Ventures Co., Ltd.
100.00%

*Additional information: Synergy Group Ventures Co., Ltd has 2 associated companies as follows:

Associated Companies 01

A-Host Co., Ltd. 30.00%

Associated Companies 02

Secure D Center Co., Ltd. 25.00%

Joint Ventures 01

PowerM
100.00%

Joint Ventures 02

Data Café Co., Ltd.
42.00%

Associated Company's Products and Services

Presently, MFEC Public Company Limited has four (4) associated companies and eight (8) subsidiaries and two (2) joint ventures: with products and services in the following details:

Associated Company	Main Product/Service	Customer Type
1. Angstrom Solution Co., Ltd. (ANG)	• Securities trading	• Finance/securities companies
2. PromptNow Co., Ltd. (PN)	• Mobile Financial Service • Gamification • Managed Service	• Financial institutions • Telecom
3. Digital Savvy Co., Ltd. (DS)	• Service for platform management system about the exhibition • Ticketing system for all play types	• Entertainment • Sports
4. I2 Enterprise PCL. (I2)	• Consulting, design, procurement, installation and distribution of telecommunication equipment, information technology and energy system	• Government • State Enterprise • Private Sector
Subsidiary	Main Product/Service	Customer Type
1. 1. Praln FinTech Co., Ltd. (PFT) Former: Modernform Integration Services Co., Ltd. (MIS)	• Payment Gateway • Financial Technology • Consulting service and computer system development	• E-Commerce • Business groups with demand for Alternative Payment Channel • Middle market • Insurance • Manufacturing/petrochemical • Service and Transportation • Retail • Consumers
2. MISO Digital Co., Ltd. (MISO Digital) Former: M.I.S. Outsourcing Co., Ltd. (MISO)	• Audit, warranty management, and maintenance of IT infrastructure • IT project management and equipment management • Outsourcing IT outsiders • Professional services and system integration for Cloud and office work • IT professional services and system integration involving IT infrastructure – hardware & software	• Tourism • Financial institutions • Transportation • Manufacturing • Retail • Food • State agencies/State enterprises

Subsidiary	Main Product/Service	Customer Type
3. Business Application Co., Ltd. (BAC)	<ul style="list-style-type: none"> • Business Analytics <ul style="list-style-type: none"> - Cognos BI - Cognos TM1 - SPSS Software - Tableau - Datawatch 	<ul style="list-style-type: none"> • State agencies/private enterprises in all industries
4. Motif Technology Public Co., Ltd. (MOTIF)	<ul style="list-style-type: none"> • Agent Management (iAM) • Agent Compensation (iCOM) • Agent Leader (iAL) • Smart Quotation (iSQ) • eApplication (eAPP) • iClaim • Legal Tracking System (iLegal) • iCollection • Appraisal Collateral (iAppraisal) 	<ul style="list-style-type: none"> • Financial institutions • Insurance/Life insurance
5. MSyne Innovations Co., Ltd (MS) Former: Soft Plus Technology Co., Ltd. (SPT)	<ul style="list-style-type: none"> • Sell products mainly related to Data, Big Data, Data Lake, and Data Governance with emphasis on Cloudera, Hortonworks, or Informatica primarily • Selling services (Professional Services) installing Big data systems for various organizations <ul style="list-style-type: none"> - Data Integration - Data Preparation - Data Governance - Data Science • Selling Big Data Maintenance Services to various organizations, providing 24*7 service 	<ul style="list-style-type: none"> • Healthcare • Energy • Financial Institution • Telecommunication
6. Playtorium Solutions Co., Ltd. (PS)	<ul style="list-style-type: none"> • IT professional services and system integration in new technology groups and startups • Recruitment service 	<ul style="list-style-type: none"> • Financial institutions • Insurance/life insurance • Telecom • SMEs/startups
7. Venture Lab Company Limited (VL)	<ul style="list-style-type: none"> • Research and development services for new products and services related to information technology 	<ul style="list-style-type: none"> • Public and private sectors in all industries
8. Synergy Group Ventures Co., Ltd (SGV)	<ul style="list-style-type: none"> • Investing through Shareholding in Other Companies 	<ul style="list-style-type: none"> • Business group that are relevant to the core business operations
8.1 A-Host Co., Ltd. (A-Host)	<ul style="list-style-type: none"> • Engaged in a diverse range of IT services, including IT consultancy for system and application development, Enterprise Resource Planning (ERP), IT managed services, and cloud services for Largest Companies organizations 	<ul style="list-style-type: none"> • Public and private sectors in all industries

Subsidiary	Main Product/Service	Customer Type
8.2 Secure D Center Co., Ltd	<ul style="list-style-type: none"> Engaged in the business of providing and consulting services and developed Cyber security services. Including offering services for auditing the security of information technology systems. 	<ul style="list-style-type: none"> Public and private sectors in all industries
Joint Venture	Main Product/Service	Customer Type
1. PowerM (POWERM)	<ul style="list-style-type: none"> Selling mainly data-related products, including Big Data, Data Lake and Data Governance, with a focus on Cloudera, Hortonworks or Informatica 	<ul style="list-style-type: none"> State-owned enterprises
2. Data Café Co., Ltd. (DC)	<ul style="list-style-type: none"> Business advisory and analytics Accreditation for IT people 	<ul style="list-style-type: none"> Telecom Financial institutions Enterprises Energy

1.3.2 Conflict of Interest

The Company does not have persons who may have conflict of interest holding shares in subsidiaries or associated companies more than 10% of the shares with the voting right of the Company.

1.3.3 Business Relationship with Major Shareholders

In 2020, TIS Inc. received a partial tender offer (PTO) from all the Company's shareholders. The number of the Company's ordinary shares offered for purchase is not more than 106.39 million shares, accounting for 24.10% of the Company's paid-up capital. After the completion of the partial tender offer in September 2020, TIS Inc.'s shareholding in the Company increased from 24.90 to a new percentage of shareholding at 49.00 percent of the Company's paid-up capital. Therefore, the Company has become a subsidiary of TIS Inc. since the fourth quarter in 2020 onwards. TIS Inc. Group consists of 50 subsidiaries and 74 affiliated companies with details of the structure as follows:

■ TIS INTEC Group

(As of March 31, 2023)

TIS Inc., and 50 consolidated subsidiaries (domestic 24, overseas 26)

Main consolidated subsidiaries

TIS and main group companies	Shareholding ratio	Description of Business	Fiscal 2023, ended March 31, 2023 (Millions of yen, non-consolidated basis)	
			Net sales	Operating income (operating margin)
TIS Inc. (operating holding company)	—	Focuses on credit card companies but pursues business opportunities in a wide range of sectors, including services and manufacturing. Promote to expand payment business. Merged with pure holding company IT Holdings Corporation in July 2016 and became operating holding company. (Incorporated April 1971)	238,140	29,450 (12.4%)
INTEC Inc.	TIS 100%	Focuses on megabanks and life insurers, and assists with CRM for regional banks and offers a wide selection of services to regional public corporations, particularly in the Hokuriku region. (Established January 1964)	113,208	13,665 (12.1%)
AGREX INC.	TIS 100%	Leading company in BPO sector, with emphasis on insurance industry needs. Turned into a wholly owned subsidiary in March 2015, becoming core company for BPO business within the Group. (Established September 1965)	38,077	4,215 (11.1%)
QUALICA Inc.	TIS 80% Komatsu 20%	Formerly, information systems subsidiary of Komatsu. Focuses on assembly-based manufacturers, mainly those under the Komatsu Group umbrella, while expanding business with companies in the distribution and restaurant sectors. (Established November 1982)	22,623	2,542 (11.2%)
AJS Inc.	TIS 51% Asahi Kasei 49%	Formerly, information systems subsidiary of Asahi Kasei. Focuses on companies under the Asahi Kasei Group umbrella. (Established March 1987)	16,766	2,681 (16.0%)
MFEC Public Company Limited	TIS (based on control criteria) 49%	Thai-listed, leading provider of enterprise IT solutions, which has strength in banking, communication, and governments. 10 subsidiaries under the company. (Established March 1997)	20,849*	1,062* (5.1%)

Domestic subsidiaries

IUK Inc.	TIS Solution Link Inc.	Registration Network, Ltd.
INTEC Solution Power Inc.	TIS Chiyoda Systems Inc.	Nexway Co., Ltd.
ULTRA Inc.	TIS Tohoku Inc.	HOKKOKU INTEC SERVICE Inc.
KOUSHI INTEC Inc.	TIS Nagano Inc.	MicroMates Corp.
SKY INTEC INC.	TIS West Japan Inc.	Miotsukushi Analytics Inc.
SorunPure Inc.	TIS Total Service Inc.	
TIS System Service Inc.	TIS Hokkaido Inc.	

* MFEC Group, consolidated basis (fiscal year ended December 31, 2022). Numerical values based on accounting standards in home country of Thailand using rate prevailing at end of fiscal year.

Overseas Subsidiaries

● China

QUALICA (SHANGHAI) Inc.
TISI (Shanghai) Co., Ltd.

● Singapore

QUALICA Asia Pacific Pte. Ltd.

● Thailand

I AM Consulting Co., Ltd.
(Six subsidiaries under the company)
PromptNow Co., Ltd.
TISI (Thailand) Co., Ltd.
QUALICA (Thailand) Co., Ltd.

● Vietnam

AGREX DNP Vietnam Co., Ltd.

● United States

TIS Ventures, Inc.

74 Equity Method Affiliates (domestic Five, overseas 69)

Main equity method affiliates

● China

Shanghai CardInfoLink Data Service Co., Ltd. (CardInfoLink)
(Voting rights ownership ratio 18.1%, 13 subsidiaries under the company)

● Indonesia

PT Anabatic Technologies Tbk
(Voting rights ownership ratio 37.3%, acquired convertible bonds with stock acquisition rights, 46 subsidiaries under the company)

1.3.4 Shareholders

List of Shareholders and their Holding, as of 28 December 2023:

Major Shareholder	No. of Shares	% of Total Shares
1. TIS Inc. ¹	216,285,199	49.0
2. Group of Mr. Siriwat Vongjarukorn ²	20,575,710	4.7
3. Thai NDVR Company Limited	16,393,818	3.7
4. Mr. Sirisak Thirawattanangkul	10,026,013	2.3
5. Modernform Group PCL. ³	7,100,000	1.6
6. Group of Ms. Sompong Cholkadeedamrongkul ⁴	6,722,900	1.5
7. Group of Mr. Sittichai Wongpatarakul ⁵	6,016,600	1.4
8. Group of Mrs. Nitsana Jindarat ⁶	3,653,100	0.8
9. Group of Mr. Suwat Inthana ⁷	3,249,800	0.7
10. Group of Mr. Worrapot Anu-aekchit ⁸	3,068,429	0.7
11. The Minority of Shareholders	148,361,986	33.6
Total	441,453,555	100.0

Remark: The number of shares included the shareholders related according to Section 258. MFEC Public Company Limited had TIS Inc. as the shareholder with stake.

TIS Inc. provides IT professional services and system integration. As of 23 June 2023, the company had the following directors and executives:

1) Toru Kuwano	Chairman	15) Kiyotaka Nakamura	Senior Managing Executive Officer
2) Yasushi Okamoto	Representative Director, President	16) Masahiro Ueda	Senior Managing Executive Officer
3) Josaku Yanai	Representative Director, Executive Vice President	17) Kei Ando	Managing Executive Officer
4) Shinichi Horiguchi	Director, Senior Managing Executive Officer	18) Naoto Kita	Managing Executive Officer
5) Takayuki Kitaoka	Director	19) Akira Ogane	Managing Executive Officer
6) Shuzo Hikida	Director	20) Satoru Tayasu	Managing Executive Officer
7) Koichi Sano*	External/ Independent Director	21) Hidehiko Shimoyama	Managing Executive Officer
8) Fumio Tsuchiya*	External/ Independent Director	22) Tsuneyoshi Ito	Managing Executive Officer
9) Naoka Mizukoshi*	External/ Independent Director	23) Kyoko Takayanagi	Managing Executive Officer
10) Tetsuya Asano	Standing Audit & Supervisory Board Member	24) Isao Otokita	Managing Executive Officer
11) Makoto Tsujimoto	Standing Audit & Supervisory Board Member	25) Ikuo Shimizu	Managing Executive Officer
12) Yukio Ono*	External/ Independent Audit & Supervisory Board Member	26) Thanawat Lertwattanarak	Executive Officer
13) Akiko Yamakawa*	External/ Independent Audit & Supervisory Board Member	27) Manabu Yano	Executive Officer
14) Hiroko Kudo*	External/ Independent Audit & Supervisory Board Member	28) Yoshiyuki Hayashi	Executive Officer
		29) Masakazu Kawamura	Executive Officer
		30) Kensaku Furusho	Executive Officer
		31) Reiko Oka	Executive Officer
		32) Tetsuya Yuzuri	Executive Officer
		33) Hiroyuki Kawai	Executive Officer
		34) Takuma Tanaka	Executive Officer
		35) Yukino Fuchigami	Executive Officer
		36) Kazuto Nakamura	Executive Officer

* Designated for Independent Director/Auditor as specified by Tokyo Stock Exchange in Japan

- 37) Takashi Fujii Executive Officer
 38) Kiichiro Sasaki Executive Officer

*The executive in No. 15 Mr. Kiyotaka Nakamura was appointed as MFEC's director by the company's Annual General Meeting of Shareholders No. 1/2022 held on 25 April 2022.

*The executive in No. 29 Mr. Masakazu Kawamura was appointed as MFEC's director by the company's Annual General Meeting of Shareholders No. 1/2021 held on 26 April 2021.

¹List of Major Shareholders of TIS Inc., as of 31 March 2023, consists of:

- 1) The Master Trust Bank of Japan, Ltd. (Trust Account)
 จำนวน 33,646,000 หุ้น ร้อยละ 13.85
- 1) The Master Trust Bank of Japan, Ltd. (Trust Account)
 33,646,000 shares or 13.85%
- 2) ICHIGO Trust Pte. Ltd.
 23,171,000 shares or 9.54%
- 3) Custody Bank of Japan, Ltd. (Trust Account)
 12,843,000 shares or 5.29%
- 4) Employees' Shareholding Association of TIS INTEC Group
 6,595,000 shares or 2.72%
- 5) SSBTC CLIENT OMNIBUS ACCOUNT
 6,235,000 shares or 2.57%
- 6) Nippon Life Insurance Company
 6,219,000 shares or 2.56%
- 7) The Master Trust Bank of Japan, Ltd.
 4,796,000 shares or 1.97%
- (Retirement Benefit Trust Account, Mitsubishi Electric Corporation Account)
- 8) NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS
 4,731,000 shares or 1.95%
- 9) MACQUARIE Bank Limited DBU AC
 4,550,000 shares or 1.87%
- 10) STATE STREET BANK WEST CLIENT - TREATY 5052341
 4,152,000 shares or 1.71%

²Vongjarukorn Group:

- 1) Mr. Siriwat Vongjarukorn 18,405,659 shares
- 2) Mrs. Wannipa Vongjarukorn 2,170,051 shares

³List of Major Shareholders of Modernform Group PCL., as of 3 May 2023, consists of:

- 1) Mr. Taweechat Chulangkul
 55,529,800 shares or 7.40%
- 2) Mr. Nuttapol Chulangkul
 53,914,500 shares or 7.19%
- 3) Mrs. Chuleewan Wiwattanakasem
 34,101,840 shares or 4.55%

- 4) Mr. Kawiwut Nueangchamnon
 27,504,000 shares or 3.67%
- 5) Mr. Yothin Nueangchamnon
 26,989,420 shares or 3.60%
- 6) Mr. Chatchai Thammarungrueang
 26,650,070 shares or 3.55%
- 7) Mr. Taksa Busayaphoka
 24,446,000 shares or 3.26%
- 8) Mr. Ongart Damrongsakul
 22,000,000 shares or 2.93%
- 9) Mr. Aphirum Panyapol
 20,506,900 shares or 2.73%
- 10) Dhipaya Insurance Public Company Limited
 19,511,600 shares or 2.60%

⁴Cholkadeedamrongkul Group:

- 1) Mr. Sompong Cholkadeedamrongkul 4,693,600 shares
- 2) Mrs. Warunee Cholkadeedamrongkul 2,029,300 shares

⁵Wongpatarakul Group:

- 1) Mr. Sittichai Wongpatarakul 6,005,100 shares
- 2) Mrs. Malairath Wongpatarakul 11,500 shares

⁶Jindarat Group:

- 1) Mrs. Nitsana Jindarat 3,586,000 shares
- 2) Mr. Phromdech Jindarat 67,100 shares

⁷Inthana Group:

- 1) Mr. Suwat Inthana 2,400,000 shares
- 2) Mrs. Sidaporn Inthana 705,000 shares
- 3) Mrs. Saiyood Inthana 144,800 shares

⁸Anu-aekchit Group:

- 1) Mr. Worrapot Anuaekchit 3,058,429 shares
- 2) Mr. Unan Anueakchit 10,000 shares

Limitation of Foreign Holding

Foreign shareholders are allowed to hold no more than 49% of total shares issued and paid up. As of 31 December 2023, foreign shareholders held 49.00% of total shares issued and paid up.

1.4 Registered & Paid-Up Capital

- Total registered capital: 441,453,555 baht, equivalent to 441,453,555 common shares
Par value at 1 baht per share
- Total paid-up capital: 441,453,555 baht, equivalent to 441,453,555 common shares
Par value at 1 baht per share

The company has none of other types of shares whose rights or conditions differ from ordinary shares such as preferred shares or a project to issue and offer shares or convertible securities to Thai Trust Fund or an issuance of derivative warrants.

1.5 Issuance of other securities

The company has none of other types of issued securities such as convertible securities or debt securities.

1.6 Dividend Payment Policy

1.6.1 Dividend Payment Policy of MFEC Public Company Limited

The company has a policy of paying a dividend of Approximately 50 percent of the net profit after tax and retained earnings. In this regard, the consideration of dividend payments on each occasion will depend on the investment plan, necessity, and other relevant suitability aspects. The company's Board of Directors is authorized to declare no dividend payment or alter the policy occasionally to maximize the shareholders' benefits. For example, the earnings are used as reserve for debt payment, investment of business expansion or the case of changes in market conditions that may affect the company's future cash flow.

In 2023, the Board of Directors resolved to pay the dividend of 0.40 baht per share which will be forwarded to the Annual General Meeting of the Shareholders. Meanwhile, regarding the allocation of dividend payments to the shareholders of the company, it will be based on the performance results for the year 2023 and future investment plans. In this regard, the shareholders will be taxed at 10% of their dividend received.

Dividend Payment during 2019 - 2023

	Year				
	2023	2022	2021	2020	2019
No. of common shares, 31 Dec. (share)	441,453,555	441,453,555	441,453,555	441,453,555	441,453,555
Non-allocated re-tained earnings, 31 Dec. (Mil.Bt)	867.95	442.65	452.28	402.12	334.22
Net profit (Mil.Bt)	608.94	167.59	226.27	234.63	223.60
EPS (Bt/share)	1.38	0.38	0.51	0.53	0.51
Dividends paid (Mil.Bt)	176.58	176.58	176.58	176.58	154.51
Dividend per Share (Bt/share)	0.40	0.40	0.40	0.40	0.35
Dividend Payout Ra-tio (%): Dividend for the year relative to net profit	29.00	105.26	78.04	75.26	69.10
Dividend Ratio (%): Dividend for the year relative to retained earnings	20.34	39.89	39.04	43.91	46.23

1.6.2 Dividend Payment Policy of the Subsidiaries

In the case of the subsidiaries, the Board of Directors resolved to set the subsidiaries' dividend payment of no less than 50% of total profit after tax and legal provision

2. Risk Management

2.1 Policy and Risk Management

Risk Management

MFEC Group has implemented the principles of risk management in the organization. The company has adopted risk management's international standards of The Committee of Sponsoring Organizations (COSO) and Enterprise Risk Management (ERM). Establishing the Risk Management Structure and having systematic and continuous processes help reducing the occurring damage. Risk Management Structure also helps contain sizes and level of occurring damage to be at acceptable level, which the damage can be evaluated, controlled, and systematically examined, along with considering the accomplishment of the objectives or goals of the organization. The Risk Management Committee has identified objectives, environment, event indication, risk assessment, risk response and activities for control, which are communicated and followed up regularly.

Risk Management Structure

The Company's risk management structure consists of the Board of Directors, the Audit Committee, the Risk Management, Corporate Governance and Sustainability Committee, and the Risk Management and Corporate Governance Team, which are independent and not affiliated with any business unit.



Risk Management Culture

MFEC promotes awareness and knowledge among employees in risk management, good internal control processes, business continuity management, and crisis management. All managers and employees establish relevant risk indicators for their departments to prevent and control potential risks that may affect the company's business operations. In addition, the company provides continuous training and development to its employees through online and interactive channels.

The company's activities that promote the development of a risk culture throughout the organization include:

- Promoting open communication and transparency about potential risks and their impacts.
- Providing training to help employees understand and effectively manage risks.
- Integrating risk management into performance evaluations and goal-setting processes.
- Establishing clear policies and procedures for reporting and managing risks.
- Regularly reviewing and improving risk management strategies to align with changes in the business environment.

Business Continuity Management

Business Continuity Management (BCM) is essential for organizations to effectively respond and operate in crisis or emergency situations that could interrupt continuous operations. Without a preparedness process in place, these interruptions could impact the economy, finances, lives, and property both directly and indirectly. Therefore, BCM is crucial for managing unexpected emergencies, ensuring that critical operational processes can continue and return to normal operations promptly. The company has thus established policies, measures, and management procedures for a Business Continuity Plan (BCP) to prepare personnel for potential crises, enabling effective response to various potential issues and ensuring the company's ability to maintain operations. The BCM process includes:

1. Defining the scope of continuous business operations.
2. Evaluating operations and incidents for the BCP formulation.
3. Conducting a business impact analysis.
4. Establishing continuous business strategies.
5. Assigning responsibilities and allocating resources.
6. Developing a recovery action plan.
7. Testing systems/services.
8. Restoring the primary system.
9. Reporting on the performance.
10. Updating the continuity plan.

In 2023, the company developed a BCP to address crisis situations, aiming to manage significant risks. A BCM drill under crisis conditions was conducted on Saturday, December 2, 2023, from 9:00 a.m. to 4:30 p.m. During this period, systems involved in the drill were not accessible. The BCP testing outcome indicated that all systems could resume normal operations without any cases of data loss.

2.2 Risk Factors for The Company's Business Operations

The Company analyzed both internal and external environment, including trends in economy, society, politics, technology, industry, competitors and other related. To define corporate risk factors in 2023, the Risk Management, Corporate Governance and Sustainability Committee emphasized the consideration of risk factors based on the concept of sustainable business operations (ESG), considering both ongoing risks and emerging risks. Risk management can be classified in various areas as follows:

1. Strategic Risk
2. Operational Risk
3. Human Resource Risk
4. Financial Risk
5. Financial Reporting Risk
6. Fraud Risk
7. Compliance Risk
8. Corruption Risk
9. IT Risk

Emerging Risk

Risk Management Operation of the year 2023

In 2023, the company improved Risk Management Process to enhance efficiency in order to prevent and minimize damages resulting from business operations. The risk tolerance is categorized as medium (M). If any assessed risks are classified as high (H) or very high (VH), the risk responsible must consider implementing risk management measures and ensure continuous monitoring to maintain an acceptable level of risk.

By implementing these improvements to the risk management process, the company can identify project risks before they even start and find ways to mitigate potential damages that could occur. Additionally, it has increased the efficiency of communication and teamwork among the sales and project teams, fostering project communication among all departments involved. This ensures that useful and sufficient data is available to strategize collectively with all departments involved.

Strategic Risk

The company uses two (2) indicators:

1. The risk of investing in a subsidiary, which is a SME/ Start Up business

Measurement based on short-term and medium-term objectives of subsidiary using the key performance indicators as follows:

Assessment Guide

Impact				Limited 1	Minor 2	Moderate 3	Significant 4	Critical 5
Company		Goal	Impact					
Strategic Risks for SME/Start up Investment	BAC	NP growth	Financial performance	NP is 27M or more	NP is 25-26.9 M	NP is 23-24.9 M	NP is 21-22.9M	NP is less than 21 M
	MISO	Financial target (NP at 8M in FY2023)	Financial performance	NP is 10 M or more	NP is 7-9.9 M	NP is 5-6.9M	NP is 2-4.9 M	NP is less than 2 M
	Msyne	Revenue growth	Financial performance	Revenue from backlog is 750M or more	Revenue from backlog is 560-749M	Revenue from backlog is 400-559 M	Revenue from backlog is 240-399M	Revenue from backlog is less than 240 M
	Angstrom	Positive operating income (revenue>cost)	Financial performance	NP is 2M or more	NP is 1 -1.99 M	NP is 0.5 - 0.99M	NP is -0.1M - 0.49 M	NP is less than -0.1M
	Motif	Limited financial impact to MFEC	NP, Cash flow, litigation	negative financial impact from NP, cash flow and litigation on MFEC is less than 0.6 M	negative financial impact from NP, cash flow and litigation on MFEC is 0.6-1M	negative financial impact from NP, cash flow and litigation on MFEC is 1.1M - 3M	negative financial impact from NP, cash flow and litigation on MFEC is 3.1M - 5	negative financial impact from NP, cash flow and litigation on MFEC is more than 5 M
	Pra-in	Having new investor/joint venture	Investment deal	Over 5 investors interested, at least one agrees on most investment terms, including the investment amount and the projected ROI, minor disagreements likely resolved.	3-5 investors interested, At least one partially agrees on key investment terms such as the investment amount and the projected ROI, minor disagreements ongoing.	1-2 investors interested, Crucial investment terms including the investment amount and the projected ROI under negotiation, posing fair risk.	1 investor interested, Heavy reliance on undecided investor with prevalent disagreements on significant terms like investment amount and the projected ROI.	The company is struggling to attract any investor interest and has not been able to reach agreement on important terms like investment amount and with any potential investors.
	Playtorium	mai	Readiness for mai	accomplish more than 90% of mai mandatory task	accomplish 71%-90% of mai mandatory task	accomplish 51%-70% of mai mandatory task	accomplish 31%-50% of mai mandatory task	accomplish less than 31% of mai mandatory task
	Data café	Synergy with Bangchak	Business synergy	There is 4 strategic projects with Bangchak	There is 3 strategic projects with Bangchak	There is 2 strategic projects with Bangchak	There is 1 strategic projects with Bangchak	There is no strategic project with Bangchak

Criteria	Limited 1	Minor 2	Moderate 3	Significant 4	Critical 5
Probability of occurrence	1 time within 5 years or more	1 time within 2-4 years	1 time per year	1 time per 6 months but not over 6 times in total	At least 1 time within 1-3 month

2. The risks that related to the company's sustainability

1) Profit Sustainability Risk The indicators is the proportion of the Backlog of Recurring Projects Gross Profit (GP) in the next one (1) year (Year 2024) compared to the Recurring Projects Gross Profit (GP) target of the year .

2) Risks related to sustainability in terms of sale The indicators is the proportion of the Backlog project's sales in the next one (1) year compared to the sales target for that year.

Results of Strategic Risk Assessment in 2023 as follows:

Item	Type of risk	Inherent risks	Impact factors	Existing controls to manage identified risks	Impact	Likelihood	Residual Risk score	Residual Risk level
1	Strategic Risk	Laggard in securing revenue streams from the development of MFEC's own innovative products/services (MFEC-IP) and recurring projects.	Short term(1 year) gross profit sustainability	Cumulative profit from recurring project is monitored on quarterly basis, against the target.	2	4	8	M
			Short term(1 year) revenue sustainability	Backlog revenue is monitored quarterly, if it meets the target or not.	1	4	4	L

The company has a strategic risk management plan as follows:

1) Adjust the structure and roles and responsibilities of sales by dividing the teams based on project types into 2 categories.

- Recurring Project such as cloud, outsource, MA
- Non-recurring Project which is SI (System Integration)

By adjusting this structure, the company can clearly see the growth trends of the business from recurring and non-recurring projects. It can plan to increase the Gross Profit (GP) proportion from recurring projects according to the set targets, as well as plan to reduce risks. To increase the GP from recurring projects, the company has reduced sales costs by assigning sales representatives to be responsible for recurring projects, which have lower costs compared to assigning senior sales representatives.

2) The company has established a new sales team called Solution Sales, which focuses on selling solutions to help customers gain a competitive advantage. This approach of selling solutions can generate higher sales and profits for the company and increase the chances of achieving the set sales targets compared to the traditional sales teams that focus on selling products and services to individual customers assigned to each sales team.

3) In addition to the two points mentioned above, the company also has a strategy to reduce overall expenses by setting a target to decrease expenses by 10% for the year 2024. This reduction in expenses will have an impact on increasing the proportion of GP (Gross Profit).

Operational Risk

In 2023, The project that has a concerning issue regarding the risk of fines continuously originated from the previous year is The Centralized Service Support System (CAT-CSS) project. In December 2023, the company received the final payment of 215 million baht from the customer. However, the company is still in the process of appealing the 4 million baht fine from the customer.

Results of Operational Risk Assessment in 2023 as follows:

Item	Type of risk	Inherent risk	Impact factors	Existing controls to manage identified risks	Impact	Likelihood	Residual	Risk score	Residual Risk level
1	Operational Risk	Fines may increase	decrease in profit	Operation team monitors projects that has potential to have issues. The data is shown in risk dashboard in MPM. The project that has serious issues will be raised in C level meeting for brainstorm session to find solutions.	2	3	6		L
2	Operational Risk	Project delay	revenue recognition	Operation team and Quality Assurance team monitor project delay every week by MPM. The system will send email to alert project manager if the delay is more than 10%.	2	5	10		M
3	Operational Risk	Cost overrun	Increase in cost	Operation and Risk and compliance team monitors project performance weekly. The high-risk project will be reported to Corporate Strategy Planning and Management (green team)	4	5	20		VH

In 2023, the company has improved operational risk assessment by adding a performance indicator to measure cost overrun. This indicator reflects the company's operational efficiency and planning to reduce risks during project execution, which minimizes damages, reduces losses, increases profits, and reduces the chances of delayed project delivery. Additionally, the company enhanced the monitoring of each Business Unit's (BU) performance in terms of profitability, customer delivery efficiency, and resource utilization. There is a one-to-one meeting between senior executives (C-Level Management) and each business unit (on one meeting) monthly.

In addition, the company has increased project risk assessment by creating a risk assessment system both during presale and during project implementation. The details are as follows:

The risk assessment of the project consists of two phases:

Phase 1: Presales Risk Assessment During the presales phase (preparation for sales) the sales team and the presales team will assess the risks of the projects in the sales pipeline by selecting whether there is action on each topic by utilizing evaluation criteria, such as assessing the understanding of project objectives, compliance with requirements, project structure outlined in the Terms of Reference (TOR), ability to control project costs according to the budget, and ability to manage project execution plans and timelines.

Details of Assessment Criteria as follows:

We understand TOR thoroughly

Guideline:

1. เข้าใจในวัตถุประสงค์ ข้อกำหนด โครงสร้างของโครงการ ที่เป็นข้อมูล TOR อย่างละเอียด 100% (Yes)

2. เข้าใจในวัตถุประสงค์ ข้อกำหนด โครงสร้างของโครงการ ที่เป็นข้อมูล TOR ได้ 25% (Yes or No อาจจะมี Criteria สั้นประกอบการตัดสินใจ)

Gain authorization from product owner by Register products or customer select MFEC

Guideline:

1. ได้ Register อาจจะ guarantee ว่าจะได้ราคาที่ดีกว่าหรือมีความได้เปรียบทางการแข่งขันมากกว่าคนอื่นได้หมายความว่าขณะโครงการหรือ Delivery ได้

Trust Relationship with Project Stakeholder (Customer, Supplier, Partner). (For partner --> financial credibility and deliverable quality is acceptable)

Guideline:

1. สามารถต่อรองกับ Stakeholder หรือ control การแข่งขันหรือบุคคลที่ ทำให้ MFEC สามารถ ขจัดปัญหาหรือความขัดแย้ง หรือส่งมอบงานเชิงการ ขายได้แบบไม่มีปัญหา

Vendor's reputation and financial stability

Guideline:

1. [External] บริษัท Sub contract / Partner / เจ้าของแหล่งเงินทุน ที่มีส่วนเกี่ยวข้องกับการขายและส่งมอบงานของเรา จะต้องมีความมั่นคงทางการเงิน (Cash Flow ที่ดี) , มี Pre/Post Sales ที่มีความน่าเชื่อถือ , บริษัทได้รับการ การันตี credibility อยู่ในเกณฑ์ที่ดี , มีความเสี่ยงต่ำที่จะล้มละลาย

Project dependencies with account or MFEC's landscape (please specify in Remark)

Project budget sizing < 30 MB

Project budget sizing >= 30 MB , not more than 50 MB

Project budget sizing > 50 MB

Project Margin sizing < 10%

Project Margin sizing >= 10%

Can control cost in the budget

Can control schedule and time

Project Execution Internal Resources

Project Execution External Resources

Contractual Management

Specified Warrantee/SLA can be met

Protected the exchange rate crisis

Have Site References

Know-How Transfer

Have Technical Standards and Guidelines(Best practice)

Term of payment is fair and reasonable (for complicated project that is 50M Baht or more , please have CFO team verify)

If the assessment results indicate a “High” level of risk, it is necessary to specify how to mitigate the risk. The project with a “High” assessment will participate in monthly meetings with management to collectively find solutions and discuss strategies. If there is a need to continue with the sales activities for such projects.

Phase 2: Risk Assessment during Project Implementation. The Project Manager evaluates the risks in various aspects of the project, which are categorized into four areas: Timeline Impact Risk, Cost Impact Risk, Scope Impact Risk, and Quality Impact Risk along with specifies Risk Mitigation measures and selects the level of impact and likelihood for each risk. If any of the impacts in any area are assessed as VH (Very High) or H (High), the Project Manager must consider establishing risk management measures and ensure that the risk issue is fully addressed through continuous monitoring

Timeline Impact Risk	Mitigation	Impact	Likelihood	Owner	Entry Date	Target Date
<input type="text"/>	<input type="text"/>	Select...	Select...	<input type="text"/>	Select Date	Select Date
Risk Level: VL (0)						
Cost Impact Risk	Mitigation	Impact	Likelihood	Owner	Entry Date	Target Date
<input type="text"/>	<input type="text"/>	Select...	Select...	<input type="text"/>	Select Date	Select Date
Risk Level: VL						
Scope Impact Risk	Mitigation	Impact	Likelihood	Owner	Entry Date	Target Date
<input type="text"/>	<input type="text"/>	Select...	Select...	<input type="text"/>	Select Date	Select Date
Risk Level: VL						
Quality Impact Risk	Mitigation	Impact	Likelihood	Owner	Entry Date	Target Date
<input type="text"/>	<input type="text"/>	Select...	Select...	<input type="text"/>	Select Date	Select Date
Risk Level: VL						

There are risk indicators during the project implementation as follows:

Assessment Guide

Impact						
Impact level		Limited	Minor	Moderate	Significant	Critical
Impact factors		1	2	3	4	5
Project Risks	Timeline	Delayed timeline is 5% or less	Delayed timeline 6%-10%	Delayed timeline 11%-15%	Delayed timeline 16%-20%	Delayed timeline more than 20%
	Cost	Cost Overrun is 5% or less	Cost Overrun 6%-10%	Cost Overrun less 11%-15%	Cost Overrun less 16%-20%	Cost Overrun more than 20%
	Scope	Extension of work is 5% or less, comparing to scope in DRS/TOR/Contract condition (% is calculated from increase in manday or cost) Scope งานเพิ่ม <= 5% เทียบกับขอบเขตงานตาม DRS / TOR / สัญญา / ข้อตกลง (% คำนวณจากปริมาณ manday หรือต้นทุนที่เพิ่มขึ้นเทียบกับขอบเขตเดิม)	Extension of work is 6%-10%, comparing to scope in DRS/TOR/Contract condition (% is calculated from increase in manday or cost) Scope งานเพิ่ม มากกว่า 5% ถึง 10% เทียบกับขอบเขตงานตาม DRS / TOR / สัญญา / ข้อตกลง (% คำนวณจากปริมาณ manday หรือต้นทุนที่เพิ่มขึ้นเทียบกับขอบเขตเดิม)	Extension of work is 11%-15%, comparing to scope in DRS/TOR/Contract condition (% is calculated from increase in manday or cost) Scope งานเพิ่ม มากกว่า 10% ถึง 15% เทียบกับขอบเขตงานตาม DRS / TOR / สัญญา / ข้อตกลง (% คำนวณจากปริมาณ manday หรือต้นทุนที่เพิ่มขึ้นเทียบกับขอบเขตเดิม)	Extension of work is 16%-20%, comparing to scope in DRS/TOR/Contract condition (% is calculated from increase in manday or cost) Scope งานเพิ่ม มากกว่า 15% ถึง 20% เทียบกับขอบเขตงานตาม DRS / TOR / สัญญา / ข้อตกลง (% คำนวณจากปริมาณ manday หรือต้นทุนที่เพิ่มขึ้นเทียบกับขอบเขตเดิม)	Extension of work is more than 20%, comparing to scope in DRS/TOR/Contract condition (% is calculated from increase in manday or cost) Scope งานเพิ่ม มากกว่า 20% เทียบกับขอบเขตงานตาม DRS / TOR / สัญญา / ข้อตกลง (% คำนวณจากปริมาณ manday หรือต้นทุนที่เพิ่มขึ้นเทียบกับขอบเขตเดิม)
	Quality	Limited defect/error. No impact on Going live. คาดว่าจะส่งมอบ มีข้อบกพร่อง (Defect) ซึ่งไม่กระทบต่อการ Go Live	Minor defect/error. Slight impact on deliverables, no impact on going live คาดว่าจะส่งมอบ มีข้อบกพร่อง (Defect) ซึ่งอาจส่งผลกระทบต่อการดำเนินงานเป็นระยะหรือการ Go Live	Defects on deliverables impact project going live, but there is solution to fix it, or there is no impact on project going live but no solution to fix defects of deliverables. คาดว่าจะส่งมอบ มีข้อบกพร่อง (Defect) ซึ่งกระทบต่อการ Go Live แต่มีวิธีแก้ไขเฉพาะหน้า หรือส่งมอบ มีข้อบกพร่อง (Defect) แต่ยังไม่มีการแก้ไขเฉพาะหน้า	Significant major defect/error. Defects on deliverables impact project going live or project execution/performance. The solutions require significant scope/line extension or extra resources. คาดว่าจะส่งมอบ มีข้อบกพร่อง (Defect) ซึ่งกระทบต่อการ Go Live หรืออาจส่งผลกระทบต่อการดำเนินงานโดยทางด้านการปฏิบัติงาน แต่มีวิธีแก้ไขเฉพาะหน้า โดยมีการใช้ระยะเวลาดำเนินการแก้ไขเฉพาะหน้า	Critical defect/error. Defects on deliverables impact project going live and project need to be suspended คาดว่าจะส่งมอบ มีข้อบกพร่อง (Defect) ซึ่งกระทบต่อการ Go Live และโครงการหยุดชะงัก
Criteria		Limited	Minor	Moderate	Significant	Critical
Probability of		1	2	3	4	5
		Rarely	Yearly	Quarterly	Monthly	weekly

The implementation of risk management processes during the Presale phase (preparation for sales) enables the company to identify project risks before project initiation and mitigate potential issues more quickly. As a result, the company can reduce the severity of potential damages that might occur.

Human Resource Risk

With the changing competitive environment and changing working style, the Company realizes the importance of personnel, which is the heart of driving business. Therefore, we placed the importance on continuous personnel development to support competition and changes in technology. The People Excellence Department has established two (2) risk assessment criteria as follows:

Topic	Metric	Level of Risks				
		1 Very Low	2 Low	3 Medium	4 High	5 Critical
The risk that employees of Star Group resigned beyond the plan	Measurement: The turnover rate of talent and successor employees compared to the number of successor employees specified by BU Head.	< 5%	5% - 9%	10% - 14%	15% - 19%	20% and over
The risk of recruiting new employees as planned	Measurement: The rate of new hires compared to the planned workforce.	80% and over	70% - 79%	60% - 69%	50% - 59%	<50%

The results of risk management in both topics are as follows:

1. The risk that employees of Star Group resigned beyond the plan: Talented employees (Star) have a resignation rate of 12%, which is a medium-risk criteria

By setting tools to reduce the risk as follows:

- Organization Redesign: Creating 80 Days Roadmap Program: Establishing a new business structure, along with defining a new network organization structure, provides an opportunity for emerging leaders to showcase their potential while reducing redundancy within departments.
- People Development Skills Tank : Providing a development program that aligns with the new business initiatives such as AI and sustainability. Creating a space for talented employees to share their expertise with colleagues and clients.
- Exex Mentor Program : A mentor program is organized from the executive group where senior executives are consultants or mentors to a group of talented employees, resulting in a leap forward potential development. It also effectively develops the next generation of leaders.

2. The risk of recruiting new employees according to the manpower plan laid out with a total of 134 planned hires. In 2023: The number of new employees starting work with the company is 233 persons, which is a very low risk.

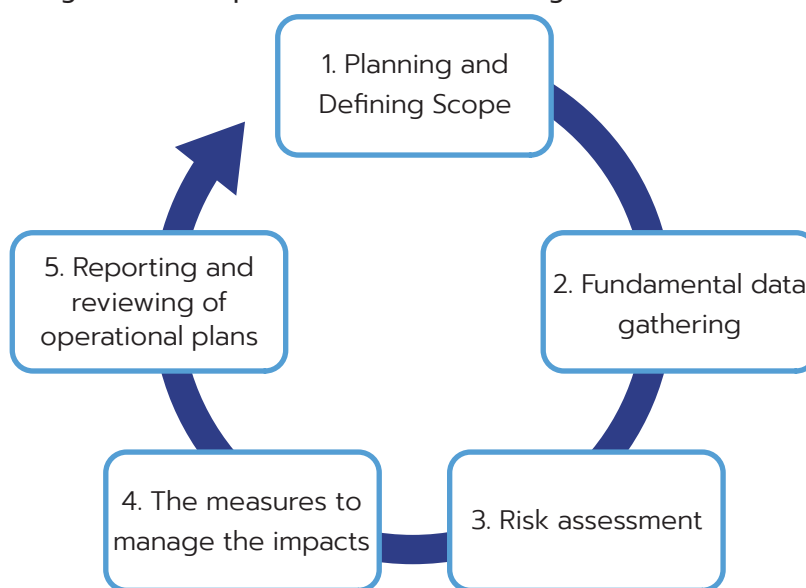
By setting tools to reduce the risk as follows:

- Promote referral program as top of recruitment channel: Foster a culture of continuous organizational development through the MBass and Friends program which has resulted in new employee recruitment primarily being referred through friends. Additionally, it has helped reduce the attrition rate during the probationary period.
- Skill Based hiring strategy: The company emphasizes the importance of job-relevant skills over educational qualifications. Therefore, it collaborates with educational institutions to design a curriculum that is appropriate and provides opportunities for students to gain practical experience and work directly with departments.
- Org DNA Inclusion across the employee life cycle: To enhance the onboarding program and provide new employees with a positive experience during their probation period, in order to reduce the turnover rate and foster long-term relationship
- Recruitment workshop / bootcamp program Creating a short-term workshop in critical job roles or the role where the required skill set is currently lacking in the labor market. Creating a short-term workshop will help attract highly skilled individuals to join the company.
- Internal job rotation / Career growth redesign program: Cross-functional development is emerging as a way to quickly elevate employees' capabilities. The company provides opportunities for employees to experiment with different job roles and offers internal transfers.

Human Rights risk Assessment

MFEC Public Company Limited recognizes the importance of human rights in conducting its business, as evidenced by its commitment to human rights policies. The Company has started implementing a comprehensive human rights audit process, starting with the assessment of human rights risks. This method of assessing risks and their impacts on human rights has been developed to help the Company understand the potential impact on stakeholders both inside and outside the organization. It also helps the Company to identify and prioritize human rights risks at the organizational level. This allows the Company to plan for managing the impacts of high-risk human rights issues by conducting effective impact assessments.

The process of assessing risks and impacts related to human rights



The evaluation of impact and risk levels related to human rights is determined by using a set of criteria that includes severity and likelihood. The level of risk is then scored according to these criteria, with a total of 5 levels ranging from very high, high, medium, low, and very low. The criteria used to assess the level of risk are as follows:

Criteria for Assessing Risk and Impact Severity

Risk Level	Potential Chance (Frequency)	Impact		
		Impact Level	Number of People Impacted	Capacity for Remedy
5 (Very High)	Occurs more than once a month	Fatality to stakeholders	Widespread impact on stakeholders or beyond area of operations	Unable to control or mitigate human rights impact to return to normal conditions and/or remediation takes more than 5 years
4 (High)	Occurs once a month	Permanent disability to stakeholders	Impacts more than one group of related stakeholders (e.g. both customers and employees)	Able to control or mitigate human rights impact to return to normal conditions within 3–5 years

Risk Level	Potential Chance (Frequency)	Impact		
		Impact Level	Number of People Impacted	Capacity for Remedy
3 (Medium)	Occurs 4-6 times a year	Stakeholders were seriously injured and stopped work for more than 3 days	Impacts majority of one stakeholder group (e.g. customers or suppliers or community or multiple employees)	Able to control or mitigate human rights impact to return to normal conditions within 1-3 years
2 (Low)	Occurs 2-3 times a year	Injury to stakeholders requiring medical treatment	Partial impact on one stakeholder group (e.g. some customers or suppliers or community or some employees only)	Able to remediate impacted stakeholders to return to normal conditions in more than 3 months but less than 1 year
1 (Very Low)	Occurs once a year	No impact on health, safety, and security of employees or stakeholders (self-applied first aid only)	No impacts on related stakeholders	Able to control or mitigate human rights impact to return to normal conditions within 3 months

Scope of Human Rights Risk Assessment:

Employees:	Community and Environment:	Suppliers:	Customers:
1. Discrimination against employees 2. Employee health and safety 3. Employee data privacy 4. Working conditions 5. Illegal labor practices	6. Community health and safety 7. Living standards and quality of life 8. Waste and hazardous materials management	9. Discrimination against suppliers 10. Supplier health and safety 11. Supplier confidentiality	12. Discrimination against customers 13. Customer service 14. Customer data confidentiality

Criteria for assessing the likelihood of occurrence.

	Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Likelihood of risk occurring	Not occurring (0%) (It has not occurred in the past 10 years.)	Almost never occurs (<10%) Human rights violations in the company's business have almost never occurred (unlikely to occur in 10 years).	Occasionally (>=10% - <=50%) An instance of human rights violation has occurred in the past and may occur occasionally in some organizations (It has occurred/ May occur 1-4 times in 10 years).	Occurs frequently (>=50% - <=90%) A human rights violation has occurred in the past and may occur at present, happening quite frequently. (It has occurred/ may occur 5-8 times in 10 years).	The occurrence of human rights violations is continuous and persistent, happening frequently every year from the past until the present. (>=90%)

Details on human rights risk management

Risk Level	Action Plan
Very Low	The company has implemented risk control and mitigation measures that are in place and continually monitors and reviews the situation to identify any potential risks.
Low	The Company implements measures to control and mitigate the impacts of existing risks, and consistently monitors and assesses situations with potential risks.
Medium	The company pays attention to managing and finding measures to reduce the level of risk, as well as continuously monitoring and checking the situation with risks on a regular basis.
High	High risk levels are unacceptable. The Company must take action to find measures to immediately reduce the level of risk to an acceptable level.
Very high	When the risk level is extremely high, it is unacceptable and the company must immediately stop any activities related to that risk.

The acceptance of risk can be evaluated based on a five-level scale that assesses the level of risk.

The unacceptable level of risk for an organization is at the “high-very high” level. A risk management plan must be presented to manage the risk to an acceptable level.

Results of the human rights risk management issue

Based on the assessment of human rights risks in the company’s operational area, it was found that the company’s operational area has a range of human rights risks, ranging from low to high. The company has developed guidelines to control and address important human rights risk issues related to its business operations as follows.

Measures to Prevent and Mitigate Impacts for Human Rights Risk Issues

Risk Issues:	Actions to Prevent and Mitigate Human Rights Impacts:
1. Discrimination against employees 2. Employee health and safety 3. Employee data privacy 4. Working conditions 5. Illegal labor practices	<ul style="list-style-type: none"> • Comply with human rights policy and labor protection laws. • Prioritize occupational health and safety. • Listen to employee feedback to continuously improve employment terms, welfare, and working environment. • Provide annual employee health check-ups. • Adhere to personal data protection policy.

Community and Environmental Rights

Risk Issues:	Actions to Prevent and Mitigate Human Rights Impacts:
1. Community health and safety 2. Living standards and quality of life 3. Waste and hazardous materials management	<ul style="list-style-type: none"> • Comply with laws, regulations, and conduct environmental monitoring and measurement as legally required. • Strictly follow environmental requirements in all activities. • Develop emergency response manuals and conduct drills with communities. • Establish procedures for waste and hazardous materials management.

Supplier Rights

Risk Issues:	Actions to Prevent and Mitigate Human Rights Impacts:
1. Discrimination against suppliers 2. Supplier health and safety 3. Supplier confidentiality	<ul style="list-style-type: none"> • Establish criteria for supplier selection and procurement procedures. • Provide training to suppliers before entering work areas for safe operations. • Set contract terms requiring strict compliance with regulations by suppliers. • Conduct ESG Risk self-assessments by suppliers.

Customer Rights

Risk Issues:	Actions to Prevent and Mitigate Human Rights Impacts:
1. Discrimination against customers 2. Customer service 3. Customer data confidentiality	<ul style="list-style-type: none"> • Provide employee training on equal treatment of all customers to ensure non-discrimination, in compliance with the business responsibility to respect human rights policy. • Establish transparent and accessible grievance channels, including procedures to investigate, rectify, and follow up on complaints. • Screen customers according to legal requirements. • Conduct customer satisfaction surveys. • Adhere to personal data protection policy.

Policy on the Company's personnel development

Changes, which occur continuously, resulted in hybrid operations, including business changes that affects the rapid development of employees' potential, so that employees can adapt to work with the ways of the changing world and still work in harmony with the organization's culture and practices.

Strategy to promote and develop the employees' potential in 2023 has been carried out as follows:

1. Developing soft skill potential in line with MFEC culture: Organizing training and workshops that convey skills development and concepts to employees is the basis for further thinking, self-improvement, and driving success in work. The courses that take place are as follows:

1.1 SkillShift Academy Program

In order to align employees learning with the organization and prepare them to adapt to any form of change. The company has established L&D Strategies to ensure that every employee receives targeted development according to the set goals. These strategies include:

- 1) Embrace the New Technologies/Business: Continuously learn and stay up-to-date with technology to be at the forefront of technological
- 2) Drive MFEC Culture/DNA: Promote skills and perspectives that align with MFEC Core Value
- 3) Enhance Key Functionals Role: Support the work of important positions within the organization
- 4) Elevate Organizational Leadership: Develop the core of teamwork through the potential of leaders.

1.2 Train the Trainer Program

To further advance career paths towards becoming an Experience, knowledge, and skills instructor, internal trainers will receive development in soft skills through training and essential skills development programs. Includes in-depth enhancement of communication skills and being an instructor

1.3 Shift with Essential Skill Program

The company places great importance on the all-round development of its personnel, with a particular emphasis on soft skills related to attitudes and social interaction (referred to as "Essential Skills" in this context). These skills are considered necessary for effective work performance. The company focuses on transferring skills that align with the organizational culture or DNA of MFEC which approach helps foster employees' potential to adapt collectively and be prepared to handle various situations efficiently. This approach helps drive employees to work according to standards and enhances their productivity.

2. Supporting Entrepreneurship Skill: To increase business opportunities, employees are encouraged to have the skills, guidelines, or abilities to start their own new business. The development model takes place in the form of creating an ecosystem that encourages employees to have the opportunity to present their business ideas and create new innovations for MFEC.

3. Developing Leadership Skill: It is important that the organization should pay attention because it needs to rely on the leaders' abilities for driving the organization through the crisis. Therefore, Myers-Briggs Type Indicator: MBTI, personality psychology course from MBTI Champions group provides a comprehensive advisory support in order to develop the potential of supervisors in all aspects both in terms of communication, supporting teamwork, understanding differences between yourself and other relationships, fostering relationships, developing leadership based on situations, including supporting the team members' potential enhancement.

4. Raising the awareness of the Code of Conduct: All employees, including new employees who enter during the year, are communicated to raise the awareness of the Code of Conduct standards and measure the awareness of various issues, such as Anti-Corruption Policies, Security Awareness, and operational standards according to various organizational requirements, etc.

5. Developing the work standards for all function role: Starting with 2 focus group Sales and Project Manager. Both groups of employees are like the frontline of the company. Therefore, it foresaw the importance of being a starting point for the development of the organization's work standards by re-visiting the work process of all 3 focus groups to reduce the unnecessary work process and improve the work processes with maximum efficiency. Then it conveyed in the form of an On-Boarding Guideline Book.

6. Developing a Learning Management System (LMS) tool: The organization recognized the importance of managing knowledge that is scattered from different sources by people or teams within the organization. Therefore, employees are increased opportunities and channels to develop their skills, knowledge, and abilities on a regular basis and be able to support the organization's operations by developing knowledge management tools that are built within the Company and communicated through M.Ready channel.

The organization placed the importance on the continuous development of personnel within the company, considering various factors both in terms of necessary skills, various work standards, and an employees' hybrid work styles. So, employees could find knowledge, self-improvement at any time and apply that knowledge to their personalities, along with having skills that are consistent with the organizational culture and able to work in perfect harmony, resulting making the organization's operation to achieve the planned objectives.

Financial Risks

Foreign Exchange Risks

The Company faces FX risks as most of its products are purchased in the US dollar and the company earns most of its income from sales of products and services in the baht. Therefore, the company has obligations to pay in a foreign currency. Meanwhile, it is difficult to forecast currency fluctuations, given its impact factors spanning from Thailand's economic fundamentals, fiscal and monetary policies, the global economic situations, expectations to speculations, etc.

Previously, the company has measures to manage against FX risks through forward contracts to take the full coverage of the whole foreign currency-denominated payment to manage FX risks for more efficient cost and income management.

Credit Risk relating to Account Receivables

The Company has the prudent credit policy, taking into account proper credit conditions. The company's customers are categorized into two (2) groups:

The first group is the existing customers with strong financial status. Most of them are in large size. The company extends the credit term of 30-60 days to this group and 90 days for customers with a long trading history and excellent credit risk assessment.

The second group is comprised of new customers. The company has the policy for them to pay in cash or make payment through banks' letter of credit (L/C). Payment will be made in installment according to work completion.

Credit extension will be subject to analytical results of financial statements and other information of each customer. Aside from its prudent credit extension, the company has the policy to set aside provision for doubtful debts as described in net realizable value. The company and its subsidiaries record estimated provision for doubtful debt for a loan loss that may arise from inability to collect receivables. Generally, this is considered by collection experience and an analysis of receivables period.

For the year 2023, the group incurred a credit loss of approximately four (4) million baht. This calculation was made based on the expected credit loss in accordance with the aforementioned doubtful debts policy.

Liquidity Risk

The Company has been monitoring the lack of liquidity risk by using overdrafts and bank loans. The Company has assessed the concentration of risks associated with borrowing of money to pay off debts and conclude that the risk was low as of December 31, 2023. The group has a net interest-bearing debt rate to equity ratio at 0.19 times (2022: 0.31 times), which was still relatively low due to credit efficiency. The Company also has sufficient access to a wide range of capital's sources. In addition, the Company still retained its ability to maintain careful and concise liquidity management, by focusing on effectively managing the financial structure and maintaining flexibility to financial and capital markets conditions' fluctuation, in order to maintain financial costs at suitable levels for continuous business operations.

Financial Reporting Risk

Risks in Investment in Subsidiaries and Investment in Associates

As of December 31, 2023, the company has investments in subsidiaries and investments in associated companies and joint ventures by the cost method after deduct impairment of investment totaling 620.2 million baht and 119.8 million baht, or 9.1 % and 1.7 % of the total assets in the separate financial statements, respectively. The Group has risks related to the investment values presentation that may not reflect the true business image in the financial statements. For the year 2023, the company has evaluated the business value of the invested company with the Discounted Cash Flow (DCM) method, which considered the net future operating cash flows of each company, by comparing with the investment value according to the Net Asset Value method. As a result, the company has adjusted the investment value to be in line with the appraisal results.

For the year 2023, the company recorded an allowance for loss from impairment of investment in Motif Technology Public Company Limited, a subsidiary in which the company holds 99.9% of shares, amounting to 6 million baht in the separate financial statements. And the company also recorded

the impairment of investment in Data Café Company Limited and PromptNow Company Limited, the joint venture and associated companies amounting to 3 million baht and 20 million baht, respectively in the consolidated financial statements. Due to the valuation of such investment, its recoverable value is lower than its book value according to the account.

The company continued its monitoring on its subsidiaries and associated companies' performances. The subsidiaries and associated companies' management might prepare operational plans presenting to the Executive Board for consideration every year. The performance is tracked every quarter. If any subsidiary's performance does not go as planned, the subsidiary is required to prepare reports and present the operational improvement plans to the Executive Board. In addition, there is a requirement for subsidiaries to conduct the business risk assessments for the Risk Management Committee on a regular basis.

Risks of presenting goodwill in the consolidated financial statements

The Group's goodwill is presented in the consolidated financial statements amounting to 258 million baht, or 3.5 % of total assets as of December 31, 2023. The impairment assessment of goodwill is a significant accounting estimate that requires considerable judgement in identifying the cash-generating unit and estimating the future cash flows that the group expects to receive from the assets of the group, including the determination of the appropriate long-term discount rate and growth rate. This creates a risk associated with the measurement of goodwill.

The Company determined the recoverable amount of the cash-generating unit. The estimated future cash flows that the entity is expected to receive are based on the financial forecast, which covers a period of 5 years.

Key assumptions for calculating the value of the asset are summarized as follows:

Growth rate	3 percent per year
Discount rate before tax	11.8 percent per year

The Management considers the growth rate based on the previous performance. Market growth forecast, GDP growth rate and the discount rate are the pre-tax rate that reflects the unique risks involved in that segment. The Group considered and believed that goodwill does not cause any impairment.

Fraud Risk Management

The Group had a policy to treat the business partners equally and fairly with integrity, complying with the commitments to the Company's stakeholders and realizing the prevention of corruption from both inside and outside the organization, by setting "Code of Conduct" for all directors, executives, and employees to use as a guideline for their practice, including the corruption risk. In this regard, the Audit department will report to the Audit Committee and high-level executives if the Internal Audit department finds that any department has insufficient internal control systems or may be exposed to fraud risks, proposing preventive measures, and improving the internal control system to be adequate and appropriate.

Details	Year 2023	
Number of fraud offenses or ethics offenses	0	Cases/time
Number of directors resigned due to corporate governance issues	0	Cases/time

Compliance Risk

Risks arising from non-compliance or incomplete compliance due to changes of laws, regulations, and procedures that may affect the Company's reputation, asset and loss of business opportunities. The Company has determined the risk management as follows:

- Set the Corporate Governance Policies which cover relevant laws, regulations and procedures related to the Company, such as Labor Laws, Laws/Regulations prescribed by the Securities and Exchange Commission, Regulations of the Personal Data Protection Committee, B.E. 2565 (2022), Announcement of the Personal Data Protection Committee, B.E. 2565 (2022), The Royal Enactment Amending and Supplementing the Civil and Commercial Code, Version 23, Royal Decree on the Regulation of Service Businesses Related to Digital Identity Verification Systems and the Regulation of Service Businesses on Digital Platform, etc. Including communicating with all staff of awareness and compliance.

- Review the Code of Conduct to be in accordance with laws, regulations and procedures that are constantly changing.

- Monitor changes in laws, regulations and procedures to ensure that the company is able to work in compliance with laws, regulations, and procedures accurately and appropriately.

- Communicate with the executive and all employees to be aware of and comply with laws, regulations, and procedures through various channels, including email or SharePoint. Provide training and conduct assessments to increase their awareness of corporate governance policies, anti-corruption policies, and the Code of Conduct

In this regard, the company has recognized the significant risks associated with personal data and conducted a review of its data protection policy. It has also improved its operational procedures to ensure continuous and appropriate control. In 2023, the company conducted a Data Protection Impact Assessment to enhance its standards for personal data protection.

Corruption Risk

The Company focuses on empowering the executive and employees all over the organization to perform their duties with honesty and without an abuse of power for the benefit of their own or the others, including anti-corruption that may arise from business operations.

The Company has established the Anti-Corruption Policy so that the executive and employees may be aware of the conduct of business operations in accordance with laws and regulations, and according to the Corporate Governance Policy and the Code of Conduct, which are the guidelines that cover various kinds of sponsorships, such as Gifting Policy, Entertainment Policy, Donations and Sponsorship, Facilitation Payments, and Policy regarding Hiring Government Employees. For business partners, the company has communicated a Supplier Code of Conduct to business partners to acknowledge and follow good corporate governance principles.

The Company has received the renewal of membership certification to "Thai Private Sector Collective Action Coalition against Corruption: CAC" against all forms of corruption on September 30, 2022. The renewal certification is valid for 3 years from the date of approval.

In the year 2023, the Company has adhered to and implemented its Anti-Corruption Policy and Code of Conduct consistently.

IT Risk

Data Security and Data Privacy

Should the Company commit negligence on cyber security and data privacy, it will negatively affect the trust of those stakeholders involved in many sectors, which may affect the reliability and destroy the trust in business. This includes violations of laws that may affect Company's financial situation and eventually the results of operations. The Company has the standard and effective security and privacy system, which creates credibility and trust of the relevant parties in various sectors. Moreover, it helps reduce operational risks both internally and externally, leading to an increase in competitive opportunities and sustainable business growth in the future.

MFEC Public Company Limited foresees building trust with clients, business partners, and staff in terms of security, along with organizational development according to a goal of being the leader in IT, which will result in long-term business growth. The Company therefore sets 'Cyber Security' as a goal that the Company's IT Governance Team needs to achieve. At the same time, the Company has included various issues regarding cyber security and data privacy to be the parts of risk management. There is a committee to consider and approve the strategies and any related policies, such as Information Technology and Information Security Policies, and Personal Data Policies. The safety of personnel in the organization, clients, and security of various systems in the Company are considered. Measures have been implemented to control and balance the use of various types of information, especially clients' information, through the preparation of development plans and improvements of various systems to control cyber risks. Moreover, the Company also aims to control the risks in prevention, detection, and response tactics across all systems.

Management Structure of Information Technology and Information Security

The Company is very much aware of the importance of data security and data privacy. Therefore, the Company has approved the Risk Appetite & Risk Limit Policies and assigned the duties to various working groups, as follows:

1. Risk Management Committee: Responsible for managing risks to be in accordance with the Risks Management Policies and Strategies and in line with the risk appetite. There are reviews and audits of sufficiency and efficiency of the policies, including overall risk management strategies to achieve systematic management.

2. IT Governance Working Group: Responsible for overseeing and managing digital risks, cyber security, IT risk management, determining strategies and overview policies on information technology, reviewing, approving, and overseeing the operations to be in accordance with strategies, as well as standards on the architectural structure of IT system and the control of technology security system. There is a meeting to analyze and specify the risks, monitor, examine, and formulate guidelines to develop risk control and prevent any damages that may happen. The meeting is held monthly and will be reported to the Risk Management Committee quarterly, which will be reported to the C-Level management later.

3. Operating Level: The Company's Risk Management Department is responsible for risk management regarding technology and information, as well as following up results through the risk assessment, providing advice to relevant departments and support teams on appropriate measures before reporting such risks to the management and relevant committee.

4. Cyber Security Administration Unit: A unit responsible for overseeing and controlling cyber security by following up to ensure proper management in order to monitor and prepare for cyber risks. At the same time, the Unit also provides advice to other business units on security measures. The Unit will report the risks to IT Governance, including the managements who are responsible for organizational risks and relevant committees. This unit is comprised of 4 main focuses:

- a. Division which is responsible for determining policies, monitoring, and overseeing the compliance of security policies
- b. Division which provides advice and determines the architectural structure and security standards.
- c. Division which is a monitoring and surveillance center for cyber threats
- d. Division which operates in relation to cyber security

Digital and Cyber Risk Management Frameworks

Due to the situation regarding digital threats and risks in cyber world is becoming more and more severe, and there may cause negative effects to the clients in the future, the Company has prepared and provided advice to all clients through the determination of digital and cyber risks with strategies that are in line with being the leader in information technology, as follows:

Vision	We will be an organization that uses an information technology system that is effective, stable, and secure.					
Strategy	Efficiency		Stability and Sustainability		Security	
Tactics	Develop an Automation Self-Service system to replace repetitive tasks and make them automatic	Establish an API Standard to be implemented across all systems in the company, in order to reduce errors in cross-system data interface	Monitoring system and fully tracking reports on problems	Backup information in DR Site for critical systems for emergency recovery	Develop the systems and set guidelines for data governance, especially the personal data access control to be systematic, efficient, and secure	Have regular Penetration Test and Vulnerability Assessment Test for critical systems
	Arrange the assessment of the valuation of IT equipment in use, replace expired and energy-consuming equipment.	Create standards for all systems to be designed with consideration for the use of data in Business Intelligence, in addition to regular operational data.	Create standards for documentation for System Design Structure and thorough explanation to increase the abilities of the staff		Organize trainings on security for the staff	

Information Technology and Data Security Operations

Potential development of the personnel and development of operating systems for technology and innovation, including increasing preventive measures for cyber threats, are always priorities of the Company. Having clear operating guidelines are important. Therefore, the Company has set up guidelines for operations, as follows:

1. Implementation of Measures on Prevention of Data Privacy according to Good Governance

1.1 Establish the Sub-Committee for Information Management which consists of the Company's senior management to control and oversee data management, as well as finding the ways to protect the organization and clients' information to reach maximum efficiency and safety.

1.2 Determine policies regarding Data and Data Security, including Personal Data Protection Policy and Guidance for Access of Personal Data. These policies apply to all relevant departments, from full-time staff to contract staff and to business partners, which need to comply with the said regulations and policies to reduce the risks of unfavorable events.

1.3. Set up a team to study and prepare for the Personal Data Protection Act that will be effective in 2022, in the aspects of policy, work process, and the operations of work. Following are the processes:

- Determine policies and operational guidelines to be in line with the requirements of the laws.
- Set standards and channels for customers' consent.

- Appoint 'Data Protection Officer: DPO' to be responsible for providing advice on compliance with the Personal Data Protection Act, and examining the operations regarding collection, use, or disclosure of clients' personal data to be in accordance with the provisions of the laws.

- Set the standards for Disclosure of Information to external parties or other organizations, including receiving and disclosing information externally. The consideration criteria, which are standards for data life cycle, are as follows:

- o Third Party Assessment: Evaluate external parties who are partners or having any business operations with the Company.

- o Consideration of the acquisition of information and disclosure of information to be in accordance with the laws.

- o Delivery, access, and storage of information to be in accordance with the organization's standards on technology security.

- o Deletion and Destroying of Information.

- o Determine the level of authorization prior to the operations and report such authorizations to the Sub-Committee of Information Management quarterly.

1.4 Publicize through internal channels to enhance knowledge and understanding regarding the Personal Data Protection Act, including operational guidelines for relevant staff in the organization.

1.5. Organize the review and amendment of the policies and operational regulations regularly to be in line with rules and operations that may change in the future.

1.6. Determine operational guidelines in the case of unfavorable events by collecting data, arrange the chronological orders, evaluate the situations by internal and external experts, and update the progress to the clients or relevant stakeholders. The Company is willing to cooperate in legal processes.

2. Operations on Information's Security System

2.1 Install an Anti-Breach of Information system for all departments within the organization to have a stronger protection, especially the information generated from the transmission on the network. This Anti-Breach of Information system is a standard system, can catch and prevent the breach of information effectively. Also, the anti-breach of information tools has been installed on personal computer devices and mobile phones of the staff to ensure that the transmission of information within the organization can be checked and is more secure.

2.2 Set up the team for monitoring and proactively catching cyber threats. Improve the working process to be more effective, as well as establish the Cyber Threat Surveillance Center and a team to manage the cyber threats to act quickly, able to keep up with the situation, to reduce the impact that may happen to the clients in a timely manner.

2.3 Obtain ISO/IEC 27001:2013 certification and ISO/IEC 20000-1:2018

In addition to the aforementioned, MFEC Public Company Limited recognizes the importance of a proper system design in critical processes. The Company has specified the security requirements in every step of the system development process since the selection of service providers, solution designs, work process developments, security tests, as well as practicality of the system. Therefore, in the year 2023, the Company didn't receive any significant complaints regarding the violation of clients' personal information.

3. Operations on Building Organizational Cultures on Cyber Risks

As the Company must manage the cyber risks for the risks to be minimum, which is considered the main responsibility of all staff. Therefore, the Company is driving the organizational cultures with the following purposes:

3.1 To raise awareness among the employees: Security starts from the staff. The staff therefore need to learn and understand the situation through learning materials created by the Company. Security is the main goal of the operations. As a result, everyone can maintain the highest level of security for the clients, business partners, and the organization overall.

3.2 To prepare for the upcoming PDPA (Personal Data Protection Act): All staff must have knowledge about personal data and duties of various departments in properly keeping data of external parties, as well as inform employees about employees' information that is kept and used by the Company.

3.3 The company continues to cultivate credibility through the accreditation of international security standards (ISO/IEC 27001:2013). So that the clients and business partners can rest assured that the Company is able to manage the data with maximum efficiency.

4. Data Usage for Secondary Purpose:

MFEC Public Company Limited uses clients' personal data for other purposes under the operational frameworks, as follows:

1. Use of personal data for the purpose of products and/or services development.

2. Use of personal data for marketing purposes. The use of personal data according to the two purposes mentioned above, the Company must receive consent prior to using the information.

3. Use of personal data for any other purposes where necessary under the Company legitimate interests and not beyond the scope that the clients can reasonably expect, such as data processing for risk management, overseeing, investigation, organizational management, fraud prevention, etc.

5. Monitoring Process of Breaches/Incidents:

MFEC Public Company Limited has established a process for responding and reporting the breach of information, covering the lost, access, usage, changes, unauthorized or illegitimate disclosure. In the event that the Company is notified or found of a breach of information, the Company will conduct an investigation of the facts, analyzation and evaluation of the incident, as well as evaluate the risks and consequences according to the regulations set by the Company. Such as a number of affected persons, volume and sensitivity of personal data. After that, the incident will be reported to the responsible committee, as well as notification of the risk evaluation results. So that the solutions, response, relief measures, and notification to the authorities in accordance with the requirements of the laws can be made.

MFEC Public Company Limited has classified the levels of IT Security Incident into four (4) levels:

1. Severity Level 1 is a level that affects critical - the system provides the main service in the scope of implementation for ISO/IEC 27001:2013 standard and the main system support equipment which is unable to respond to users.

2. Severity Level 2 is a level that results in high-score service systems outside the scope of implementation in ISO/IEC 27001:2013 standard which is unable to respond to users.

3. Severity Level 3 is a level that affects in moderate-support system that does not affect the main system and work systems used within the organization. It affects only the departments, not directly to the customers.

4. Severity Level 4 is an event that affects low-backup system, internal system. The organization has no impact on business.

Management of incidents with Severity 2-4 will be taken care of by Cyber Security Operation Center (CSOC). However, incidents with Severity 1 will be managed by the team lead of the IT Department, which will be reported and transfer the management of the incident to Cyber Security Executive War Room with the Company's COO as the chairman and the senior management of relevant business units to handle the incidents. If the incidents with Severity 1 happens and escalates to significantly affect the Company, the Chairman of Cyber Security Executive War Room will report to the Company's C-Level managements to transfer the incident management to the Executive Crisis Management Team (ECMT) to take actions and make decisions according to relevant rules and regulations.

Emerging Risk

The company recognizes the significance of newly emerging risks that could materially impact its business operations within the fast-evolving technological landscape. Facing a range of imminent new risks, each demanding distinct attention and urgency levels for management, underscores the dynamic challenges ahead in ensuring business continuity and sustainability.

Risk Management Approaches

The company has analyzed potential new risks along with their impacts on business and operations. Moreover, it has formulated effective risk mitigation strategies and continuously monitors emerging risks to mitigate the impacts of these new risk factors. This ensures that potential future risks are considered, aiding the company in achieving its strategic goals and directions as outlined.

Risk	Business Impact	Mitigation and Opportunities
The swift advancement of advanced AI systems may soon enable them to perform tasks traditionally executed by human operatives within organizations.	This could lead to job reallocation within the organization and might eventually necessitate organizational restructuring.	The organization positions itself to stay ahead of AI developments, focusing on continuously updating and improving employee skills to stay current. As AI evolves, new roles and opportunities will emerge, with human creativity playing a crucial role in advancing the organization. A human resource development plan will be essential to enhance employee capabilities, preparing them for competition and swift changes.
The use of AI could result in data breaches, with the collection and analysis of personal data potentially infringing on individual privacy.	Such breaches could violate privacy rights, tarnish the company's reputation, and lead to legal actions.	Develop safe AI usage protocols for employees, aligning with the organization's data security policies and relevant laws. Access to data should be restricted to authorized individuals or groups, and continuous updates on AI technology and data security knowledge and skills are essential.
Geoeconomic confrontation entails competition and polarization among major world powers, challenges posed by global warming, limited natural resources, political tensions in various regions, and the potential for international military conflicts.	This may lead to reduced demand for products and services, create investment uncertainties, and potentially involve issues related to currency exchange rate interventions. International conflicts could impact the company's supply chain, affecting the procurement of raw materials, machinery, and equipment, as well as imposing limitations, barriers, timing, and increased costs in product delivery from partners to customers.	Monitor, compile, and analyze significant global changing trends (Megatrends), as well as trends in industries/markets, technological advancements, and relevant policies comprehensively. This is to aid in forecasting product prices, production costs, and business operations over the long term. Additionally, analyze situations and anticipate risks in collaboration with partners to foster relationships with key trading partners.

Sustainability Risk Management

Sustainability risks, known as ESG risks, are associated with environmental, social, and governance issues. These represent challenges the company must manage to create opportunities and mitigate risks affecting profitability, competitive positioning, reputation, and organizational sustainability.

ESG Risk Assessment Procedure

Step 1 Establish Governance Structure: Governance should encompass the company board, including the Audit Committee, Risk Management Committee, Executive Committee, and the Risk Management Executive, along with the risk management unit, risk owners, and departments responsible for sustainability. This structure should promote awareness among company directors and senior executives about ESG risks and foster a culture of effective risk management within the organization.

Step 2 Understand Context and Business Strategy, Including Risk Management Processes: The sustainability department should work closely with risk and strategy departments to comprehend, monitor, and communicate significant future trends (Mega Trends) that impact business operations and ESG risk issues that could affect the business or its strategies in the short, medium, and long term.

Step 3 Identify ESG Risk Issues: Define potential risks, understand existing and new (Emerging) risks, and clarify the definitions and scopes of these risks.

Step 4 Assess and Prioritize ESG Risks: Use appropriate criteria from the Risk Matrix to assess risks, including defining relevant variables and assumptions, which aids in data analysis and determining the severity of risks and their potential impact on the business.

Step 5 Responding to ESG Risk Issues: Select methods to address ESG risks considering 1) the business context, 2) costs and benefits, 3) alignment with relevant standards and stakeholder expectations, along with the organization's mission, vision, and values, 4) the necessity and urgency of response based on the risk's position in the Risk Matrix, 5) consideration of the organization's risk appetite and the severity of potential impacts. The company can respond by accepting, avoiding, converting risks into opportunities, mitigating, or sharing risks, among other strategies.

Step 6 Reviewing and Improving ESG Risk Issues:

Regularly revisit Steps 1 to 5 to ensure that the organization's risk management comprehensively and effectively covers various issues.

Step 7 Communication and Disclosure of ESG

Risk Issues: Communicate ESG risks, management approaches, and outcomes to both internal (directors, executives, employees) and external stakeholders (such as investors, customers, and the community), as risk information is critical for strategic planning, operational execution, and investment decision-making.

ESG Review and Remediation Process for ESG-related Risks

Step 1 Assess Significant Changes: Given that ESG-related risks can evolve or escalate more rapidly than general risks, and predicting the precise nature of some ESG risks can be challenging.

Step 2 Review Actions to Address Changes: If performance falls outside the acceptable variance range, executives should consider reviewing or amending the risk management processes and competencies.

Step 3 Enhance the Quality of Risk Management: Evaluate based on factors such as recent technologies, organizational changes, acceptable risk levels, comparisons with peers in the same industry, or past shortcomings.






Management, Monitoring, and Measuring ESG Outcomes

Risk assessment criteria focus on two main aspects: the severity of the risk and its impacts (Severity), and the likelihood of the risk occurring (Likelihood), to determine level of risk, categorized into five (5) levels: very high, high, medium, low, and very low. The details of the risk assessment criteria are as follows:

ESG Risk Management Guidelines

Risk Level	Action
Very Low	The company implements control measures and mitigates existing impacts while monitoring risky situations.
Low	The company continues with its existing control measures and mitigation efforts for impacts, systematically and persistently monitoring risky situations.
Medium	The company pays attention to managing measures to reduce risk levels and consistently monitors risky situations on a regular and ongoing basis.
High	High levels of risk are unacceptable. The company must manage to find measures to immediately reduce the risk to an acceptable level.
Very high	Very high levels of risk are unacceptable. The company must immediately stop operations in activities related to these risks.

Risk acceptance is categorized into five levels:

 Very High Risk	16 and above
 High Risk	From 13 to 15
 Medium Risk	From 7 to 12
 Low Risk	From 4 to 6
 Very Low Risk	Below 4

Unacceptable risk levels for the organization are “high to very high risk,” requiring the presentation of a risk management plan to bring risks to an acceptable level.

Effective risk management, encompassing ESG risks, forms a crucial foundation for propelling the organization toward sustainable success. It is imperative for the organization to prioritize and strive for the highest efficiency in these efforts.

Risk Factors and Opportunities from Sustainability Issues (ESG Risks)

Risk factors and opportunities associated with sustainability issues (ESG risks) play a critical role in evaluating the risks and opportunities that may impact business operations and investments from both business and financial perspectives, detailed as follows:

Factors	Details
Environmental Risks	<ul style="list-style-type: none"> o Climate changes, natural disasters (e.g. storms, floods), and other environmental issues can impact business operations, affecting products, services, or the procurement of raw materials. o Increased expenses due to carbon taxes imposed on industries or businesses emitting carbon dioxide. o Environmental risks at construction sites or workplaces potentially impacting surrounding communities. o The choice of materials that negatively affect the environment and society or carry safety risks.
Social Risks	<ul style="list-style-type: none"> o Human rights violations. o Changes in societal behavior patterns may hinder employees from innovating new products or services to meet changing consumer behaviors. o Geopolitical risks influencing investment decisions.

Factors	Details
Governance Risks	<ul style="list-style-type: none"> o Failure to disclose crucial information expected by stakeholders. o Shortcomings in internal governance controls. o Risks related to investments in trading partners with corruption issues.

Assessing and managing these factors is crucial for risk management and enhancing sustainability within an organization, aiming to mitigate potential risks.

Opportunities arising from sustainability issues (ESG risks) can enhance value and generate various benefits for businesses and investments across different aspects as follows:

Opportunities	Details
Environmental Risks	<ul style="list-style-type: none"> o Establish systems for the reception and proper disposal or recycling of electronic waste. o Develop systems to manage and store data related to greenhouse gas emissions effectively.
Social Risks	<ul style="list-style-type: none"> o Implement Artificial Intelligence (AI) to analyze business operations for sustainability in alignment with ESG principles. o Develop IT systems and platforms focusing on social initiatives to improve societal well-being. o Launch training programs to enhance employees' knowledge of digital trends and new technologies. o Prioritize employee health and safety in all operations.
Governance Risks	<ul style="list-style-type: none"> o Create software to foster transparency, security, and sustainability within operations. o Promote and communicate corporate ethics across all employee levels. o Regularly update corporate governance manuals, ethics, and work practices to align with the evolving environmental landscape. o Emphasize the management of information security risks in compliance with PDPA regulations.

Leveraging these opportunities can drive sustainable growth and create long-term value for organizations. Thus, it is crucial for businesses to prioritize ESG risk management to prepare for effectively addressing and adapting to various risks, as well as exploiting opportunities arising from these challenges.

In today's context, it is increasingly incumbent upon organizations to demonstrate greater societal and environmental responsibility. This extends beyond mere profit generation to encompass business operations, strategic initiatives, and the minutiae of day-to-day activities, all aimed at fostering sustainable profitability to ensure a brighter future for succeeding human generations.

Artificial Intelligence (AI), including its analytical and predictive capabilities, along with Generative AI's creative potential, stands out as a significant technological ally. It aids in aligning business processes more closely with ESG principles, enhancing operational efficiency, and enabling businesses to simultaneously generate profit and uphold social responsibilities. This approach contributes to holistic global growth, positioning AI and sustainability as focal points of corporate emphasis, with an aim to lead and serve as a benchmark in sustainable IT business practices.

Furthermore, the company is committed to leveraging its technological innovations to benefit other businesses through a Data Platform. This platform enables corporate clients to efficiently manage their environmental data, providing not only data storage solutions but also monitoring, analysis, reporting services, and consultancy. This initiative underscores the belief that building a better society extends beyond technological applications, prompting the company to champion social equality and opportunity for all ages and genders, thereby fostering a diverse and inclusive community.

3. Driving Business for Sustainability

Sustainable Management Policy and Goals

The company is dedicated to establishing itself as a leading entity within the nation and region in the comprehensive provision of information technology services. We are focused on fostering sustainable growth across our business, guided by robust corporate governance practices that consider the broad impact on stakeholders, society, and the environment. Moreover, the company endeavors to conduct its operations based on generating positive change for communities, the environment, and the economy, ensuring activities are directed toward beneficial outcomes for stakeholders at every level. Such commitments are pivotal in propelling operations toward sustainability within both the company and the wider group. Key aspects include:

1. Committing to balanced business conduct concerning ESG, and economic aspects under the banner of exemplary corporate governance. Strategies are crafted with all stakeholders in mind, aiming for the sustainable growth of the business.

2. Operating across the value chain parallel to business growth, attentively managing business from upstream to downstream. Priority is given to human rights respect, equitable and fair treatment of customers, partners, competitors, and employees, consumer responsibility, and emphasizing employee health and safety at work. This approach fosters environmental stewardship among employees and stimulates innovation and creativity to uplift communities and societal quality of life.

3. Ensuring that directors, executives, employees, and workers at all levels are engaged in supporting, promoting, and adhering to sustainability development policies, cultivating a culture of operations that values the balanced benefits of economic, social, and environmental factors.

4. Disclosing organizational sustainability operations according to international standard reporting frameworks. This ensures continuous development and the transparent, comprehensive sharing of information with the public.

Sustainability Strategy

1. Operate ethically, morally, honestly, and transparently, adhering to corporate governance and human rights standards for directors, executives, and employees. Implement an appropriate system for governance and oversight, including measures to prevent and eliminate misuse of power, and communicate the company's business ethics to all stakeholders both within and outside the organization.

2. Adhere strictly to policies, laws, practices, regulations, and recognized standards both domestically and internationally related to business operations. This includes managing risks and impacts on the environment, society, and corporate governance (ESG) that are directly and indirectly associated with the company's operations and those of its trading partners throughout the supply chain.

3. Support comprehensive access to information technology services for retail businesses, commercial enterprises, corporate clients, service industries, and online retailing extensively, to lay a strong foundation for the economy.

4. Recruit, develop, and retain human resources with the necessary knowledge, skills, perspectives, attitudes, and emotional intelligence, ensuring that personnel have the capacity and competence to perform efficiently while continually enhancing employee skills.

5. Treat all employees with equality and fairness, focusing on the health and well-being of employees at all levels, from ensuring a hygienic and safe working environment to fostering a shared vision, thereby creating long-term value and worth for both individuals and the organization.

6. Raise awareness among executives and all levels of employees about environmental risks and impacts, aiming to minimize environmental and climate effects. Incorporate technology and innovation to develop efficient environmental, energy, water, and waste management systems throughout the business process.

Sustainability policies and Practices

1. Business Integrity

Conduct business with integrity, ethical, and transparent manner, following frameworks and practices that align with the principles of ethical conduct. These frameworks and practices adhere to corporate governance and human rights as standards for the board of directors, executives, and employees to uphold. Effective management systems, supervision, and efficient auditing processes are in place to prevent and eliminate abuses of power, including Fraud and Corruption, to obtain personal benefits or cause harm to individuals or the collective, and also establish whistleblowing processes and mechanisms and complaint management.

2. Compliance with Laws and Regulation

Compliance with policies of the country, laws, regulations, bylaws, and accepted standards both domestically and internationally related to business operations, such as business operations, labor, safety, environment, taxation, personal data protection, intellectual property of innovations

3. Privacy & Data Security

The personal data of stakeholders, including employees, customers, and partners, and confidential information of the organization and business suppliers, must be protected and safeguarded. By determining measures to ensure the security of personal data in compliance with laws, regulations, as well as relevant standards guidelines. Providing knowledge and understanding to all levels of employees is crucial in preventing errors in work. Additionally, the use of technology can enhance data security for all types of data appropriately

4. Sustainable Supply Chain

Create sustainable supply chains with responsible sourcing, as well as effective governance and managing risk and potential economic, environmental, social, and human rights impacts that may arise from the operations of suppliers and contractors throughout the supply chain.

5. Product and Service Quality

The quality of the product or service meets the required standards, possesses distinctive features, is reliable, and is delivered on time. The product or service satisfies customers and is accompanied by appropriate operating costs, resulting in a competitive advantage.

6. Product Design and Innovation

Product design aims to meet customer needs and provide benefits to society as a whole, incorporating innovation and technology. It is carefully designed to consider potential risks with product usage or negative impacts on stakeholders who may be affected.

7. Vendor and Partner Management

The Management of Vendor and Partners involves building trust and fostering long-term relationships. The selection of high-quality Partners and develop vendor in accordance with the company's business standards and future business directions to stay abreast of technology and innovation and grow alongside the company while building a sustainable business.

8. Customer Relationship Management

Customer Relationship Management starts with building relationships and understanding the needs and expectations of customers. Includes systematically collecting customer data to effectively respond to their needs align with their expectations and manage customer behavior data towards products and services.

9. Diversity, Equity and Inclusion

The diversity of individuals in society encompasses differences in age, religion, philosophy, physical abilities, socio-economic backgrounds, gender identities, intellectual capacity, mental health, genetic characteristics, personality, and more. Social inclusion

refers to accepting differences and the creation of inclusivity among people with varying traits by interaction, care, and support of all groups of stakeholders of the organization equally, without segregation or discrimination. It also creates equity for underprivileged people to access products and services at reasonable prices, which is a fundamental principle outlined in the Universal Declaration of Human Rights.

10. Responsible Marketing & Communication

Responsibility for marketing and communication involves providing accurate and transparent information about products/services and the company's business operations and executing work in line with the company's advertising and public relations communication efforts to meet customer expectations.

11. Employee Health and Well-being

The well-being and physical and mental health of all types of employees, as well as the work environment and atmosphere that promote a good quality of work life and foster loyalty to the organization until the end of employment. Includes providing a working environment that is suitable, safe, and conducive to work, taking care of working conditions and working hours, and providing appropriate compensation to ensure employees have physical and mental health, feel happy, and have energy for work.

12. Employee Development and Retention

The recruitment and retention of competent personnel and the development of their abilities at all levels, both in terms of hard skills (knowledge and skills) and soft skills (mindset, attitudes, and emotions) to have the potential and appropriate knowledge and abilities to work effectively, aligning with the organization's needs and business development plans to cope with future changes and growth in the business environment. This also includes adapting to changes in employee behavior, fostering a shared vision, and creating long-term value and significance for the organization.

13. Climate Action

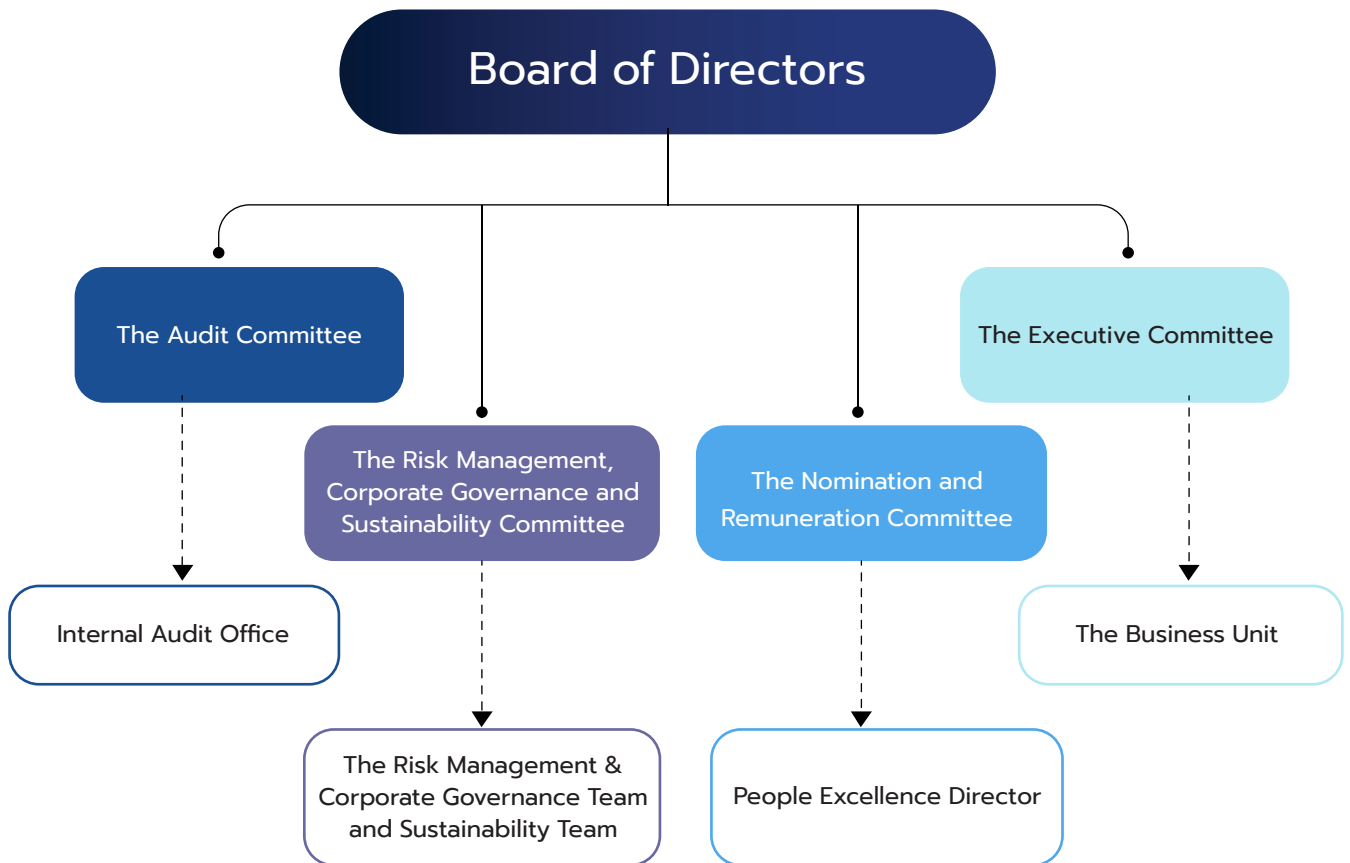
The changing climate conditions resulting from the accumulation of greenhouse gases have impacts on the economy, society, and the environment. This poses risks to businesses both directly and indirectly, as changes occur physically and in terms of related laws and regulations. Preparing for and adapting to the volatility of climate conditions, as well as promoting and participating in efforts to reduce greenhouse gas emissions, which are the cause of climate change.

14. Responsible Consumption and Production

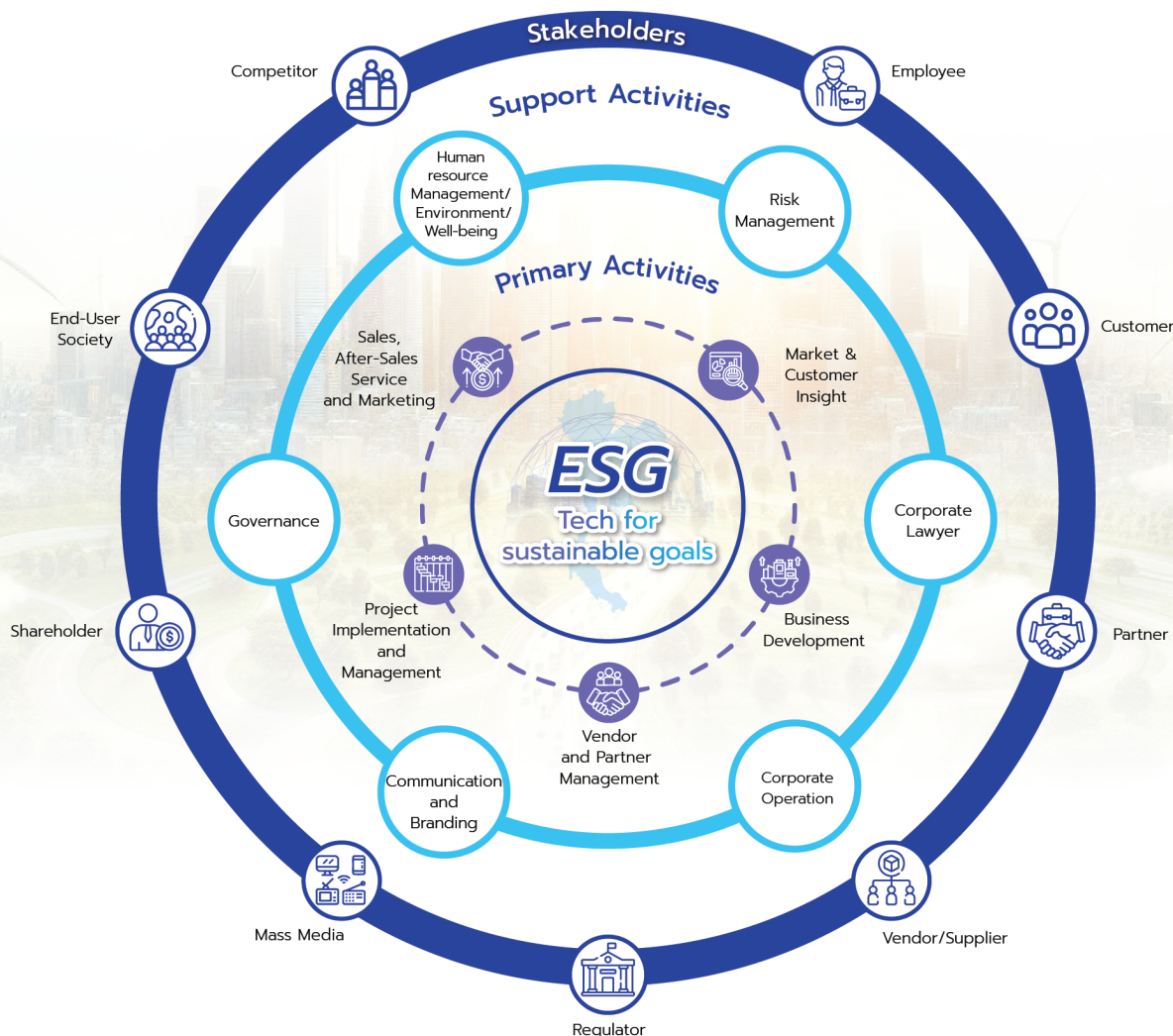
The efficient and sustainable management and utilization of natural resources involves operating processes to reduce the consumption of natural resources or resources that are being depleted, and reduce waste generation by implementing the 5R principles: Reduce, Reuse, Recycle, Repair, and Reject. Reduce the release of toxic chemicals and hazardous waste into the environment and adopt proper management techniques to mitigate the social and environmental impacts.

Sustainable Development Structure

MFEC has established a committee for sustainability operations to promote and support the achievement of goals and satisfy the needs of all stakeholders, fostering genuine sustainability movement within the organization.



MFEC Value Chain



MFEC emphasizes sustainable development, extending beyond internal operations to encompass the entire business value chain. This involves considering social, environmental, and governance aspects (Environmental, Social, and Governance – ESG), integrating them into our business practices from upstream to downstream. We strive to add value through the development of products and services, utilizing technology that positively impacts society and the environment, thereby fostering sustainability across all dimensions.

Value Creation Process

Market Analysis and Customer Insights

We conduct market surveys and gather detailed customer data to analyze industry trends and technological advancements. This critical step strengthens our business database, enabling us to compare our performance fairly against competitors and uncover beneficial business opportunities. Understanding industry trends and innovations helps us continuously improve and develop our services, aiming for unwavering customer satisfaction.

Business Development

We are committed to fostering business innovations that benefit society and the environment, designing solutions that surpass customer expectations. By integrating modern technology and systems into our product development process, we adhere to environmental standards. Each product undergoes rigorous testing to ensure every component functions optimally and is appropriate, thus enhancing performance efficiency.

Vendor and Partner Management

MFEC selects business partners and suppliers evaluated for their ESG commitments, ensuring that our partners' operations align with our sustainable practices. This approach focuses on managing environmental and social impacts, upholding business ethics, labor practices, and fair trade. Additionally, it involves assessing operational risks based on human rights principles, attentiveness to environmental impacts, and business integrity. We also monitor our partners' adherence to ethical business conduct and foster the development of their sustainable business practices, aiming to collectively deliver the highest quality products to our customers.

Project Implementation and Management

We manage projects, implementing and designing IT system structures for our clients following various technical procedures and processes to align with the planned schedule and operational requirements. Comprehensive attention to data and information system security is ensured. Furthermore, we provide training on system usage and distribute educational materials to enhance our clients' convenience in understanding the systems at any time. Additionally, in our production process, we advocate for cost reduction by valuing resource efficiency, such as minimizing energy and water usage, reducing greenhouse gas emissions, and extending the lifespan of products to enable recycling.

Sales, After-sale Services and Marketing

Our after-sales service includes care, consultancy, and openness to feedback, using customer satisfaction survey results to continually refine and enhance our products, services, and operational processes. Our marketing activities are conducted with a commitment to responsible practices toward our customers and users, aligning with ethical marketing and advertising standards.

Support Activities

Human Resource Management / Environmental Stewardship / Employee Well-being

MFEC prioritizes recruiting skilled and knowledgeable personnel suited to our business demands while upholding human rights and ensuring fair labor practices. We organize targeted training programs to enhance employees' capabilities and establish clear performance evaluation criteria. Additionally, we focus on occupational health and safety initiatives that support our employees' well-being and health.

Risk Management

Our comprehensive risk management strategy addresses strategic risks, operational risks, financial risks, regulatory risks, and ESG risks. We ensure that all units operate according to our risk management plan, supported by ongoing training for department heads and staff.

Legal and Regulatory Compliance / Corporate Lawyer

We diligently study applicable laws, regulations, and rules to provide informed legal advice for our business operations, contract negotiations, transactions, and corporate governance. This ensures our full compliance with legal and regulatory standards.

Internal Process Management / Corporate Operation

We strategically plan and manage internal processes to optimize efficiency and simplify operations, ensuring valuable resource use and maintaining an appropriate workflow level.

Communication and Branding

Effective communication and policy updates are shared with employees to foster clear understanding and engagement. We collect feedback and suggestions from our team to enhance internal communication strategies. Our brand development efforts aim to establish a unique brand identity and presence, reaching customers and users through tailored marketing strategies.

Governance

MFEC prioritizes business operation oversight adhering to the principles of good corporate governance for companies registered in 2017 (Corporate Governance Code or CG Code), guiding the Board of Directors in managing the company transparently, ethically, and responsibly. This approach aims to comprehensively safeguard the interests of stakeholders and society.

Supply Chain Management

Effective and responsible supply chain management is one of the key components that will enable the company to grow sustainably. Doing business with suppliers who have environmental, social, governance, or economic risks may lead to business continuity and the company's reputation. The company therefore focuses on managing suppliers throughout the supply chain, including developing supplier capabilities, in order to reduce risks from suppliers and their impacts on the company's business operations in both the short and long term, as well as enhancing the company's competitiveness and building confidence among suppliers for sustainable growth together.

Goals of Operations:

1. Increase efficiency and effectiveness, reduce costs, and enhance competitive opportunities.
2. Minimize the usage of wasteful and unnecessary raw materials.
3. Ensure zero violations of human rights in the company's procurement processes.
4. Maintain zero tolerance for corruption and collusion.
5. Conduct sustainability assessments for 100% of critical supplier.

Supplier Risk Management Process in the Supply Chain

1. Analysis of critical suppliers and high sustainability risk supplier groups
2. Supplier Sustainability Risk Assessment
3. Supplier Assessment
4. Risks Management

For the selection and registration of new suppliers, the company follows a set of procedures. New suppliers will be evaluated and registered according to the established guidelines for the selection and registration process. This involves filling out a form to request the opening of new suppliers with attaching an assessment form and supporting documents, which will be submitted to the Assistant Purchasing Manager for evaluation. (Based on the conditions outlined in the company's supplier selection and registration manual.)

Analysis of critical suppliers and high sustainability risk supplier groups

The company's supply chain management operations begin with a review of the importance of suppliers by gathering information on suppliers engaged in transactions during the year 2023 and analyzing them to identify the Critical Tier 1 that are of significant importance to the company. The criteria for consideration are based on being the top 10 Suppliers with the highest purchases.

List of critical suppliers for the year 2023 as follows:

1. Microsoft Regional Sales Pte Ltd.
2. Oracle Corporation (THAILAND) Co.,Ltd.
3. Bluebik Vulcan Co.,Ltd.
4. MSyne Innovations Company Limited
5. VST ECS (Thailand) Co.,Ltd.
6. SIS Distribution (THAILAND) Public Co.,Ltd.
7. Cisco International Limited
8. ServiceNow Nederland BV
9. M-Solutions Technology (THAILAND) Co.,Ltd.
10. Vintcom Technology Public Company Limited

For Critical Non-tier 1 Suppliers, the criteria for consideration are crucial to the overall business operations of the top 10 critical suppliers of the company and have a substantial impact on the profitability and risks associated with critical suppliers. In total, there are 31 critical non-tier 1 as follows:

Supplier Type	Number of Suppliers	Supplier Ration (%)	Spending Ration (%)
Suppliers with transactions in 2023 (Tier 1)	325	100.00	100.00
Critical Tier 1	10	3.08	71.15
Critical Non Tier1	31	-	-

In 2023, the company had 3.08% of total suppliers in the supply chain classified as critical suppliers, accounting for 71.15% of total procurement spend.

Supplier Sustainability Risk Assessment

The company has conducted an assessment of the sustainability risks associated with suppliers. Suppliers were requested to self-assess using the “Environmental, Social, and Governance (ESG) Assessment Questionnaire” via Microsoft Forms. The company has set criteria for selecting suppliers to participate in the assessment as follows:

- Supplier with purchase orders of 5 million baht or more in 2023. Based on this criteria, 39 suppliers, which is 12% of all suppliers were required to conduct the risk assessment.
- For the ESG assessment questionnaire, if suppliers have not yet participated in the Private Sector Collective Action Against Corruption in Thailand, the company is invited to join the initiative and can contact the company directly if they have any requirements.

Supplier Assessment

MFEC Public Limited Company has conducted an assessment of supplier with ESG risk by submitting questionnaires to assess their operations in various sectors. This assessment includes suppliers with collaborative engagements as well as those who have significant environmental or social impacts or are located in areas with high ESG risks. The company has established a process for on-site ESG audits of suppliers’ operations to ensure close monitoring of their compliance with sustainability standards, and ability to reduce sustainability risks in the company’s supply chain.

Risk of ESG onsite visit

1. **Environmental:** Consideration of water management, electricity usage, waste management, pollution control, adoption of online work processes, and improvement of work systems by using soft files instead of hard copies, etc.
2. **Social:** Consideration of the importance of human rights and fair labor practices, including prioritizing occupational health and safety and employee well-being.
3. **Governance:** Consideration based on compliance with relevant laws and regulations, as well as the presence of sustainable policies, including anti-corruption policy

The benefits of onsite visits for monitoring / auditing / assessing ESG Suppliers

1. Help companies gain a deeper understanding of suppliers’ operations.
2. Enable companies to identify potential ESG risks that suppliers may be facing.
3. Provide an opportunity for companies to offer guidance and recommendations to suppliers for improving their ESG performance.
4. Help companies ensure that suppliers are adhering to relevant legal and regulatory requirements.

The assessment of Environmental, Social, and Governance (ESG) risks arising from Business Suppliers

Criteria for assessing ESG risks of suppliers

Risk level	Total Score Percentage
Very High	0% - 37%
High	38% - 50%
Medium	51% - 63%
Low	64% - 75%
Very Low	76% - 100%

The company conducted an assessment of environmental, social, and governance (ESG) risks arising from its business suppliers in the year 2023. The assessment results were utilized for a risk assessment scorecard, which also included the categorization of suppliers based on risk assessment criteria. The Purchasing Manager then compiled a report on the annual assessment of supplier risks and presented it to the Purchasing Director for data verification and acknowledgment of the assessment results.

The assessment results of suppliers

Out of the 39 suppliers required to conduct the risk assessment, 20 of them participated and responded (approximately 51.28%) The assessment results of the 20 Supplier who participated and responded are as follows:

Risk level	Number of Suppliers	(%)
Very High	0	0
High	1	5
Medium	1	5
Low	8	40
Very Low	10	50
Total	20	100

The overall suppliers assessment results were at a “Low Risk” level. For suppliers with high or medium risk levels, the company has notified them to improve their operations, find solutions to mitigate risks and potential impacts, and has a plan for audits to ensure they follow the company’s sustainability practices. This provides assurance that suppliers can manage risks to avoid impacts on the business, society, communities, and the environment.

The Economic Risks arising from Suppliers

MFEC Public Limited Company has recognized the importance of transparent and comprehensive disclosure of information to all stakeholders. This includes information about economic risks that may arise from the company’s suppliers, which can directly impact the company and its suppliers’ ability to conduct business as usual. Factors such as natural disasters, accidents, and others can affect the company’s ability to deliver products or services to its customers. Therefore, the company has a policy to assess the readiness of its suppliers through their selection and assessment process, covering various aspects, to analyze the risks associated with each supplier on an annual basis. Additionally, the company also considers the sustainability risks that may arise from business partners who do not consider environmental, social, and governance (ESG) issues, as this could have an impact on the company’s reputation.

In addition to that, the company has various measures in place to reduce economic risks that may arise from its business suppliers, including:

- Setting clear and comprehensive conditions in purchasing and sales contracts to address various potential risks.
- Conducting assessments of business partners, covering various economic issues, to analyze business capabilities.

The assessment results in 2023 of the 20 suppliers in the economic risk are as follows:

Risk level	Number of Suppliers	(%)
Very Low	13	65
Low	5	25
Medium	2	10
High	0	0
Very High	0	0
Total	20	100

When assessing suppliers’ economic risks, the overall economic risk assessment for suppliers was at a “Low Risk” level. For suppliers with high or very high-risk results, the company will consider selecting and evaluating suppliers based on the assessment data, in order to engage suppliers with the potential for sustainable business operations. The company believes that fully and transparently disclosing information about risks from its suppliers will help all stakeholders understand potential risks and make appropriate decisions.

Environmental Dimension in Sustainability

>> Environmental Policies and Practices

MFEC gives an importance to the resource and environmental management along with the organizational development. It mainly focuses on pollution prevention and environmental preservation including the management of the electricity, water, carbon dioxide, waste and surrounding ecosystems to have a good quality. In addition, technology has been brought to help carry out various activities reducing the impact on the environmental sustainably.

>> Environmental Performance

Environmental Performance is presented in the heading. “Environment Dimension” of the Sustainability Report 2023.

Social Dimension in the Sustainability

>> Social Policies and Practices

MFEC Group’s boards of directors, executives and employees are strongly committed to move ahead in creating value for the organization, the society and environment systematically following the guidelines on “Social Responsibility” (Eight (8) Guidelines). These guidelines are directly related to MFEC and its group in term of business operations, activities, employees, suppliers and foundation, which are described in the following details.

1. Fair Business Operations: MFEC Group faithfully executes its business operations with equality, fairness, honesty and integrity, while respecting intellectual property rights, political right and obligations to the stakeholders.

2. Anti-Corruption: MFEC’s Board of Directors pays attention to promote the employees across the organization to perform their duties with honesty and integrity, regardless of exploitation of their authority for their own benefits or others, while acting against all kinds of corruption.

3. Respect for Human Rights: All human beings are equal in rights, human dignity, freedom, gaining the right to individual equality and the right to freedom of opinion and expression without interference set forth in Thailand’s Constitution. As the company is well aware of the human value, its executives and employees are required to respect the human rights, the foundation for the society and business operations.

4. Fair Treatment to Workforce: As the organization’s human resources remain the key to drive MFEC Group to a success, the management team pays attention to fair treatment for the employees and respects the fundamental rights with the principles of equality. The employees are expected to work happily and peacefully, which shapes the decent MFEC society, boosts work capabilities and develops the organization with sustainability.

5. Responsibility to Consumers: We are committed to develop the organization to become the leader among integrated information technology service providers in the country, while gaining competitive advantages continuously with sustainability through dedication in production of quality products and excellent services with internationally-accredited standards and fair prices to all levels of our customers. We will become the leader to encourage the country’s human resources development, create high value-added local jobs, and distribute income, and upgrade quality of lives for people in the country.

6. Conservation of the Environment: MFEC Group regards efficiency use of resources to reduce energy consumption for conservation of the environment and business operations.

7. Participation into Community or Social Development: Aside from the policy for energy saving and awareness of the environment, MFEC Group adheres to its mission focusing on creation of local jobs and distribute income to upgrade quality of lives for people in the country.

8. Innovations and Dissemination of Innovations from the Operations: The Executive Committee foresees the importance of organizational development with sustainability through development of human resources and innovations, improvement of work efficiency, and reduction of work redundancy. Each of the unit heads is assigned by the management to consider their innovations, process/guidelines for work process improvement, process reduction, and improvement of work efficiency.

MFEC Group conducts activities to create value in the organization, society and surrounding environment in a systematic way following an international CSR framework.

>> Social Performance

Social Performance is presented in the heading. “Social Dimension” of the Sustainability Report 2023

Governance and Economic Dimension in Sustainability

>> Governance and Economic Policies and Practices

MFEC is committed to developing the organization for the growth and the sustainability. Therefore, it places on the good corporate governance with the belief that it is a management system creating fairness, building confidence in the investment and creating long-term values for shareholders, building all stakeholders’ confidence. MFEC makes the good corporate governance as a part of vision, mission and values with the goal to become the best technology company that unleashes employees’ full potential to create and innovate solutions that uplift your digital life. It also creates the power to drive every life with the sustainable business and meets the future lifestyles, promoting technology development along with creating business cooperation with good governance. They have the good corporate governance to enhance efficiency, transparency verifiability and taking into account all stakeholders according to the principles of the good corporate governance

>> Governance and Economic Performance

Environmental Performance is presented in the heading. “Governance and Economic Dimension” of the Sustainability Report 2023.



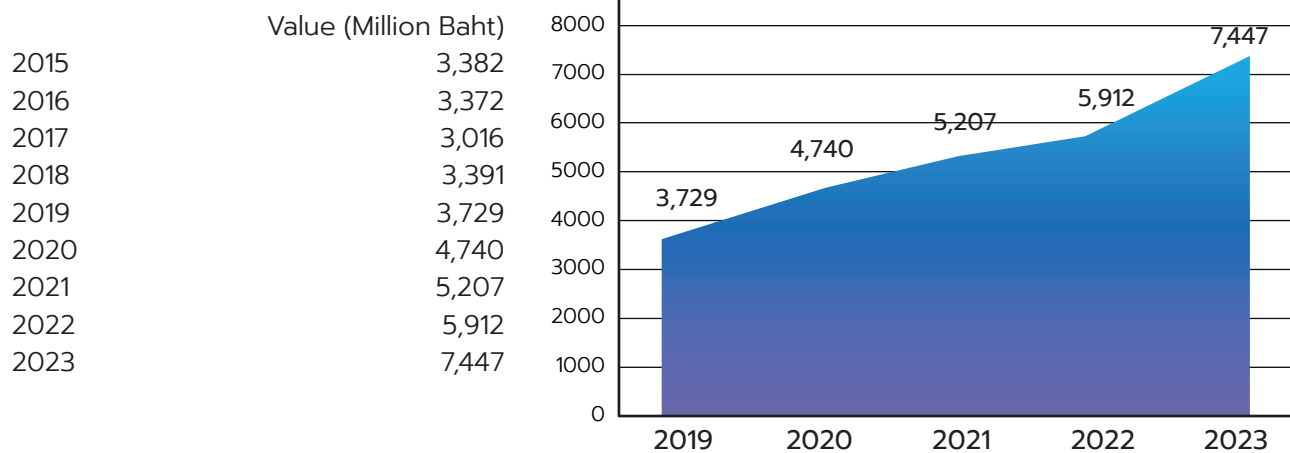
4. Management Discussion and Analysis: MD&A

Financial Status for the year 2023

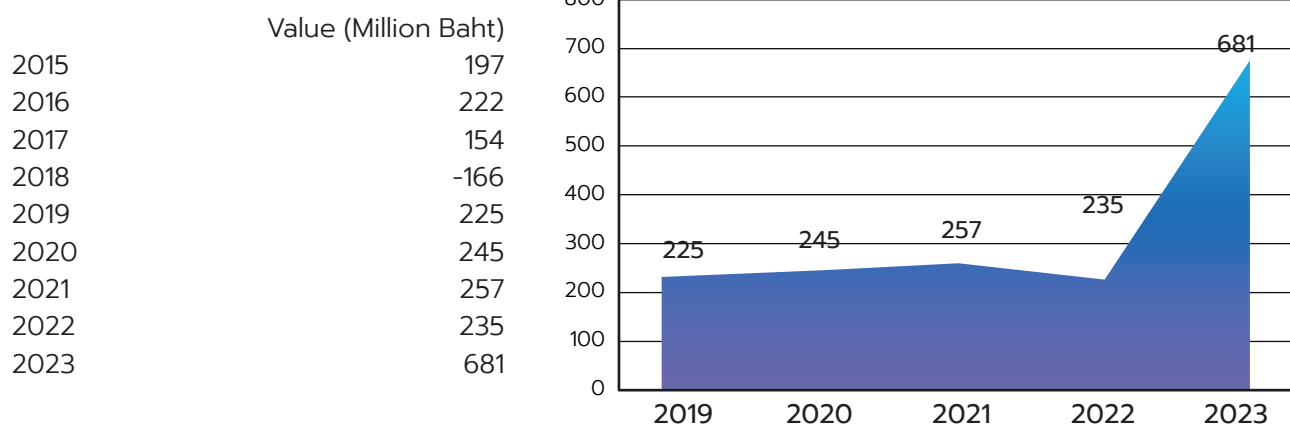
Item Description	Consolidated Financial Statement		
	Y2023	Y2022	Y2021
Total Revenues (Mil. Baht)	7,446.54	5,912.00	5,206.50
Revenues from Sales and Services (Mil. Baht)	6,738.90	5,846.80	5,174.36
Gross Profit (Mil. Baht)	962.93	1,034.90	910.28
Net Profit (Loss) (Mil. Baht)	681.05	234.93	256.99
Total Assets (Mil. Baht)	7,382.07	6,276.04	5,656.58
Total Liabilities (Mil. Baht)	4,824.74	4,218.21	3,642.84
Shareholders equity of the Company (Mil. Baht)	2,557.33	2,057.83	2,013.74
Minority shareholders of subsidiaries (Mil. Baht)	22.20	28.17	25.39
Profitability:			
Gross Profit Margin (%)	14.29%	17.70%	17.59%
Net Profit (Loss) Margin (%)	9.15%	3.97%	4.94%
Return on investment:			
Return on assets (%)	9.23%	3.74%	4.54%
Return on equity (%)	26.63%	11.42%	19.76%
Liquidity & Stability of the service:			
Current ratio (Times)	1.33	1.34	1.40
ratio (Times)	1.29	1.24	1.30
Asset Turnover			
Inventory turnover ratio	2.75	2.78	2.97
Average product sales period	131	130	121
Accounts receivable turnover ratio	4.01	3.72	3.00
Average collection period	90	97	120
Trade payable turnover ratio	5.86	5.62	4.26
Average repayment period	61	64	85
Cash Cycle	160	163	156
Capital Structure Ratio:			
Debt to equity ratio (Times)	1.90	2.08	1.83
Per Share Data:			
Number of registered shares (Shares)	441,453,555	441,453,555	441,453,555
Number of fully paid shares (shares)	441,453,555	441,453,555	441,453,555
Book Value (Baht/Share)	5.79	4.66	4.56
Net Profit (Loss) (Baht/Share)	1.54	0.53	0.58
Dividends(Baht/Share) *	0.40	0.40	0.40

Remark: The Board of Directors' Meeting No.1/2024 held on 21st February 2024 passed a resolution to pay dividends for the year 2023 operation results to shareholders at a rate of Baht 0.40 per share. The proposal is to be presented at the Annual General Meeting of the Shareholders for the year 2024 on 22nd April 2024 for further approval.

Total Revenues



Net Profit & Loss



Financial Status and Performance

Performance

The Thai economy in 2023 began to improve, with GDP growing 1.9% from the previous year, which the GDP rate increased only slightly, and the actual growth numbers decreased from what was expected. This reflects that the domestic economy is still expanding slowly. Although there is economic support from private consumption and the continued recovery of the tourism sector. The export of goods has begun to improve and industrial production contracted less decreased than the previous year. However, many industries are still under pressure from a slow recovery in global demand. Inventories are at a high level as well as the demand side of structural factors. In addition, during 2023, the Bank of Thailand has measures to adjust the policy interest rate higher for several consecutive rounds in order to balance the Domestic Economy. This causes an unavoidable impact on the financial costs of the business sector to increase.

In the year 2023, the Group's revenues from sales and services have increased 15% from the previous year. The increasing revenue was from the system maintenance (Maintenance Agreement "MA"), which is recognized as the recurring income from the service agreement. Moreover, the revenue from cloud services continues to grow at a consistent rate. However, the increase in the cost of goods and services, especially the cost of personnel salary, directly affected the net profit of the Group at an 8.6% decrease from the previous year. The Company focuses on providing products and maintaining quality of services to meet the expansion and demand of the industrial sector, altogether with strict business and strategic planning in preparation for any pressures and risks that may occur.

The Group continues to focus on the strategies to maintain the market share in the IT development and system integration (SI) to the leading corporate clients in various business sectors. Even though the high-value SI projects that the Company has acquired in the previous years have gradually handed over, but the Company continues to receive work on MA projects. The remaining value awaiting delivery (backlog) at the end of the year was more than 7,500 million Baht. Amidst the competitive environment in the industry, the strategic adjustments for next year's operations are therefore a great challenge in terms of maintaining the market share and the excellence of customer services, which will reflect the continuous and sustainable revenue and profit growth in the years to come.

Performance Overview for the Operations in 2023 and Comparison to the Performance in 2022 and 2021

Description	Y2023		Y2022		Change		Y2021	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
Revenue from Sales and Services	6,738.9	100.0%	5,846.8	100.0%	892.1	15.3%	5,174.4	100.0%
Cost of Sales and Services	(5,776.0)	-85.7%	(4,811.9)	-82.3%	(964.1)	20.0%	(4,264.1)	-82.4%
Gross Profit, before Operating Expenses	962.9	14.3%	1,034.9	17.7%	(72.0)	-7.0%	910.3	17.6%
Profit from change in investment classification	-	0.0%	33.4	0.6%	(33.4)	-100.0%	-	0.0%
Gain on entire business transfer of a subsidiary	649.6	9.6%	-	0.0%	649.6	100.0%	-	0.0%
Other Income	58.0	0.9%	31.8	0.5%	26.2	82.4%	32.2	0.6%
Selling and Administrative Expenses	(901.4)	-13.4%	(791.3)	-13.5%	(110.1)	13.9%	(611.5)	-11.8%
Profit from Operating, before interest and Tax	769.1	11.4%	308.8	5.3%	460.3	149.1%	331.0	6.4%
Share of Profit from Associates and Joint Venture	6.8	0.1%	8.2	0.1%	(1.4)	-17.1%	8.7	0.2%
Financial Costs	(23.3)	-0.3%	(18.2)	-0.3%	(5.1)	28.0%	(11.5)	-0.2%
Net Profit, Before Corporate Tax	752.6	11.2%	298.8	5.1%	453.8	151.9%	328.2	6.3%
Corporate Income Tax	(35.0)	-0.5%	(58.8)	-1.0%	23.8	-40.5%	(70.2)	-1.4%
Net Profit before NCI	717.6	10.6%	240.0	4.1%	477.6	199.0%	258.0	5.0%
Profit Attributed to Non-Controlling Interests	(36.5)	-0.5%	(5.1)	-0.1%	(31.4)	615.7%	(1.0)	0.0%
Net Profit (Loss), Parent portion	681.1	10.1%	234.9	4.0%	446.2	190.0%	257.0	5.0%

The performance shown above includes the discontinued operations as per no.13 to the financial statements.

Revenues

Revenues from Sales and Services

Revenue by Segment	Y2023		Y2022		Increase (Decrease)		Y2021	
	Mil THB	Income Ratio	Mil THB	Income Ratio	Mil THB	%	Mil THB	Income Ratio
Revenue from system development and system integration	1,226.7	18.2%	1,164.9	19.9%	61.8	5.3%	1,851.6	35.8%
Revenue from system maintenance	3,362.9	49.9%	2,627.5	45.0%	735.4	28.0%	1,783.6	34.5%
Revenue from IT system development	923.8	13.7%	1,159.5	19.8%	(235.7)	(20.3%)	938.5	18.1%
Total revenue from main businesses	5,513.4	81.8%	4,951.9	84.7%	561.5	11.3%	4,573.7	88.4%
Revenue from Cloud services	1,161.6	17.2%	817.8	14.0%	343.8	42.0%	559.3	10.8%
Revenue from other businesses	63.9	1.0%	77.1	1.3%	(13.2)	(17.1%)	41.4	0.8%
Total revenue from sales and services	6,738.9	100.0%	5,846.8	100.0%	892.1	15.3%	5,174.4	100.0%

The Group has revenues from 3 main business segments: revenue from system development and system integration, revenue from system maintenance, and revenue from development of IT systems. The income ratio in 2023 is 81.8% of the total revenue from sales and services. (Was 84.7% of the 2022 total revenue from sales and services) The revenues from the 3 main business segments have increased to 561.5 million Baht, which is 11.3% of revenue growth compared to the previous year which is the main reason why the total revenue from sales and services grow as high as 15.3% from the previous year.

- Revenue from System Development and System Integration (SI) amounted to 1,226.7 million Baht, 1,164.9 million Baht, and 1,851.6 million Baht in the year 2023, 2022, and 2021 respectively. Such revenues accounted for 18.2%, 19.9% and 35.8% of the total revenue of the year 2023, 2022, and 2021 respectively. The SI projects can be considered as the business segment that has been continuously generating main revenue to the Company. The recognized revenue from SI projects in the year 2023 increased from the previous year, although the number of SI projects undertaken and delivered during the year may have decreased. The revenue figures have increased due to the company's continued get of numerous large-scale projects during the year 2023 but they were now under system development stage and have not reached the handover period. The project values included the revenues from the system maintenance segment, which the Company recognizes as recurring income for project implementation in the period of 3-6 years from the project handover date.

- Revenue from Maintenance Agreement Service (MA) amounted to 3,362.9 million Baht, 2,627.5 million Baht, and 1,783.6 million Baht in the year 2023, 2022, and 2021 respectively. Such revenues accounted for 49.9%, 45%, and 34.5% of the total revenue of the year 2023, 2022, and 2021 respectively. The Group had a continued increasing ratio of the Maintenance Agreement Service (MA) segment due to the recognition of revenue from the delivery of several large-scale SI projects during 2020-2023. As a result, the ratio of the Maintenance Agreement Service (MA) segment to the overall revenue tends to increase since the year 2021. The Group was still able to maintain Maintenance Agreement Service (MA) revenue growth. The revenue growth for this segment is 28% and 47.3% of each year for the year 2023 and 2022 respectively.

- Revenue from IT Professional Service (PS) amounted to 923.8 million Baht, 1,159.5 million Baht, and 938.5 million Baht in the year 2023, 2022, and 2021 respectively. The revenue from this segment has decreased by 20.3% compared to last year's. The proportion of the revenue from IT Professional Service (PS) was 13.7% of total revenue of this year. Due to the sale of investment in Vulcan Digital Delivery (VDD) during the first quarter of the current year. As a result, the income for the current period does not include the VDD income that the Group had previously recognized from this segment in the previous year in the amount of 287 million baht.

- The revenue from Cloud Solution Service for the year 2023 amounted to 1,161.6 million baht, representing 17.2% of the total revenue recognized for the year. This is a significant increase of 42% compared to the previous year, with a growth rate of over 100% since 2022. This growth is in line with the increasing adoption of technology in managing customer data among leading corporate organizations.

Gains from Change in Investment Classification

In the year 2022, the Group has recognized the gain from change in investment classification, which derived from the investment in Data Café Co., Ltd. by the external investors. The Company has recorded the investment in Data Café and re-categorized it to be the investment in joint venture. The gain on reclassification of investment amounting to 33.4 million Baht was calculated from the difference between the book value and fair value according to the Group's proportion of investment in Data Café at the date of the reclassification of investment on 30 June 2022.

Gain from Transfer of the entire business of the subsidiary

The company has gain from transfer of the entire business of the subsidiary in the amount 649.6 million Baht from the sale of investment in Vulcan Digital Delivery Company Limited (VDD) which the said entire business transfer transaction Completed on February 20, 2023. However gain from the entire business transfer is calculated as profit to the company's shareholders in proportion for 94.21% shareholding in VDD, equivalent to 612 million Baht.

Other Revenues

Description	Y2023	Y2022	Increase (Decrease)		Y2021
	Mil THB	Mil THB	Mil THB	%	Mil THB
Profit from financial derivatives instruments	19.0	1.9	17.1	900%	-
Profit from measuring of fair value of derivatives	-	-	-	-	21.5
Profit from exchange rate	13.7	21.3	(7.6)	(35.7%)	-
Income interests	9.4	4.0	5.4	135%	1.5
Other income	15.9	4.6	11.3	246%	9.2
Total	58.0	31.8	26.2	82.4%	32.2

Other revenues for the year 2023 amounted to 58 million Baht, an increase of 26.2 million Baht or 82.4% from last year. The main reason of profit from financial derivatives instruments segment Forward Contract and income interests was increase from the transaction of the investment in the subsidiary - SYNERGY GROUP VENTURES (SGV)

Costs and Expenses

Costs of Sales and Costs of Rendering Services

Description	Y2023	Y2022	Increase (Decrease)		Y2021
	Mil THB	Mil THB	Mil THB	%	Mil THB
Profit from sales and services	6,738.9	5,846.8	892.1	15.3%	5,174.4
Costs of sales and services	5,776.0	4,811.9	964.1	20.0%	4,264.1
Gross profit	962.9	1,034.9	(72.0)	(7.0%)	910.3
Gross profit margin (percent)	14.3%	17.7%	-3.4%		17.6%

Costs of sales and services in current year amounted to 5,776 million Baht, which was in line with the increasing revenue of the Group. Price competition continues to persist in the System Integration services provider is effect to the proportion of Gross profit margin recognition has decreased for 14.3% compared to previous year which was 17.7.3% and the main reason is that the Company has sold its investments by transferring the entire business of Vulcan Digital Delivery (VDD) during the first quarter of the current year. The business segment that was disposed of said revenue was recognized mainly in the IT Professional Service, which has a high gross profit margin compared to other gross average profit margin of the Company and subsidiary. In this regard, the VDD business that was sold through the said entire business transfer resulted in a decrease in gross profit amounted 77 million Baht.

The recognition of revenue from sales and services has increased by 15.3%, However the Group's gross profit to decrease by 72 million Baht or 7% decrease compared to the last year. Due to the proportion of income has changed from a decrease in revenue of the IT system development business, which has a high profit margin, as mentioned above. Meanwhile the Company's proportion of revenue from the Cloud service segment has increased which is a business segment with a lower gross profit margin.

Selling and Administrative Expenses

Description	Y2023	Y2022	Increase (Decrease)		Y2021
	Mil THB	Mil THB	Mil THB	%	Mil THB
Selling and distribution expenses	131.4	136.6	(5.2)	(3.8%)	116.9
Administrative expenses	770.0	654.7	115.3	17.6%	494.6
Total of selling and administrative expenses	901.4	791.3	110.1	13.9%	611.5

Administrative expenses have increased by 13.9% due to the personnel expenses with higher rate of new hires to support business expansion from economic recovery. However, the Group also had non-recurring expenses that have not been paid in recorded for the year 2023, such as loss from impairment of investments in associates and joint ventures in the amount of 23 million baht and legal reserves for the litigation of the subsidiary in the amount of 10 million Baht.

The Group had the ratio of selling and administrative expenses to the revenue in the amount of 13.4% which is similar ratio in compared with the previous year. (2022: 13.5%)

Profit sharing from Investment in Associated Companies

Description	Y2023	Y2022	Increase (Decrease)		Y2021
	Mil THB	Mil THB	Mil THB	%	Mil THB
Profit sharing from Associated Companies and Joint Venture	6.8	8.2	(1.4)	(17.1%)	8.7

The Share of profit from associates and joint ventures in the year 2023 amounted to 6.8 million Baht, decrease ed from last year 1.4 million Baht or 17.1% due to a decrease in share of profit from investments in Prompt Now and Data Café which is an associates and joint ventures that have decrease profit from business operations.

Financial Costs

Description	Y2023	Y2022	Increase (Decrease)		Y2021
	Mil THB	Mil THB	Mil THB	%	Mil THB
Financial cost from monetary loans	13.0	8.7	4.3	49.4%	2.3
Financial cost from lease agreements with rights of used of assets	10.3	9.5	0.8	8.4%	9.2
Total of financial costs	23.3	18.2	5.1	28.0%	11.5

Increasing financial costs were due to the increase in financial cost from monetary loans. The main reason was an increase of short-term loans from financial institutions in order to investment in ongoing projects received during the year. The Group had an increasing average interest rate due to several of Thailand's increment of policy interest rate during the year 2022-2023. However, the Group had a net interest-bearing debt-to-equity ratio of 0.19 times, which was still relatively low. The Company still has the ability to maintain prudent and concise liquidity management by emphasizing the importance of efficient financial structure management and flexibility in the volatile financial market environment. In addition, the Company also maintained the financial costs at a level suitable for business operations in the future.

Net Profit (Loss)

Description	Y2023	Y2022	Increase (Decrease)		Y2021
	Mil THB	Mil THB	Mil THB	%	Mil THB
Revenue from Sales and Services	6,738.9	5,846.8	892.1	15.3%	5,174.4
Net Profit, Parent portion	681.1	234.9	446.2	190.0%	257.0
Net Profit Ratio (Percentage)	10.1%	4.0%		6.1%	5.0%

The Company has a 2023 net profit amounting to 681.1 million Baht, representing a net profit margin of 10.1%. the net profit margin for the year 2023 increased when compared to the year 2022. The net profit increased because the recognition of profit from the entire business transfer of the subsidiary (Only Parent portion) in the amounted 612 million Baht. Although overall net profit margin has increased, the net profit from normal operations of the Company decreases when compared to last year's due to the increase of costs of products and services. Especially the cost of personnel expenses directly affected the Group's decrease in net profit by 7%. The Company focuses on providing products and maintaining quality of services to meet the expansion and demand of the industrial sector, altogether with strict business and strategic planning in preparation for any pressures and risks that may occur. At the end of 2023, the Group had a higher ratio of projects with longer project duration, which allowed the Company to recognize recurring income in the next accounting period according to the duration of the project management. The Group has a realized revenue for the year 2023 in the amount of 6,738.9 million Baht, an increase of 15.3% from the previous year. It is considered the new high of Company's realized revenue and it was a crucial part to maintain profit levels under the situation of the increasing of financial cost during the year 2023.

Financial Statement

(Unit : Million Baht)	Y2023		Y2022		Change		Y2021	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
ASSETS								
Cash and Cash Equivalents	256.3	3.5%	282.0	4.5%	(25.7)	-9.1%	141.8	2.5%
Trade and Other Receivables	2,043.5	27.7%	1,724.3	27.5%	319.2	18.5%	1,753.9	31.0%
Unbilled Receivables	1,051.8	14.2%	1,145.8	18.3%	(94.0)	-8.2%	1,060.6	18.8%
Cost of Work in Progress	172.9	2.3%	392.9	6.3%	(220.0)	-56.0%	324.9	5.7%
Prepayment for Cost of Services	2,124.6	28.8%	1,511.1	24.1%	613.5	40.6%	1,238.8	21.9%
Other current financial assets	58.9	0.8%	48.4	0.8%	10.5	21.7%	57.8	1.0%
Assets held for sales	-	0.0%	51.2	0.8%	(51.2)	100.0%	-	0.0%
Other Current Assets	183.7	2.5%	132.4	2.1%	51.3	38.7%	118.2	2.1%
Total Current Assets	5,891.7	79.8%	5,288.1	84.3%	603.6	11.4%	4,696.0	83.0%
Investment in Associates and Joint Venture	387.0	5.2%	226.9	3.6%	160.1	70.6%	179.4	3.2%
Building improvements and equipment	106.4	1.4%	61.3	1.0%	45.1	73.6%	71.0	1.3%
Right of Use of Assets	199.4	2.7%	91.9	1.5%	107.5	117.0%	90.2	1.6%
Goodwill	258.0	3.5%	258.0	4.1%	-	0.0%	258.0	4.6%
Other intangible assets	20.1	0.3%	11.6	0.2%	8.5	73.3%	22.9	0.4%
Prepayment for Cost of Services	393.4	5.3%	270.3	4.3%	123.1	45.5%	280.6	5.0%
Other Non-Current Assets	126.1	1.7%	67.9	1.1%	58.2	85.7%	58.4	1.0%
Total Non-Current Assets	1,490.4	20.2%	987.9	15.7%	502.5	50.9%	960.5	17.0%
Total Assets	7,382.1	100.0%	6,276.0	100.0%	1,106.1	17.6%	5,656.5	100.0%

Assets

As of 31st December 2023, the Group had total assets of 7,382 million Baht, which increased by 1,106 million Baht or 17.6% from 31st December 2022, of which the total assets of 6,276 million Baht. Such increase of assets was due to significant changes of assets as follows:

- Costs of services paid in advance (Including portions over 1 year) has increased amounted to 736.6 million Baht in line with the growth rate of the Maintenance Agreements (MA). Several projects have legal liabilities according to the Maintenance Agreement to pay the maintenance service fee from the beginning of the maintenance period.

- Investments in joint ventures and associated companies increased by 160.1 million Baht, resulting from investments by newly established subsidiary during 2023, namely Synergy Group Ventures Company Limited ("SGV") During the year SGV has invested in 3 associated companies, namely I2 Enterprise Public Company Limited, A-Host Company Limited, and Secure D Center Company Limited, which used investment funds to enter into an investment transaction in each associated company in the amount of 73.1 million Baht, 75 million Baht and 36 million Baht, respectively.

- Building improvements and equipment increased by 45.1 million Baht, mainly due to the relocation of the Company's new branch office to S-OASIS Building, effective since September 1, 2023, for the purpose of using it as an executive office. Sales office, Project management department and product and personnel training and development centers.

- Right-of-use assets increased by 107.5 million Baht due to the long-term lease agreement of the new branch office as mentioned above.

(Unit : Million Baht)	Y2023		Y2022		Change		Y2021	
	Mil THB	%	Mil THB	%	Mil THB	%	Mil THB	%
LIABILITIES								
Short-term loans from financial institutions	484.1	6.6%	510.0	8.1%	(25.9)	-5.1%	405.0	7.2%
Trade and Other Payables	1,304.8	17.7%	969.6	15.4%	335.2	34.6%	971.0	17.2%
Deferred Income	1,979.3	26.8%	1,699.3	27.1%	280.0	16.5%	1,374.4	24.3%
Accrued Expenses	291.2	3.9%	256.6	4.1%	34.6	13.5%	273.7	4.8%
Liabilities under Lease Contract (ROU lease)	192.3	2.6%	86.5	1.4%	105.8	122.3%	83.6	1.5%
Liabilities under Financial Lease Arrangement	23.8	0.3%	45.7	0.7%	(21.9)	-47.9%	67.6	1.2%
Unbilled Payable	222.7	3.0%	190.9	3.0%	31.8	16.7%	150.6	2.7%
Provision for Employee Benefits	205.6	2.8%	179.3	2.9%	26.3	14.7%	181.0	3.2%
Liabilities in relation to assets held for sales	-	0.0%	20.2	0.3%	(20.2)	100.0%	-	0.0%
Other Liabilities	121.0	1.6%	260.1	4.1%	(139.1)	-53.5%	135.9	2.4%
Total Liabilities	4,824.8	65.4%	4,218.2	67.2%	606.6	14.4%	3,642.8	64.4%
SHAREHOLDER'S EQUITY								
Share Capital - Issued and Fully paid-up	441.5	6.0%	441.5	7.0%	-	0.0%	441.5	7.8%
Premium on Ordinary Shares	986.7	13.4%	986.7	15.7%	-	0.0%	986.7	17.4%
Other Component of Shareholders	5.9	0.1%	(9.6)	-0.2%	15.5	-161.5%	9.1	0.2%
Legal Reserve	44.1	0.6%	44.1	0.7%	-	0.0%	44.1	0.8%
Unappropriated Retained Earnings	1,056.9	14.3%	566.9	9.0%	490.0	86.4%	506.9	9.0%
Total Shareholders' Equity, Parent Portion	2,535.1	34.3%	2,029.6	32.3%	505.5	24.9%	1,988.3	35.2%
Non-Controlling Interests in Subsidiaries	22.2	0.3%	28.2	0.4%	(6.0)	-21.3%	25.4	0.4%
Total Shareholders' Equity	2,557.3	34.6%	2,057.8	32.8%	499.5	24.3%	2,013.7	35.6%
Total Liabilities and Shareholders' Equity	7,382.1	100.0%	6,276.0	100.0%	1,106.1	17.6%	5,656.5	100.0%

Liabilities

As of 31st December 2023, the Group had total liabilities of 4,824.8 million Baht, which increased by 606.6 million Baht or 14.4% from total liabilities as of 31st December 2022, which was 4,218.2 million Baht. An increase of the total liabilities was due to significant changes of assets as follows:

- Trade account payable and other payables increased by 335.2 million Baht or 34.6%, due to the delivery of work on many projects near the end of the year. As a result, there are many large items of products and services received from manufacturers and distributors that are not yet due for payment at the end of the year.

- Revenues received in advance have increased by 280 million Baht or 16.5%. The main reason was due to the projects with the Maintenance Agreements (MA). Some projects have legal liabilities according to the Maintenance Agreement to pay the maintenance service fee for the first year of service from the beginning of the maintenance period. Therefore, the MA service fees received in advance were not fully recognized as the revenues.

- Lease liabilities increased by a total of 105.8 million Baht due to the long-term lease agreement of the new branch office as mentioned above.

Equity of the Company

There were changes of equity in the year 2023 and 2022 as follows:

	Y2023	Y2022
	Mil THB	Mil THB
Equity of the Company		
Amount at the beginning of the year (as of 1 st January)	2,029.6	1,988.3
Net profit for the year	681.1	234.9
Comprehensive profit (loss) for the year	1.0	(17.0)
Dividend	(176.6)	(176.6)
Amount as of 31st December	2,535.1	2,029.6

As of 31st December 2023, the Company had total equity amounted to 2,535.1 million Baht, increased by 505.5 million Baht from the previous year which amounted to 2,029.6 million Baht, representing an increase of 24.9%. The increase in equity resulted from the net profit of 681.1 million Baht in 2023. Net from the amount of dividend payments announced and paid during the year 2023 was 176.6 million Baht.

Cash Flow Analysis

	Y2023	Y2022	Y2021
	Mil THB	Mil THB	Mil THB
Profit before income tax	753	299	328
Adjustments to reconcile profit to cash received from (paid to) operating activities	(539)	114	113
Changes in assets and liabilities for operating activities	(53)	(82)	(452)
Cash paid for income tax / Net of tax returned	(105)	(81)	(122)
Net cash received from (used for) the operating activities	56	250	(133)
Net cash received from (used for) the investing activities	354	(38)	(54)
Net cash received from (used for) the financing activities	(436)	(22)	155
Increase (decreased) of net cash and cash equivalent	(26)	190	(32)

Cash Flow for Operating Activities

In 2023, the Company had net cash flow arising from paying income tax and changes in working capital amounted to 56 million Baht. The cash flow for operating activities decreased to 194 million Baht from last year. (2022: the cash flow used for operating activities was 250 million Baht) The reasons of such changes were as follows:

1. A decrease of earnings before tax (EBT) and total net profit

In 2023, the Company had the earnings before tax amounted to 753 million Baht, which increased by 454 million Baht from last year. (2022: the EBT was 299 million Baht.) The total net profit for the year 2023 was 681 million Baht, which increased by 446 million Baht from last year. (2022: the total net profit was 235 million Baht.) The main reason is the recognition of profit from the entire business transfer of the subsidiary for 2023, which is approximately 650 million Baht.

2. Adjustments to reconcile profit to cash received from (paid to) operating activities was 539 million Baht, which decreased from previous year in the amount of 653 million Baht. The reasons of such changes were as follows:

	Y2023	Y2022	Y2021
	Mil THB	Mil THB	Mil THB
Depreciation and amortization	72	74	73
(Profit) Loss from unrealized exchange rate	(8)	(4)	1
Allowance for expected credit loss (reversal)	2	-	(1)
Gain on fair value of derivatives	-	-	(21)
Provision for penalties of project delay, project losses, and contingent liabilities arising from litigation (reversal)	(15)	24	34
Reserves for employees' long-term benefits	22	24	20
Loss from withholding tax write-off	1	19	-
Gain from change in investment classification	-	(33)	-
Gain from transfer of the entire business of the subsidiary	(650)	-	-
Any other transactions	37	10	7
Adjustments to reconcile profit to cash received from (paid to) operating activities	(539)	114	113

In the year 2023, the Company had a significant adjustment to reconcile profit to cash received from (paid to) operating activities, which was the gain from transfer of the entire business of the subsidiary in the amount of 650 million Baht which from the transaction of transferring the entire business of Bluebik Vulcan BBVC, formerly known as Vulcan Digital Delivery, to Bluebik Group Public Company Limited (BBIK), which the transaction was completed in February, 2023.

Changes in assets and liabilities for operating activities

For the year 2023, the Company's ability to manage financial liquidity has much improved when compared to the previous year. This was because most of the projects which had started in previous year and the new projects during the recent year has mostly been completed and handed over from the end of 2023. The investment in high-value projects must use high working capital. The number of large projects has decreased compared to last year. Therefore, the Group has working capital for the year 2023 in the amount of 56 million Baht, which decreased from 2022 significantly especially cash flow received from advance income from the project. (2022: cash flow decreased 82 million Baht)

Cash Flow in Investing Activities

	Y2023	Y2022	Y2021
	Mil THB	Mil THB	Mil THB
Purchase of investment in joint venture companies	(184)	(12)	-
Cash returned from other long-term investments	690	-	-
Loan to related parties	(17)	(20)	(10)
Loan to unrelated parties	(50)	-	-
Purchase of building improvements and equipment	(82)	(25)	(33)
Purchase of intangible assets	(14)	(7)	(9)
Dividend received from joint venture companies	4	13	-
Net cash received from (paid to) investment in fixed income funds	5	10	(4)
Any other transactions	2	3	2
Net cash received from (used for) the investing activities	354	(38)	(54)

The Group's cash flow for investing activities has increased from the previous year due to the Company has used the cash received from the entire business transfer transaction of 690 million Baht of its subsidiaries to invest in new associates totaling 184 million Baht, including additional investments in I2 Enterprise, A-Host. and Secure D Center. In addition, in 2023, the Company invested in the renovation of a new rental building at S-OASIS, with a total investment value of 45 million Baht in the new office, which was part of the cash paid to purchase building improvements and equipment in the amounted 82 million Baht.

Cash Flow in Financing Activities

	Y2023	Y2022	Y2021
	Mil THB	Mil THB	Mil THB
Liabilities according to lease agreements	(38)	(35)	(36)
Net cash disbursed from financial management agreements.	(22)	(22)	(12)
Overdrafts and short-term loans from financial institutions	(26)	105	385
Cash received (paid) from interrelated business loans.	(118)	118	-
Dividend payment	(177)	(177)	(177)
Interest payment	(13)	(9)	(3)
Any other transactions	(42)	(2)	(2)
Net cash received from (used for) the financing activities	(436)	(22)	155

In 2023, the Company had less cash flow in financing activities from the important transactions incurred during 2023, such as repaying loans to large company in the amounted 118 million Baht, decrease in loans from financial institutions in the amounted 26 million Baht, dividend payment amounted to 177 million Baht, and payments for the liabilities according to the lease agreements amounted to 38 million Baht, and financial management agreements amounted to 22 million Baht. There was significant cash flow in financing activities, such as short-term loans from financial institutions and loans from related parties, which increased during the year to the amount of 105 million Baht and 118 million Baht respectively. However, repaying interest-bearing financial debts includes repaying loans to large company. and loans to financial institutions was received cash flow from the entire business transfer transaction of the subsidiary.

Important Financial Ratio

Description	Consolidated Financial Statement		
	Y2023	Y2022	Y2021
Profitability :			
Gross profit margin (%)	14.29%	17.70%	17.59%
Net profit margin (%)	9.15%	3.97%	4.94%
Return on Investment :			
Return on Assets (%)	9.23%	3.74%	4.54%
Return on equity (%)	26.63%	11.42%	19.76%
Liquidity Ratio:			
Working capital ratio (times)	1.33	1.34	1.40
Quick ratio (times)	1.29	1.24	1.30
Assets Turnover			
Inventory turnover	2.75	2.78	2.97
Average holding period	131	130	121
Account receivable turnover	4.01	3.72	3.00
Average collection period	90	97	120
Account payable turnover	5.86	5.62	4.26
Average payment period	61	64	85
Cash Cycle	160	163	156
Capital Structure Ratio:			
Debt to equity ratio (times)	1.90	2.08	1.83
Debt to interest of equity ratio (Times)	0.19	0.25	0.20

Liquidity Ratio

The Company's liquidity ratio for the year 2023 had the liquidity ratio of 1.33 and quick ratio of 1.29, which were slightly changed from 2022 due to the large projects that have been completed and handed over during the last two years of continuous project operation. As a result, the Company recognized the revenues and costs of the projects in current year financial statements. Many large projects with high project values were ready for handing over and recognition of revenues and costs around the end of the year. As a result, there were many accrued transactions on accounts receivable, accounts payable, work-in-progress costs and deferred incomes.

The Group has a good liquidity ratio and can maintain sufficient liquidity for normal business operations.

Assets Turnover

The Asset turnover is normal, the inventory turnover has decreased compared to the previous year. As a result, the average holding period increased by 1 days, from 130 days of the previous year to 131 days of average holding period in 2023. The average holding period has increased due to the acquisition of the new projects, which were in installation and development phases. Moreover, the project implementation for the state enterprise that the Company has continually managed since previous year were gradually handed over in 2023. Therefore, the Group's average project duration has been increasing over the past 2-3 years.

The handover of various large projects in current has significantly decreased the average debt collection period to 90 days from 97 days in the previous year. As a result, the cash cycle has decreased to 160 days for the year 2023. Liquidity management and cash flow management for the year 2023 remain normal compared to the previous year. Another important reason is the receipt of payments from large state enterprise customers with long overdue balances during 2023.

Ratio of Capital Structure

The Group's debt-to-equity ratio as of 31st December 2023 was 1.90:1 (2022 was 2.08:1). The debt-to-equity ratio at the end of 2023 has decreased due to the decrease of short-term loans from financial institutions and accrued transactions at the end of the year.

The Group has an average interest rate throughout the year 2023 equal to 2.549% (2022: 1.765% per year). The Group had an increasing average interest rate due to several of Thailand's policy interest rate increment during the year 2023. The Group had a net interest-bearing debt-to-equity ratio of 0.19 times (2022: 0.25 times), which was still relatively low. The Company still has the ability to maintain prudent and concise liquidity management by emphasizing the importance of efficient financial structure management and flexibility in the volatile financial market environment. In addition, the Company also maintained the financial costs at a level suitable for business operations in the future.

Profitability and Return on Investment

Although in the year 2023, the Company had lower gross profit margin and net profit margin compared to previous year due to the rising cost of products. the Group determined to maintain profitability and control business operation costs appropriately, including managing the use of resources with maximum efficiency. The Group had to adjust its business strategies to be in line with the rapidly changing market conditions. Price competition continues to persist in the business sector. Which effect to operating costs to increase and results in a decrease in gross profit from operations.

Due to the acquisition of large projects with the long period of project duration from 3 to 5 years, the Company was able to manage the use of internal resources efficiently and appropriately in the long run. Moreover, throughout the implementation of these projects, the Company can continuously recognize the revenues from each project until the completion of the projects in the next 5 years, which greatly help in managing and mitigating risks in business operations in the long run.

The return on equity in the year 2023 was 26.63%, an increase from 11.42% in the year 2022. In the year 2023 Since the Company has higher operating profits from the entire business transfer transaction of the subsidiary and can maintain the capital structure and generate returns to the shareholders in terms of net profit from the operations of each year in good and consistent conditions, the dividend yield is maintained the average dividend payout rate each year. (Please see details regarding the dividend payment in the next section.)

The Remuneration of the Auditor

The Group of companies, which consists of the Company and its 7 subsidiaries, had the remuneration of the auditor amounting to 3.15 million Baht. Details are as follows:

Description	Amount (Baht)
Auditor's remuneration of the Company	1,430,000
Auditor's remuneration of the Company's subsidiaries (7 companies)	1,720,000
Total	3,150,000

Non-Audit Fee

- None -

Dividend Payment of the Company

For the Performance of the year 2023 according to the separate financial statements, the Company has net profit of 608.9 million Baht. The Board of Directors Meeting No. 1/2024 held on the 21st February 2024 has the resolution to propose to the 2024 Annual General Meeting of Shareholders, which is scheduled on 22nd April 2024, to consider and approve the dividend payment at a ratio of 0.40 Baht per share. The dividend payment for the year 2024 will be the amount of 176.6 million Baht.

Factors that May Affect the Financial Status or Performance in the Future

- None -

Tax Policy

MFEC Company Limited (Public Company) and its subsidiaries (collectively referred to as “MFEC”) have recently recognized the importance of their role and responsibility in tax operations to comply with international standards, adhering to transparent and fair business practices. Therefore, the MFEC Board of Directors has established a tax policy to align with the MFEC sustainable development policy as follows:

1. Tax Ethics: MFEC aims to be a valuable and responsible organization in tax operations, focusing on being a good corporate citizen in taking responsibility for taxes to create added value for all stakeholders.

2. Tax Risk Management: MFEC aims to conduct tax filing or refund requests correctly, appropriately, and within the time frame set by the relevant laws and regulations of the country where MFEC operates. This includes compliance with the tax laws of the respective country in order to reflect transparency in tax operations. The plan is to use tax benefits according to the correct tax structure, which covers tax exemptions during certain periods under the country’s efficient tax policy, as well as studying and considering the tax implications when investing or engaging in new business transactions, or when there are new tax laws and policies announced. This is to promote good citizenship, transparency, and consideration of the benefits of all parties involved, while also supporting MFEC’s tax professionals to continuously attend tax courses for knowledge development and practical application, as well as providing consultation to various departments and personnel within the organization to ensure that tax-related work is carried out accurately and in compliance with the laws.

3. Tax Transparency: Reporting taxes to the government in a transparent manner and complying with disclosure requirements related to tax collection, as well as supporting public disclosure of information on tax policies, to build trust in society and provide transparency for all stakeholders



Tax Policy

5. General Information and Other important information

5.1 General information

Company Name	MFEC Public Company Limited
Initial	MFEC
Business Type	IT Services and Systems Integration
Location	
Head Office	349 SJ Infinite One Business Complex, Vibhavadi-Rungsit Road, Chompol, Chatuchuk, Bangkok 10900 Tel. 0-2821-7999
Branch	199 S-Oasis 21st Floor, Vibhavadi Rangsit Rd., Chompol, Chatujak, Bangkok 10900 Tel. 0-2821-7888
Registration No.	0107546000156
Website	www.mfec.co.th
Investor Relations	investor@mfec.co.th
Company Secretary	secretary@mfec.co.th
Registered Capital	441,453,555 baht
Paid-Up Capital	441,453,555 baht
References	
Securities Registrar	Thailand Securities Depository Company Limited 93 14 th Floor Ratchadapisek Road, Dindaeng, Dindaeng, Bangkok 10400 Tel. 0-2009-9000 Website www.set.or.th/tsd
Auditors	Mr. Khitsada Lerdwana Certified Public Accountant No. 4958 Ms. Manee Rattanabunnakit Certified Public Accountant No. 5313 Mr. Termphong Opanaphan Certified Public Accountant No. 4501 EY Company Limited 193/136-137 33rd Floor, Lake Ratchada Office Complex, Ratchadapisek Road, Klong Toei, Khlong Toei, Bangkok 10110 Tel. 0-2264-0777 Website www.ey.com/th/en/home



Head Office

349 SJ Infinite One Business Complex,
Vibhavadi-Rungsit Road, Chompol,
Chatuchuk, Bangkok 10900



Branch

199 S-Oasis 21st Floor, Vibhavadi Rangsit Rd.,
Chompol, Chatujak, Bangkok 10900

5.2 Other Important Information

-None-

5.3 Legal Dispute:

As of 31st December 2023, MFEC Public Company Limited has no legal disputes. However, the Company's subsidiaries are the litigant or disputant in a significant case or dispute which has not yet ended with details as follows:

Case 1

A subsidiary may incur contingent liabilities from penalties associated with a service agreement made with a government agency. Under the term of the agreement, in case of late work delivery, the other party has the right to charge a penalty fee for such delay at the rate specified in the agreement. Although the subsidiary completed and delivered and the delivery indeed occurred after the period specified in the agreement.

In response to this, the management of the subsidiary provided clarification and documentary evidences to prove that the subsidiary was not at fault in the late delivery of work and set aside a provision for possible penalties amounting to Baht 5 million. The management is confident that the amount is, adequate for settlement of the actual contingent liabilities.

On 30 August 2016, the subsidiary filed a lawsuit with the Central Administration Court to claim damages of Baht 94 million from the above customer, together with interest thereon at the rate of 7.5% per annum.

On 14 July 2017, the above government agency filed a suit against the subsidiary with the Administrative Court for the late delivery of work, claiming damages amounting to Baht 39 million.

On 31 July 2020, the Central Administrative Court delivered a ruling in favour of the subsidiary, resulting in it winning the lawsuit. The court's ruling required the government agency to pay a last installment of the payment of Baht 30 million to the subsidiary and required the subsidiary to pay penalties from delays in submitting deliverables of Baht 5 million. Finally, the net payment amount that the government agency has to pay the last installment net of the penalties is Baht 25 million.

Subsequently, on 27 October 2023, the Supreme Administrative Court delivered a ruling in favour of a subsidiary company in the original case. The court's ruling required the government agency to pay a last installment of Baht 30 million to the subsidiary and required the subsidiary to pay additional penalties for delays in submitting deliverables, amounting to Baht 5 million, totaling

Baht 10 million in penalties. The government agency has to pay for the last installment net of the penalties amounting to Baht 20 million. Furthermore, the court ordered government agency to return a letter of guarantee worth Baht 2.5 million to the subsidiary within 60 days following the finalisation of the case.

On 6 February 2024, the government agency pledged Baht 20 million with the Legal Execution Office as debt repayment in accordance with the Supreme Administrative Court's ruling.

Case 2

On 13 May 2016, the contracting party, i.e., a state enterprise, terminated the agreement for system purchases/sale and installation/development with the contract value of Baht 34 million. The state enterprise customer filed a lawsuit against the subsidiary with the Civil Court for late delivery of work claiming damages of Baht 141 million.

On 28 November 2022, the Civil Court ordered the defendant to pay damages to the plaintiff amounting to Baht 15 million, together with interest at a rate of 7.5% per annum for the period from 7 December 2017 until 10 April 2021 and a rate of 5% per annum for the period from 11 April 2021 until the payment is settled with the plaintiff.

On 27 March 2023, the subsidiary lodged an appeal against the judgment to the Civil Court. At present, the appeal is being considered by the Civil Court.

On 6 June 2023, the Office of the Attorney General issued a letter notifying the subsidiary to initiate debt settlement in compliance with the judgment of the Civil Court in favour of the plaintiff will lead the executing officer to seize and freeze the subsidiary's assets for sale by auction in order to pay debts according to the judgment.

Subsequently, on 6 July 2023, the subsidiary filed a request for collateral to ensure debt repayment in accordance with the court's judgement amounting to Baht 20.5 million. In response, the civil court ordered the subsidiary to enter into a bail contract, preventing immediate execution.

As at 31 December 2023, the management considered to record additional estimated contingent liabilities arising from such compensation amounting to Baht 5.9 million, with totaling provision of Baht 20.9 million.



Part 2

Corporate Governance



6. Corporate Governance Policy

6.1 Overview of Policies and Practices of Corporate Governance

The Board of Directors is committed to developing the organization into a transparent and accountable organization, with a responsibility to maintain and uphold the benefits of stakeholders and society. They aim to develop personnel who are ethical and moral, while promoting the development of information technology education to enhance the sustainable growth of the organization. They also aim to contribute to the development of the society and the country.

The sustainable development practices are described below:

1. Overseeing business operations with integrity
2. Anti-corruption
3. Respecting human rights and taking social responsibility
4. Participating in community development by improving the quality of education

The Risk Management, Corporate Governance and Sustainability Committee communicated to directors, executives, and employees to acknowledge and realize the importance of good corporate governance. In addition, the Company's Corporate Governance manual is used as the guideline to consider risky behavior which may come against the ethics and work guidelines, helping to promote the organization's corporate governance, improving the company's business operations and encourage the organization's people to have moral mind. This move will gain confidence and acceptance from the society and lead to a sustainable growth through the internal channels and MFEC's website ir.mfec.co.th. The Board determines the Corporate Governance Policy in the following details:



Principle 1

To be aware the Board of Directors' roles and responsibilities as the leaders of the organization in creating sustainable value for the business:

The Company emphasizes the importance of the Board of Directors' roles and responsibilities in maintaining the benefits of shareholders and stakeholders. Therefore, the company has established a Board structure consisting of ten (10) directors that is appropriate for the size of the business. The Board consists of a chairman who is not an independent director or executive, five (5) independent directors (one (1) female and four (4) male), two (2) executive directors, and three (3) non-executive directors. The Board of Directors' names and positions are listed, and each director serves a term of three (3) years as follows:

Director	Type of Director	Appointment Year	Recent Year of election by AGM	No. of years served as a Director (Years)
Mr. Sirisak Tirawattanangkul	Non-Executive Director	2011	2022	12
Mr. Kiyotaka Nakamura	Non-Executive Director	2014	2022	9
Mr. Siriwat Vongjarukorn	Executive Director	2003	2023	20
Mr. Thanakorn Charlee	Executive Director	2015	2023	8
Mr. Anan Leetrakul	Independent Director	2012	2021	11
Mr. Suchart Thammapiatagkul	Independent Director	2003	2021	20
Prof. Dr. Uthai Tanlamai	Independent Director	2016	2021	7
Assoc. Prof. Dr. Kamales Santivejkul	Independent Director	2016	2022	7
Dr. Charn Tharawas	Independent Director	2016	2023	7
Mr. Masakazu Kawamura	Non-Executive Director	2021	2021	3

The Board of Directors' approval authority

The Board of Directors has the authority to approve various matters of the company in accordance with the scope of duties under the law, company regulations, the Board of Directors' Charter, and the resolution of the Annual General Meeting of Shareholders, including determining and reviewing the vision, mission, operational strategy, risk management policy, budget plan and annual business plan, medium-term business plan. The matters of the company are included determining the goals of the business operation, following up, evaluating the operational results as planned, and supervising investment expenses items during mergers and acquisitions, including investment in new businesses.

In 2023, the Board of Directors performed its duties and was well aware of its responsibilities in accordance with the Corporate Governance Policy in the following details;

1. According to the resolution of the Board of Directors' meeting No.6/2023 dated on November 9,2023, the Board of Directors considered and approved the identification of the material issues of MFEC Business (MFEC Materiality) for use as a framework for reporting the sustainability of the organization and for defining strategies and operational frameworks to build the company's sustainability. The process of creating this report is systematic and involves training, soliciting input from relevant departments in each dimension, and conducting interviews with senior executives. These interviews include both internal and external stakeholders, such as employees, customers, trade partners and shareholders.

2. A Code of Conduct is provided and regularly reviewed and updated for the benefit of communication within the board, management, and employees to be aware of the importance and use it as a basis for considering the appropriateness of behaviors that may pose a risk to ethical conduct and guidelines for operational practices.

3. A policy is set to limit the number of directorship positions that can be held by a director in registered companies to no more than five (5) companies. The CEO and senior executives hold only one (1) executive position to ensure sufficient time for management and administration.

4. There is no history of violating the regulations of the Securities and Exchange Commission (SEC) / Stock Exchange of Thailand (SET).

5. The Chairman is designated as a separate individual from the CEO to ensure clear distinction and separation of roles, authority, and responsibilities. Independent directors are appointed as the chairman of various sub-committees.

6. The Board of Directors establishes an internal control system that covers financial management, operations, compliance with relevant laws, regulations, and rules, and ensures appropriate risk management. An internal audit department is established under the supervision of Ms. Thitirat Thanathitikankun, the Internal Audit Manager, who reports to the Audit Committee.

7. The Board of Directors ensures that there is a sufficient and effective risk management system in place, and regularly monitors the risk management practices. They also oversee compliance with ethical principles based on the organization's corporate governance principles. The Risk Management, Corporate Governance and Sustainability Committee is responsible for reporting quarterly risk management results and internal corporate governance and sustainability performance to ensure appropriate corrective measures are taken. And the organization follows the principles of internal anti-corruption on an ongoing basis.

8. The Board of Directors stipulates that there must be an evaluation of the Chief Executive Officer's performance, along with the provision of appropriate compensation in accordance with the organization's structure.

Principle 2

To define the purpose and main objectives of the business towards sustainability

The Board of Directors places great importance on leading the organization towards sustainable growth. In 2023, the company participated in the evaluation of sustainability (SET ESG Ratings) for the first time. The company received "AA" rating in the 2023 assessment (SET ESG Ratings 2023), which is another testament to our commitment to improving the quality of life for people in society. This commitment includes managing risks and being prepared to face emerging risks, as well as adapting to social and environmental changes. We strive to enhance our competitiveness and emphasize the engagement of all stakeholders in order to become a leading consultancy business, fostering the development and implementation of sustainable computer systems and information technology networks.

Vision: To become the best technology company that unleashes employees' full potential to create and innovate solutions that uplift your digital life

Mission: To drive innovations that enhance people's digital life

Our Core Values

Passion

- **ULTIMATE PASSIONATE PLAYER**
Demonstrate enthusiasm, passionate, sense of ownership and enjoyment to energize self-responsibility.
- **INSPIRATIONAL FOOTBALL PLAYER**
Have intrinsic motivation and pass on to others.

Professional

- **BREAK THE RECORD**
Delivering "maximum results in minimum time" with ultimate performance.
- **MAN OF THE MATCH**
Continuous process improvement to initiate and generate new skills and valuable resources.

Teamwork

- **PLAYMAKER**
Sharing knowledge and skills with best efforts to support and uplift your team/ cross-functional team/ cross-business unit.

• ATTACKING

Being an important part of the team by delivering ultimate performance, being proactive, and goal-oriented, as well as understanding the potential differences of individuals and able to connecting the dots.

Giver

• EXTRA-MILE PLAYER

Voluntary work; giving more than taking by supporting and uplifting other projects, works of your team/cross-functional team/cross-business unit.

Goal and Strategy

MFEC has set a target for net profit growth of 15% consecutively over five (5) years (2024-2028) through a growth strategy encompassing three dimensions whose steadfast commitment is to deliver technology solutions that uplift the sustainable quality of life in society.



The Board of Directors holds regular consultations with the Executive team at the end of each year. The Board of Directors' meeting on December 14, 2023, was held with the Executive team and its subsidiaries to determine the goals, strategies, and plans for the upcoming year to align with the organization's objectives and main targets to ensure confidence that the company would be able to execute its business operations and achieve profitability as planned.

Principle 3

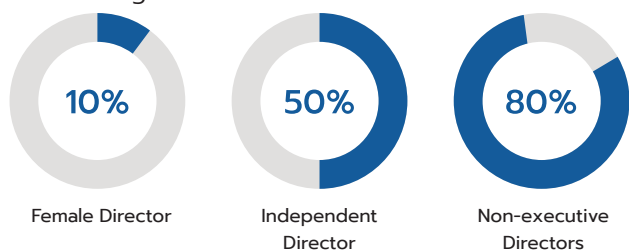
To strengthen an effective Board of Directors

The Board of Directors is aware of the role, responsibilities, and obligations of leading the organization towards its objectives and main goals. The Board of Directors is a crucial group of individuals who drive the sustainable growth of the company. Therefore, the structure, qualifications, criteria, and processes of the Company for selecting and recommending suitable candidates for the Board of Directors are defined. The Nomination and Remuneration Committee will consider individuals' knowledge, abilities, expertise, and experience, with a good track record, a broad vision, and high moral and ethical standards, who can dedicate sufficient time and care to carry out their responsibilities in the best interests of the Company. Furthermore, the Board's diversity and skill matrix are taken into account to determine the qualifications of the Board of Directors. The necessary skills that are still lacking, as well as the appropriate qualifications that are consistent with the Company's business strategy framework and the Board's composition, are considered, regardless of gender, age, race, nationality, religion, or other differences. The Board of Directors has suitable qualifications and is consistent with the Company's business strategy, as well as having diverse knowledge and skills as follow:

List of Board Members	Knowledge/Skills/Expertise/Experience										
	Information technology business / Knowledge about the company's business	Accounting, Finance, and Banking	Economic	Business Administration and Management	Strategy, Marketing, and Competition	International Business	Trade/Investment	Risk Management	Legal	Human Resource Management	Good Corporate Governance
Mr. Sirisak Tirawattanangkul	●			●	●		●			●	
Mr. Kiyotaka Nakamura	●			●	●	●	●			●	
Mr. Siriwat Vongjarukorn	●			●	●	●	●			●	
Mr. Thanakorn Charlee	●			●	●		●	●		●	●
Mr. Anan Leetrakul	●	●		●	●						
Mr. Suchart Thammapitagkul	●			●	●			●	●		●
Prof. Dr. Uthai Tanlamai	●	●	●	●	●			●			●
Assoc. Prof. Dr. Kamales Santivejikul	●	●	●	●	●			●		●	●
Dr. Charn Tharawas	●	●	●	●	●	●		●		●	●
Mr. Mazakasu Kawamura	●			●	●	●	●				

1. The composition of the Board of Directors is diverse in terms of experience, education, gender, race, country of origin, and nationality. Additionally, more than one-third of the Board of Directors is composed of independent directors and more than half are non-executive directors. As such the board can make decisions independently as a representative of all shareholders and balance the power of management.

By setting responsibilities for carrying out duties and allocating time, and providing mechanisms to support board members in understanding their roles, and setting criteria for holding positions in other companies, the Board can ensure that its members can dedicate sufficient time to perform their duties. The number of registered companies where each board member holds a position should not exceed five (5) in total, and a reporting system should be established to disclose other positions and interests, directly or indirectly, in other businesses. Criteria and information should be made available to all concerned parties. Additionally, each board member should attend no less than 80% of all meetings.



2. Mr. Sirisak Tirawattanangkul is appointed as Chairman of the Board which is not an independent director, and the Chief Executive Officer is not the same person nor have any genetic or personal business relationship. The Board of Directors has mandated the segregation of the roles and responsibilities of the Chairman of the Board and Chief Executive Officer explicitly in the Corporate Governance Policy. Nonetheless, apart from such segregation, MFEC has set the separation of roles and responsibilities between the Board of Directors and management and reserves the right for The Board of Directors to consider matters of significant importance to the company's operations as part of its responsibilities and duties. In any case, the Board of Directors encourages the directors and management to form a good relationship with a culture of respect for each other's roles and responsibilities in coordination under the good governance principle.

In this regard, the roles and responsibilities of the Chairman cover overseeing and ensuring the effective performance of the Board in achieving the organization's objectives and goals. The Chairman sets the agenda for Board meetings through consultation with all members and ensures that important matters are included in the agenda. Sufficient time is allocated for management to present their proposals and for the Board to discuss important issues thoroughly. The Chairman supports thorough and independent decision-making by board members and fosters good

relationships between management and non-executive directors. Additionally, the Chairman supports collaboration and constructive relationships among board members and executive team.

3. The Board has appointed sub-committees, including the Audit Committee, the Remuneration and Nomination Committee, the Risk Management, Corporate Governance and Sustainability Committee, and the Executive Committee to thoroughly review important issues, specific topics, screen information, and propose recommendations for consideration by the board of directors before approval. The roles and frequency of meetings for each committee have been disclosed in the management structure section.

4. The Board meeting was scheduled in advance. The Company Secretary will circulate notice and the supplement documentation to the Board at least seven (7) days before each meeting so that each director shall have sufficient time to analyze the information in advance. The Chairman of the Board of Directors presides over the meetings and ensures that sufficient time is allocated for directors to discuss and express their opinions freely on each agenda item. At every Board meeting, high level management is encouraged to attend the meeting to receive suggestions from the Board. In connected therewith decision-making in the board meeting, the meeting quorum requires at least 2/3 of the directors attending the meeting when passing a resolution and to prevent any conflict of interests. Directors who may have conflict in any agenda, shall not be part of consideration and abstain from voting therein. Each director shall attend not less than 75% of the meetings of the Board of Directors and board committees, which is in line with the requirements specified in the Company's corporate governance policy.

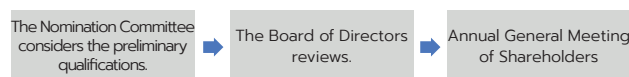
5. The Board of Directors sets criteria for selecting and evaluating compensation for board members and each of its sub-committees as follows:

5.1 Guidelines for nominating qualified candidates for board membership are as follows: The process of nominating candidates to be appointed as directors/independent directors

In 2023, the Nomination and Remuneration Committee was responsible for nominating candidates for independent directors who have diverse qualifications and experience in various skillsets, relevant expertise beneficial to the company, as well as dedication and efforts in fulfilling their duties to strengthen the Board of Directors. Therefore, the Committee has set a guideline that each director should not hold more than five (5) directorships in registered companies.

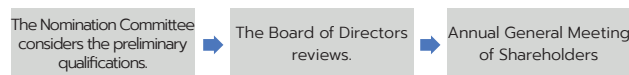
The company has opened an opportunity for minority shareholders to nominate individuals with qualifications to be presented to the Nomination and Remuneration Committee for consideration and approval, and subsequently presented to the Annual General Meeting of Shareholders for approval and appointment according to the criteria specified in the company's regulations. The motion must receive

approval from at least one-half of the total number of shares represented at the meeting and entitled to vote, with one share being equivalent to one vote. Each shareholder can use all of their voting rights to elect one or more directors. The person with the highest number of votes will be elected as a director up to the number of directors required. At every Annual General Meeting of Shareholders, one-third of the directors must retire from office, but a director who is not an independent director may be appointed in proportion to the shares held in the company, subject to the suitability and capability of the person selected (the method of nominating persons to be appointed as directors is set out under the Management Structure, Topic 8.1.1 Nomination, Development and Evaluation of the Board's Performance)



5.2 Guidelines for considering remuneration for the Board of Directors and Sub-committee members

Should be aligned with the company's long-term strategy and goals, experience, duties, role boundaries, and accountability and responsibility. Board members who are assigned tasks and responsibilities should receive appropriate compensation, comparable to industry standards.



6. The Board of Directors sets the framework and mechanisms for supervising the policies and operations of subsidiaries and other invested businesses.

According to the company's policy that supports/ invests in knowledgeable and capable employees with potential for management, a new subsidiary has been established along with a policy to invest with partner companies to expand service offerings in all areas (details of the four (4) associated companies, eight (8) subsidiaries companies and two (2) joint venture are shown in section 1.3 of Shareholding Structure of MFEC Group). The Board of Directors has therefore established a framework and mechanism for overseeing the companies in which investments are made.

An associated Companies - To appoint a representative performing duties in accordance with each associated company and MFEC's policies, which the Board should make the Shareholders' Agreement or other types of agreement for clarity of managerial authority, participation in decision-making of major issues, and monitoring of performance for preparation of the Company's consolidated financial statements in a duly manner

A subsidiary - To appoint individuals as directors, executives, or controlling persons defining the roles and responsibilities for representatives, establishing a suitable internal control system and adequate oversight for transactions to comply with laws and standards with the subsidiaries' and MFEC's policies

Scope of authority and responsibilities of directors/representatives are as follows:

- 1) To participate in planning and setting policies, directions, strategies, plans, and organizational structures that align with the economic conditions and competitive situation in the market, and be in line with the business operation policies of MFEC Public Company Limited
- 2) To collaborate on planning and setting the business plan and annual budget presenting to the Board of Directors of MFEC (Public) Company Limited
- 3) To oversee the implementation of policies, management strategies, and approved business plans
- 4) To oversee and ensure the disclosure of accurate and complete financial and operational information, transactions within the company, with related parties or with individuals, acquisition or disposal of assets, or any other significant transactions of the company, in accordance with relevant disclosure and transaction criteria of MFEC Public Company Limited
- 5) To supervise to ensure there is an appropriate and sufficient internal control system

This mechanism is implemented by appointing representatives/ directors/ executives who have been approved by of the Board of Directors' meeting to serve as directors in the subsidiaries/ affiliated companies. There is also an internal audit mechanism within the company to assist in verifying/ auditing the internal control system of the subsidiaries and affiliated companies to ensure that management is conducted in a suitable and sufficient manner, and to report to the Audit Committee for acknowledgement.

7. It is stipulated that there must be an evaluation of the Board of Directors' and Sub-committees' performances on a group and individual basis at least once (1) a year, in order to enable the board of directors to jointly consider the achievements and issues and use them to improve the performance of their duties.

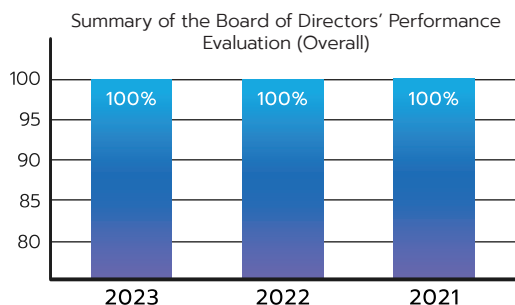
The criteria used to evaluate the Board of Directors' / Sub-committees' performances (individual/group)

Evaluation Topic	Board	Sub-committee	Individual
Structure & Qualification of Directors	✓	✓	✓
Role, Duty & Responsibility of Directors	✓	✓	✓
Meeting of Directors	✓	✓	✓
Relationship with Management	✓	✗	✗
Self-Development and Executives' Development	✓	✗	✗

Remark / = Evaluate, x = No evaluation

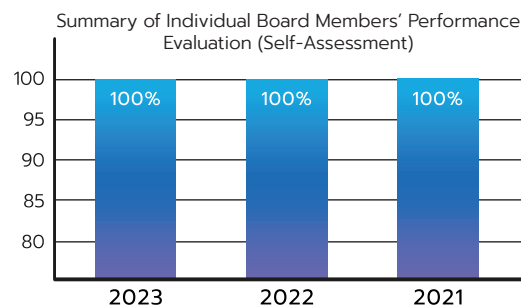
Summary of the Board of Directors' Performance Evaluation (Overall)

In the year 2023, the company achieved an excellent average score of 100%



Summary of Individual Board Members' Performance Evaluation (Self-Assessment)

In the year 2023, the company achieved an excellent average score of 100%



8. The development and enhancement of skills and knowledge for consistent performance of duties as a board member, executives, and employees on a regular basis.

1) Newly appointed board members are provided with useful information and introductions to understand the organization's objectives, main goals, vision, mission, corporate values, business nature, and directions. In 2023, there were no newly appointed board members.

2) To ensure that board members receive continuous training and development of the necessary knowledge, including understanding of laws, standards, risks, and environmental factors related to business operations, as well as receiving regular updates on current information

3) In order to assess the level of knowledge and understanding of rules, ethics, guidelines, and regulations that all MFEC Group employees should be aware of and follow to prevent any misconduct or unethical behavior, the company promotes and supports employee participation in learning and taking the “Code of Conduct” test. The test can be accessed through the <https://mready.mfec.co.th/courses/platform>. Employees who successfully complete the training and pass the test will receive a certificate acknowledging their training and knowledge assessment. In 2023, a total of 1,656 MFEC employees participated in the training and successfully passed the assessment.



4) As part of the company’s efforts to measure its level of compliance with the international standard (ISO 20000-1) and ensuring that employees understand and can implement the internal service standards correctly, the company promotes and supports employee participation in learning and taking the “Service Management Policy” test. The test can be accessed through the <https://mready.mfec.co.th/courses/platform>. Employees who successfully complete the training and pass the test will receive a certificate acknowledging their training and knowledge assessment. In 2023, a total of 1,242 MFEC employees participated in the training and successfully passed the assessment.



5) As part of the company’s efforts to measure its level of compliance with the international standard (ISO27001) and provide employees with knowledge understanding of security in the use of information resources within the organization the company promotes and supports employee participation in learning and taking the “Security Awareness Policy” test. The test can be accessed through the <https://mready.mfec.co.th/courses/platform>. Employees who successfully complete the training and pass the test will receive a certificate acknowledging their training and knowledge assessment. In 2023, a total of 1,235 MFEC employees participated in the training and successfully passed the assessment.



The training data for company directors, executives, and related employees in 2023

Directors

Course	Name of trainee	Position
Board of Directors and Senior Executive Training Program on ESG Risk Management by Federation of Accounting Professions of Thailand and The Securities and Exchange Commission, Thailand	Mr. Thanakorn Charlee	Director, Executive Director, Director to the Risk Management, Corporate Governance and Sustainability Committee
Strengthening Good Corporate Governance by Audit Committee and Independent Director by The Securities and Exchange Commission, Thailand	Assoc. Prof. Dr. Kamales Santivejkul	Independent Director, Director to Nomination and Remuneration committee, Director to the Risk Management, Corporate Governance and Sustainability Committee, Director to Audit Committee
Internal Control by the Stock Exchange of Thailand	Assoc. Prof. Dr. Kamales Santivejkul	Independent Director, Director to Nomination and Remuneration committee, Director to the Risk Management, Corporate Governance and Sustainability Committee, Director to Audit Committee
The importance of the audit committee in relation to market confidence in the Thai capital market	Assoc. Prof. Dr. Kamales Santivejkul	Independent Director, Director to Nomination and Remuneration committee, Director to the Risk Management, Corporate Governance and Sustainability Committee, Director to Audit Committee
Hot Issue for Directors: Climate Governance 2/2023 by the Stock Exchange of Thailand in collaboration with Thai Institute of Directors	Dr. Charn Tharawas	Independent Director, Director to Nomination and Remuneration committee, Director to the Risk Management, Corporate Governance and Sustainability Committee

Executives

Course	Name of trainee	Position
Board of Directors and Senior Executive Training Program on ESG Risk Management by Federation of Accounting Professions of Thailand and The Securities and Exchange Commission, Thailand	Mr. Thanakorn Charlee	Director, Executive Director, Director to the Risk Management, Corporate Governance and Sustainability Committee

Employees

Course	Name of trainee	Position
Employee Benefits Calculation (TAS19), Impairment of Financial Instruments Reserves (TFRS9) and Lease Calculation (TFRS16) by Actuarial Business Solution Co.,Ltd.	Ms. Malinee Siriwatanachot Ms. Arkornkit Wongtaweesup Ms. Netnapha Chaoun Ms. Nitchapat Jaiyen	Accounting Manager Accounting Manager Accounting Manager Assistant Accounting Manager
Financial Reporting System Setup, Documentation, and Financial Report Accuracy in Compliance with Financial Reporting Standards by Dharmniti Training and Seminar Co., Ltd	Ms. Malinee Siriwatanachot Ms. Nitchapat Jaiyen	Accounting Manager Assistant Accounting Manager
Financial Reporting and Analysis Training Course, Including Updated Accounting Standards by Dharmniti Training and Seminar Co., Ltd	Ms. Netnapha Chaoun	Accounting Manager
Financial Statement Preparation, Closing Data Preparation, and Financial Statement Presentation in Compliance with Financial Reporting Standards by Dharmniti Training and Seminar Co., Ltd	Ms. Arkornkit Wongtaweesup	Accounting Manager
Notarial Services Attorney Training Course (Class 44) by The Lawyers Council of Thailand under the Royal Patronage.	Mr.Wongsatorn Wannasing	Legal Officer
Business Contract Drafting & Negotiations hosted by The Lawyers Council of Thailand under the Royal Patronage.	Mr.Wongsatorn Wannasing	Legal Officer
Carbon Footprint Organizational Framework Course by Thailand Greenhouse Gas Management Organization (Public Organization)	Ms. Methaporn Kerdsomboon	People Benefit and well-being Partner
Thailand HR Day 2023: People Management in a Complex World of Paradoxes and Polycrisis by Personnel Management Association of Thailand (PMAT)	Ms. Uraporn Aiedkarn Mr. Pachara Iamchusawat Ms. Nichawee Wannasawat	People Excellence Director Senior Talent Acquisition Partner Senior People Development Partner
ESG Risks Management Workshop by Sustainable Capital Market Development	Ms. Ubonrath Keawkeamsri Ms. Suppawan Boonsawat Ms. Jaruwan Juipong	People Benefits and Well-being Manager Senior Risk and Compliance Officer Creative Producer
HR DECODE Course: Decoding Global Organizational Structures, How to Interview and Select Talented Individuals by Seasiacenter (SEAC)	Ms. Chonpicha Nakro	Talent Acquisition Manager
Mission To the Moon Forum 2023 by Mission to the Moon Media	Ms. Natthida Karnchanapak	People Business Partner Manager
Adaptive Leadership Forum by Beyond Training	Ms. Nichawee Wannasawat	Senior People Development Partner

Course	Name of trainee	Position
ESG Risk Management in Practical Application Course by Federation of Accounting Professions of Thailand	Ms. Suppawan Boonsawat	Senior Risk and Compliance Officer
Internal System Data Security Standards ISO/IEC 27001:2022 Compliance Audit by BSI Group (Thailand) Ltd.	Ms. Thitirath Thanathitikankun Ms. Napapat Pradabjai	Internal Audit Manager Internal Audit Officer
ISO/IEC 20000-1:2018 standard, Year 2023 by IT Companion Company Limited	Ms. Thitirath Thanathitikankun Ms. Nareerat Wongwitthayanan Ms. Napapat Pradabjai Ms. Tamonwan Mangmee Ms. Sasipapha Jadphanin Ms. Suppawan Boonsawat Mr. Potchara Moncha-aum Mr. Songklod Rungsimuntuchat Mr. Suratach Boonyarit Ms. Hiranya Yodthaharn Ms. Rada Tachawit	Internal Audit Manager Internal Audit Officer Internal Audit Officer Internal Audit Officer Internal Audit Officer Senior Risk and Compliance Officer Helpdesk Team Leader Helpdesk Engineer Helpdesk Engineer Helpdesk Engineer ISO Coordinator
ISO/IEC 27001: 2022 standard, Year 2023 by IT Companion Company Limited	Ms. Thitirath Thanathitikankun Ms. Nareerat Wongwitthayanan Ms. Napapat Pradabjai Ms. Tamonwan Mangmee Ms. Sasipapha Jadphanin Mr. Potchara Moncha-aum Mr. Songklod Rungsimuntuchat Ms. Korapin Infueng Ms. Rada Tachawit	Internal Audit Manager Internal Audit Officer Internal Audit Officer Internal Audit Officer Internal Audit Officer Helpdesk Team Leader Helpdesk Engineer Helpdesk Engineer ISO Coordinator
E-learning Training Course - Personal Competency-based in Digital Industry Professions, Cybersecurity, and Digital Privacy by Thailand Professional Qualification Institute (Public Organization)	Ms. Nareerat Wongwitthayanan	Internal Audit Officer
Understanding and practicing on Japan Sarbanes Oxley Act (J Sox) for the 1/23 cohort by the Federation of Accounting Professions of Thailand	Ms. Tamonwan Mangmee	Internal Audit Officer
CompTIA Security+ by ARIT Co.,Ltd.	Mr. Potchara Moncha-aum	Helpdesk Team Leader
ITIL Foundation 4 by Network Training Center (NTC)	Mr. Songklod Rungsimuntuchat Ms. Hiranya Yodthaharn Ms. Korapin Infueng	Helpdesk Engineer Helpdesk Engineer Helpdesk Engineer
Ignite Your Cyber Awareness: Get Set for Cyber Security by Business Online Public Co.,Ltd.	Ms. Rada Tachawit	ISO Coordinator
E-learning: Inclusive Teamwork by Chulalongkorn University	Ms. Rada Tachawit	ISO Coordinator
IP for Business Innovation (IP 101) by National Innovation Agency (Public Organization)	Ms. Rada Tachawit	ISO Coordinator

Course	Name of trainee	Position
AGM Checklist Training Course to Achieve 100% by Thai Investors Association	Ms. Lannalin Yongsukpita Ms. Kwananong Onsri	Company Secretary Assistant to Company Secretary
Data Usage Policy and Internal Income Reporting Course by Thai Listed Companies Association (TLCA)	Ms. Lannalin Yongsukpita Ms. Kwananong Onsri	Company Secretary Assistant to Company Secretary
Disclosure Course through SETLink System (Online) by the Stock Exchange of Thailand	Ms. Lannalin Yongsukpita Ms. Kwananong Onsri	Company Secretary Assistant to Company Secretary
E-Learning course on ESG 101 by the Stock Exchange of Thailand	Ms. Lannalin Yongsukpita	Company Secretary
THSI Methodology Training: THSI Sustainable Assessment by the Stock Exchange of Thailand	Ms. Lannalin Yongsukpita	Company Secretary
Simplifying the IR message by Thai Investor Relations Club (TIRC)	Ms. Lannalin Yongsukpita	Company Secretary
Environmental, Social, and Governance (ESG) Risk Management Course by the Stock Exchange of Thailand	Ms. Lannalin Yongsukpita	Company Secretary
Board of Directors and Senior Executive Training Program on ESG Risk Management by Federation of Accounting Professions of Thailand and The Securities and Exchange Commission, Thailand	Ms. Chulee Werawittayanukoon	Risk and Compliance Director

A history of attending the basic course by the Thai Institute of Directors Association for each director/ executive is indicated in Attachment 1: Details of the directors, executives, and authorized persons.

9. The Company Secretary is assigned to support the Board of Directors' and Sub-committees' operations by providing necessary information, setting annual meeting schedules, and sending meeting documents at least seven (7) days in advance. The Company Secretary is required to have the qualifications specified by the Stock Exchange of Thailand (details shown in Section 7.6.1 Company Secretary) for the benefit of supporting the Board of Directors' operations.

In addition, criteria for other meetings are also established for the benefit of conducting meetings.

1) All members of the Board are allowed to propose topics that are beneficial to the company to be included in the meeting agenda.

2) Senior executives are invited to participate in the Board meetings in October and December, in order to provide additional information about business plans directly related to the issues and to have the opportunity getting to know the Senior executives for consideration of succession planning.

3) At the first meeting of the year, it is stipulated that non-executive directors have the opportunity to meet among themselves as necessary to discuss various issues without management involvement, and report the meeting results to the CEO.

Principle 4

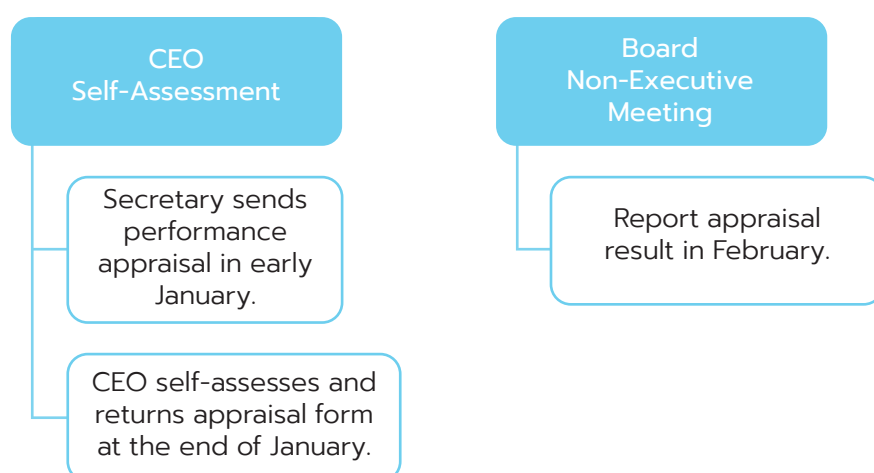
To recruit and develop senior executives and personal management

To ensure that senior executives have the knowledge, skills, experience, and necessary attributes to drive the organization towards its goals, the Board of Directors has appointed the Nomination and Remuneration Committee to carry out the following operations:

1. The Nomination and Remuneration Committee establishes the criteria and methods for nominating suitable candidates for the CEO position, including a succession plan. A report shall be presented to the Board of Directors at least once (1) a year, and policies and procedures shall be established for the appointment of directors and senior executives to other positions, subject to presentation and approval at the Board of Directors' Meeting.
2. The company has a policy to promote and support the Chairman, CEO, and Executives to participate in training and development programs to enhance knowledge, skills, and experience that are beneficial to their job performance.
3. The Nomination and Remuneration Committee establishes a compensation package to motivate CEO, Senior Executives, and all levels of employees to align with the organization's main objectives and goals, and to align with the long-term benefits of the business and benchmark against the same industry. It also considers the company's performance in its decision-making process.

Remuneration Structure	Chief Executive Officer/Senior Executives
Monthly Remuneration	Salary
Other Monthly Remuneration	Position car, fuel expense, mobile phone expense and management allowance
Welfare	Provident fund, social security insurance, group health insurance and liability insurance

4. The Board of Directors sets criteria and factors for evaluating performance, as well as approving the remuneration structure for CEO, and senior executives, and monitoring and evaluating it in accordance with principles.



Principle 5

To promote innovation and responsible business operations

Creating the business values, while also benefiting customers or stakeholders and having responsibilities towards the society and environment, this approach increases business opportunities and aligns with the organization's mission, main objectives, and strategies, taking into account the impact and sustainability.

1. The Board of Directors has a policy to support innovation by developing new ideas using knowledge and creativity that benefits the economy and society. The managements of the company and the MFEC Group are responsible for reviewing and revising business objectives, strategies, and plans/activities to enhance the organization's sustainable growth by covering various business models. The Board of Directors has provided this concept to all departments to implement as part of their innovation plan to improve work processes, reform, and create a competitive advantage in business.

2. The Risk Management, Corporate Governance and Sustainability Committee are considering revising good corporate governance policies, including policies related to risk management, quality, occupational health and safety, environmental and work safety, IT governance, anti-corruption, and business ethics. Anti-Corruption Working Team and Sustainability Working Team will be appointed to propose the policies to the Board of Directors and publish them on the company's website, ir.mfec.co.th, to provide guidance for the Board, management, and employees of the organization to act with ethics and responsibility towards society and the environment, without violating the rights of stakeholders, in order to achieve the organization's goals and objectives.

Principle 6

To ensure that there is a suitable system for risk management and internal control

The Committee ensures that the Company has a suitable system for risk management and internal control to achieve its objectives effectively and to comply with relevant laws and standards. They also develop policies and guidelines to clearly communicate and implement the Company's stance against corruption at all levels of the organization and to external parties.

1. The Board of Directors, together with the Executive Committee, assesses and evaluates the impacts and opportunities of business risks, considering both internal and external factors once (1) a year. They establish the Risk Management, Corporate Governance, and Sustainability Committee and delegate them to establish a framework for risk management processes within the organization, including verifying the acceptability of risk levels. The committee oversees the development and implementation of risk management policies and frameworks on an ongoing basis, reporting to the Board quarterly. The organization's risks include:

- Strategic Risk
- Operational Risk
- Human Resource Risk
- Financial Risk
- Financial Reporting Risk
- Fraud Risk
- Compliance Risk
- Corruption Risk
- IT Risk

The details are as shown in the "Risk Management" section, which the Risk Management, Corporate Governance and Sustainability Committee has considered establishing the Risk Management, Corporate Governance and Sustainability Working Team, with Ms. Chulee Werawittayanukoon serving as the secretary and reporting to the Committee every quarter.

2. The Board of Directors establishes the Audit Committee that meets the criteria of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Committee performs its duties independently according to the Charter of the Audit Committee and assigns the Audit Committee to plan, monitor, evaluate internal controls and report to the Board of Directors continuously.

3. The Board of Directors has mandated that subsidiaries or other ventures in which the company has invested and has a voting right of 20% or more shall have a risk management and internal control system in place.

4. The Committee has established measures to maintain the security of data and procedures for maintaining the confidentiality of various information, including managing data that may affect the stock price. This is set as a policy for maintaining the confidentiality of the company's directors, executives, and employees, and is specified as a Code of Conduct.

Directors and executives

Directors and executives are prohibited from using internal information for personal gain and are prohibited from trading company securities during the 30-day period prior to the announcement of financial statements in each quarter.

All employees at all levels

Employees at all levels are prohibited from disclosing confidential internal information to external parties. This is established as a Code of Conduct for employees.

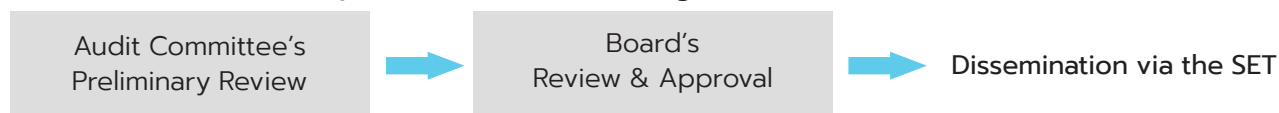
5. The Committee sets measures to manage potential conflicts of interest that may arise.

- The Board of Directors has mandated that members report their interests and losses at least before the meeting and record them in the meeting report. They are also prohibited from participating in the discussion of the relevant agenda.

- Establishing guidelines and procedures to ensure that transactions that may involve conflicting interests is conducted according to a standardized process and information and disclosed.

- o The regular business agenda has been approved and acknowledged by the Audit Committee.

- o Related item/may have moderate conflicting interests



- o Related item/potential conflicting interests with significant impact on benefits.



6. The Committee responsible for setting up a mechanism for handling complaints has established measures to protect whistleblowers and provided a channel for reporting through ir.mfec.co.th or through the Anti-Corruption Working Team. The process includes verification and reporting to the company's committee, and there is a follow-up on the progress of resolving such issues.

Principle 7

To maintain financial integrity and disclosure of information

The Committee is responsible for ensuring that the financial reporting and disclosure system is accurate, sufficient, timely, and in compliance with relevant standards, criteria, and practices. It should monitor the adequacy of the financial liquidity and debt repayment ability. In the event of financial difficulties, the company should have a plan to address the problem while considering the rights of stakeholders. Additionally, sustainable reports should be produced, and information technology should be utilized to promote the dissemination of information.

1. The Board oversees that personnel involved in financial reporting and disclosure have appropriate knowledge, skills, and experience to fulfill their responsibilities, and that there are sufficient numbers of staff. It ensures that important information of the company is disclosed and divided into:

Quarterly disclosure

- Financial statements/ Management Discussion and Analysis (MD&A) Annual disclosure

- Annual Registration Statement/Annual Report (56-1 One Report) is disclosed to investors in both Thai and English languages through the Stock Exchange of Thailand's channel and the company's website at ir.mfec.co.th.

2. The Board of Directors has assigned the management team to monitor and evaluate the financial performance of the company on a regular basis, and to report to the Board of Directors. The management team is required to promptly address any signals indicating financial liquidity problems or debt repayment ability issues, including consecutive losses, declining net profits, low cash flow, incomplete financial information, inadequate accounting systems, lack of cash flow and budget assessment, absence of a business plan, increasing liabilities exceeding assets, and problems in inventory management and debt collection, among others.

3. The Board of Directors assigns CEO with the responsibility of providing information and communication with external parties.

Principle 8

To support for participation and communication with shareholders

The Board of Directors ensures that shareholders have a say in important company decisions by overseeing the conduct of shareholder meetings in a respectful, transparent, efficient, and empowering manner. They also ensure that shareholders are able to exercise their rights and provide accurate and comprehensive reports on shareholder meetings and resolutions.

Shareholder rights

The Company provides opportunities for shareholders to participate in overseeing the business and giving opinions on business operations. In 2023, the Company has taken actions regarding shareholder rights in the following areas:

1. The Company sets a schedule for holding the Annual General Meeting of Shareholders once (1) a year within a period not exceeding 4 months from the end of the accounting year, which is December 31. The company has arranged for the Annual General Meeting of Shareholders to be held through electronic media on Monday, April 24th, 2023 at the main office located at 349 SJ Infinite One Business Complex, Vibhavadi-Rangsit Road, Chompol, Chatuchak, Bangkok 10900. There will be no Extraordinary Annual General Meeting called.

2. The Company provides opportunities for shareholders to propose agendas for upcoming meetings, by notifying shareholders through the news system of the Stock Exchange of Thailand and reporting the results of the proposal to include the agendas for the meeting.

3. The shareholders were invited for a shareholders' meeting (in Thai and English languages) beforehand. The Board of Directors' Meeting No. 1/2023 held on February 22nd, 2023 resolved to organize the AGM on April 24th, 2023. Invitation shall be made through the company's website and the Stock Exchange of Thailand's channel for the shareholders to acknowledge the AGM schedule.

4. The meeting agenda (in Thai and English languages), important document for consideration and decision making, Board of Directors' opinions, the minutes of the AGM 2023, annual report with meeting document, proxy document and practices were disseminated on the company's website from March 28th, 2023, in advance of the meeting.

5. The invitation letter was delivered by the registrar of Thailand Securities Depository Co., Ltd. on March 29th, 2023, twenty-seven (27) days in advance, with three (3) consecutive days of newspaper announcement before the AGM (March 29th, 30th, and 31st, 2023) to call for the AGM in advance.

6. Shareholders Meeting Proceedings

- **Before the AGM begins**, the Chairman of the AGM introduces the Board of Directors, auditors, accounting and finance manager, and financial

advisor to the meeting for acknowledgement. The Chairman also explains the voting process, including how to cast votes and count them, and the use of voting cards.

During the AGM 2023, 100.0 percent of the total number of Committee members, auditors, and accounting and finance department officials attended the meeting.

- **During the shareholder meeting**, the Chairman explains the resolutions on each agenda in accordance with the company's regulations and provides an opportunity for shareholders to ask questions and express their opinions and suggestions at appropriate times, and answers questions before voting.

In 2023, during the election agenda for the directors, the Chairman conducted a meeting where shareholders were allowed to vote for individual candidates. During the meeting, if any director had a conflict of interest or was involved in the agenda, they were required to disclose it to the meeting and abstain from voting on that agenda. The Chairman conducted the meeting in order of the agenda, and no additional agendas were added to the meeting without prior notice.

- **After the AGM**, the secretary recorded the minutes of the meeting and published the resolutions and voting results for each agenda on April 24th, 2023 (in both Thai and English versions). The meeting report, video, and audio were also made available on the company's website after the meeting. The meeting report was submitted to the Stock Exchange of Thailand within 14 days.

7. Equal Treatment to the Shareholders

- The company will open an opportunity for shareholders to propose agendas for meetings/nominate individuals for director positions, propose meeting agendas, and submit questions for meetings in advance between November 15th to January 15th, 2023. The company will notify shareholders via the Stock Exchange of Thailand's news system and announce clear criteria and procedures on the company's website at ir.mfec.co.th

- The shareholders were equally given the rights to vote according to the number of shares held.

- The Company has attached a proxy form B, which is a form that allows shareholders to specify their voting direction for each agenda, along with the meeting invitation, to enable shareholders who are unable to attend the meeting in person to delegate power to independent directors or other individuals to attend and vote on their behalf. The form is also available for download on the Company's website for shareholders to access.

- The directors, executives or employees are prohibited from using inside information for their own benefit, trading the company's shares, or disclosing inside information to others for the purpose of trading the company's shares. In addition, directors and executives are required to submit initial and ongoing reports on their holdings of securities in accordance with Section 59 of the Securities and Exchange Act.

• The directors of the company and its subsidiaries are required to report their own and related person's beneficial ownership under Section 89/14 of the Securities and Exchange Act B.E. 2551. They must submit reports to the company's secretary within 7 days whenever there is a change in the information.

8. Considering the role of shareholders: The Company places importance on social responsibility and recognizes the role and significance of all shareholders, by setting guidelines for preventing corruption that cover practices related to offering or accepting gifts, assets or other benefits when conducting transactions with individuals in the public or private sector. It also includes disclosing ethical practices when conducting business with partner companies. Additionally, measures are in place for reporting and protecting whistleblowers, along with clear policies and practices for all shareholder groups, which are published on the company's website to inform shareholders and stakeholders. The company also provides guidance to employees on how to comply with the company's governance manual.

Compliance with good corporate governance principles in other matters

In 2023, the Risk Management, Corporate Governance and Sustainability Committee considered the adoption of good corporate governance practices for companies registered in 2017 or the Corporate Governance Code (CG) issued by the Securities and Exchange Commission to be applied as appropriate for the business. There are still issues that the company has not been able to implement, but there are plans for replacement measures pending presentation at the Risk Management, Corporate Governance and Sustainability Committee meeting, as follows:

• The Chairman of the Board should be an independent director.

The Chairman is a shareholder of the company, who plays a role in managing the organization while considering the benefits of the organization, shareholders, and stakeholders.

• The Board of Directors should specify the tenure of independent directors for not more than 9 years.

The Nomination and Remuneration Committee considers the qualifications, knowledge, and expertise of each director, taking into account the Board Skill Matrix as supporting information for presentation to the Board of Directors and Annual General Meeting of Shareholders.

In 2023, there were three (3) directors/ independent directors who completed their terms as scheduled and were proposed by the Nomination and Remuneration Committee for approval at the Board of Directors' Meeting and approved by the Board of Directors. Their names are Mr. Siriwat Vongjarukorn, Mr. Thanakorn Charlee, and Dr. Charn Tharawas. The shareholders were informed of this before nominating

directors. The Board of Directors considered and approved that these three directors/ independent directors are individuals with qualifications, independence, and the ability to provide independent opinions according to relevant criteria. They are experienced directors who bring knowledge and expertise to provide opinions and suggestions to the organization in conducting its business.

Relationship with Investors

MFEC Group presented its operating results, investment budget, and industry trends to analysts and investors. In 2023, MFEC Group shared this information through an annual general meeting for shareholders and various investor activities, including the Opportunity Day hosted by the Stock Exchange of Thailand and quarterly Analyst Meetings. The objective was to inform investors and analysts about the direction and business opportunities of MFEC Group.



Governance on Use of Inside Information

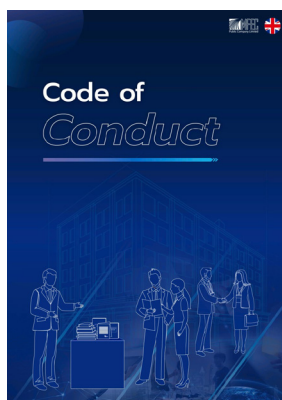
Aside from governing through legal requirements, the company has the policy and adheres to ethics, honesty and integrity in its business operations toward the customers, suppliers, investors and shareholders. The Code of Conduct has been established for the directors, executives and employees at all levels for practices in order to prevent improper disclosure of any important information or access to sources of information without permission. If anyone breaches the regulation, he or she is regarded as taking serious wrongdoing and may receive disciplinary punishments.

The Company has the regulations to supervise and prevent the use of undisclosed inside information for self-benefits or other's benefits in the following manners;

- Directors, executives, employees & workers shall keep the corporate secrets and/or inside information confidential.
- Directors, executives, employees & workers shall not disclose the corporate secrets and/or inside information or exploit it for their own benefits or others' benefits in either direct or indirect ways and with or without compensation.
- Directors, executives, employees & workers shall not trade, transfer or receive a transfer of the company's securities by exploiting corporate secrets and/or inside information, and/or make any legal transactions by exploiting the corporate secrets and/or inside information that may cause damages to the company in either direct or indirect ways. This requirement is extended to spouses and underage children of the directors, executives, employees and workers. Any of those who infringes this regulation is considered taking serious wrongdoing.
- Directors, executives, accountants, and their spouses and underage children are prohibited from exploiting inside information to trade, transfer or receive a transfer of the company's securities in a period prior to a public disclosure of the company and its related companies' financial statements.

In addition, the company's directors and executives are required to prepare the shareholding list and report the changes of any securities held by the directors and executives, and their spouses and underage children according to Section 59 of the Securities and Exchange Act, B.E. 2535 within the required period stated in the regulation on reporting of the shareholding. The executives are required to submit the copies of the report to the company in the same day they report the details to the Securities and Exchange Commission.

6.2 Code of Conduct



Best Practices for Conducting Business based on the Company's ideology in order to ensure that employees adhere to shared practices and use them as a guide in their work, they are considered an integral part of the company's work regulations at all levels, from Operating levels to Business Unit Leaders, Executive Committee, Board of Directors, Independent Directors, Chief Operating Officer, Chief Executive Officer, and Chairman of the Board.

Employees at all levels are required to perform corporate ethics relating to their duties by regularly having discussions between employee and supervisor whether the actions are in accordance with the Code of Conduct. Besides, communication within team in order to have a better understanding about MFEC Code of Conduct and if there is any action against the ethics, it must be reported to listed channels.

6.3 Significant Changes and Developments of the Policy, Practices and Governance System in 2023

The first renewal of membership certification for Thai Private Sector Collective Action Against Corruption

The Thai Institute of Directors (IOD) has announced the first re-certification of MFEC Public Company limited as a member of the Thai Private Sector Collective Action Against Corruption (CAC). This re-certification signifies that MFEC is an exemplary organization that conducts business with transparency, integrity, and a strong commitment to combating corruption.





Code of Conduct and Anti-Corruption Policies

The company has prepared and continuously reviewed the Corporate Governance Policy and the Code of Conduct to obtain up-to-date information. It is a practice that is consistent and equal to the development of relevant regulations including receiving international standards for corporate governance, code of conduct, and anti-corruption.

To comply with anti-corruption policy and guidelines for anti-corruption policy about gifts and hospitality, the company has asked for cooperation from partners and suppliers to refrain from giving or receiving all kinds of gifts to directors, executives, and employees during the New Year’s festival or any other occasion. The company has communication and public relations through various channels both internal and external of the organization.

Supporting and Promoting the Internal Control System and Internal Audit

The company supports and promotes the internal control system and internal audit to ensure that the company has the correct and complete compliance with the policies regulations and procedures, as well as to comply with laws, rules, and regulations related to the Company’s business operations. It also adds value and improves the performance of the organization. It helps the organization achieve its goals by systematically assessing and improving the effectiveness of operational, control, and governance processes, as well as supporting the company’s operations to achieve the objectives and strategic plans by providing confidence and services in a consultative manner independently and fairly.



Anti-Corruption Prevention



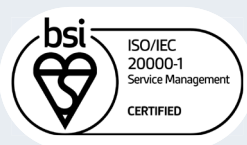
MFEC Public Company Limited pays great attention to anti-corruption that may occur in business operations. Therefore, the anti-corruption policy has been established to supervise the operation and abide by the laws and regulations in accordance with the Corporate Governance Policy and Code of Conduct.

The company prohibits personnel at all levels, including the company directors, not to demand, take action, or accept corruption for organizational benefits, personal benefits or related person’s benefits, covering businesses in every country and related agency. The company has established anti-corruption guidelines in accordance with the policy, as well as reviewing such practices to be consistent with changes in business, rules, regulations, and legal requirements by requiring personnel at all levels, including company directors, regarded as a general practice.

Efficient Service Management

MFEC is an IT service provider to large organizations in various industries which are an important part of the foundation of the quality of life, including the banking industry, hospitals, telecommunication and many more. The company, therefore, pays attention to improving the quality of service to be efficient with international standards.

In the year 2023, the company acquired 2 types of international standard certifications.



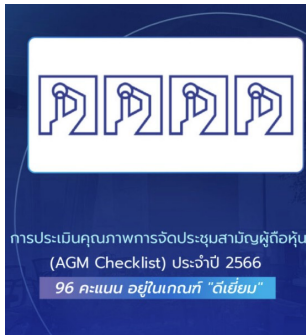
ISO/IEC 20000, an international standard for information technology services, having the efficient Service Management System (SMS).



ISO/IEC 27001, an international standard for Information Security Management Systems (ISMS).

Corporate Governance

For the results of the Corporate Governance Report of the Thai Institute of Directors Association (IOD) at “Excellent” of Thai listed companies in the Stock Exchange of Thailand (Corporate Governance Report of Thai Listed Companies) for the year 2023.



Holding a shareholder meeting

In organizing every Annual General Meeting of Shareholders, the Company has complied with guidelines of the AGM Checklist project by the Thai Investors Association, Thai Listed Companies Association and the Securities and Exchange Commission (SEC) with a score of 96.

SET ESG Ratings

Sustainability Investment MFEC has achieved sustainable growth in the SET ESG Ratings assessment for 2023, receiving an “AA” rating from the Stock Exchange of Thailand. This places MFEC as one of the 193 registered companies that meet the standard criteria. With a determination to drive the improvement of life in society, MFEC diligently works to operations and report within the ESG (Environmental, Social and Governance) framework in all dimensions by considering risk management and preparedness to address emerging risks, as well as adapting to societal and environmental changes, increasing our capability and prioritize stakeholders from all sectors, MFEC aims to lead in the consulting, development, and implementation of computer systems and information technology networks to continue to create value and foster sustainable growth.



Whistleblowing Measures and Mechanisms for protection of Whistleblowers

To treat all stakeholders fairly and equitably in line with good corporate governance principles, the company has established channels for receiving whistleblower information, complaints, opinions, or suggestions indicating that stakeholders have been impacted or are at risk of impacts or damages from the company’s business operations or employee conduct relating to legal or ethical violations, including behaviors that may indicate fraud, unfair treatment, or lack of due care.

The company will investigate according to established procedures and maintain written records of investigations, without disclosing the whistleblower’s name. Complaint data is kept confidential to protect whistleblowers from potential impacts.

Provide Clues to Corruption Directly or Send a Letter to:

Anti-Corruption Working Group, MFEC Public Company Limited
349 SJ Infinite One Business Complex, Vibhavadi-Rangsit Road, Chompol,
Chatuchak, Bangkok 10900.

☎ 02-821-7999

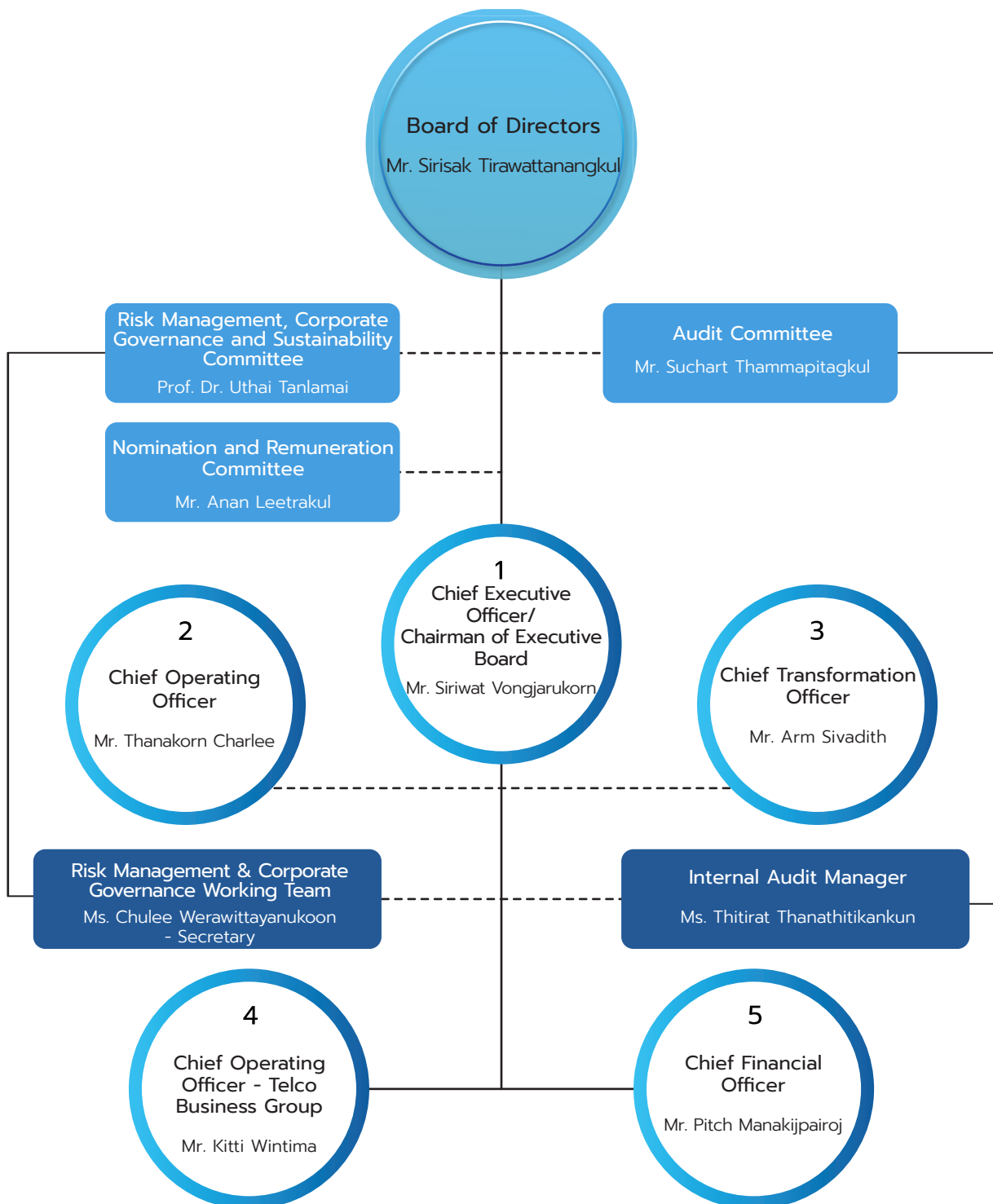
✉ E-mail Anti-Corruption Working Group: anticorruption@mfec.co.th

✉ Hotline for whistleblower: tis_tmi_helpline@tmi.gr.jp

Fill out the form via the website: Title IR > Corporate Governance > Whistleblowing Channel
(<https://ir.mfec.co.th/en/whistleblowing-channel/>)

7. Corporate Governance Structure and Important Information about the Board of Directors, Sub-Committees, Executives, Employees and Others

7.1 Organization Chart



Board of Directors



Mr. Sirisak Tirawattanangkul
Chairman



Mr. Kiyotaka Nakamura
Vice Chairman



Mr. Siriwat Vongjarukorn
Director



Mr. Thanakorn Charlee
Director



Mr. Anan Leetrakul
Independent Director



Mr. Suchart Thammapitagkul
Independent Director



Prof. Dr. Uthai Tanlamai
Independent Director



Assoc. Prof. Dr. Kamales Santivejkul
Independent Director



Dr. Charn Tharawas
Independent Director



Mr. Masakazu Kawamura
Director

Executive Board and Management



Executive

1. Mr. Siriwat Vongjarukorn
2. Mr. Thanakorn Charlee
3. Mr. Arm Sivadith
4. Mr. Kitti Wintima
5. Mr. Pitch Manakijpairroj

Position

Chief Executive Officer/Chairman of Executive Board
 Chief Operating Officer/Executive Board
 Chief Transformation Officer/ Executive Board
 Chief Operating Officer – Telco Business Unit
 Chief Financial Officer

7.2 Board of Directors/ Committees of the Company

The Company has five (5) committees: the Board of Directors, the Audit Committee, the Executive Committee, the Risk Management, Corporate Governance and Sustainability Committee, and the Nomination and Remuneration Committee.

7.2.1 Board of Directors

According to the Company's Regulations, the Board has the following elements;

- The Board shall consist at least five (5) members, no less than half of which have domiciles in the Kingdom of Thailand.
- No less than three (3) Board members shall be independent directors. (Based on the good corporate governance, no less than half of the Board members shall be independent. The Board has totally ten (10) members).

As of 31st December 2023, the Board of Directors, according to the Ministry of Commerce's certificate, consisted of ten (10) members. Of total, two (2) members were executives and the remaining eight (8) members were non-executives. Among all non-executive positions, five (5) were independent directors.

Name	Position	Appointment Date by AGM
1. Mr. Sirisak Tirawattanangkul	Chairman	25 April 2022
2. Mr. Kiyotaka Nakamura	Vice Chairman/ Non-Executive Director	25 April 2022
3. Mr. Siriwat Vongjarukorn	Director/ Executive Director	24 April 2023
4. Mr. Thanakorn Charlee	Director/ Executive Director	24 April 2023
5. Mr. Suchart Thammakitakul	Independent Director/ Non-Executive Director	26 April 2021
6. Mr. Anan Leetrakul	Independent Director/ Non-Executive Director	26 April 2021
7. Prof. Dr. Uthai Tanlamai	Independent Director/ Non-Executive Director	26 April 2021
8. Assoc. Prof. Dr. Kamales Santivejkul	Independent Director/ Non-Executive Director	25 April 2022
9. Dr. Charn Tharawas	Independent Director/ Non-Executive Director	24 April 2023
10. Mr. Masakazu Kawamura	Director/ Non-Executive Director	26 April 2021

Remark: The Annual General Meeting of Shareholders 2023, dated 24th April 2023, resolved to appoint Mr. Siriwat Vongjarukorn, Mr. Thanakorn Charlee, and Dr. Charn Tharawas in replacement to the Board of Directors once again.

Information on holding Securities of Directors in 2023 and 2022

Name	Number of Shares (Shares)		Number of Shares increasing (decreasing) during the year (Shares)
	31 December 2023	31 December 2022	
1. Mr. Sirisak Tirawattanangkul	10,026,013	10,026,013	-
2. Mr. Kiyotaka Nakamura	-	-	-
3. Mr. Siriwat Vongjarukorn	20,575,710	18,405,659	2,170,051
4. Mr. Thanakorn Charlee	-	-	-
5. Mr. Suchart Thammapiatagkul	-	-	-
6. Mr. Anan Leetrakul	-	-	-
7. Prof. Dr. Uthai Tanlamai	-	-	-
8. Assoc. Prof. Dr. Kamales Santivejkul	-	-	-
9. Dr. Charn Tharawas	-	-	-
10. Mr. Masakazu Kawamura	-	-	-

Remark: Shareholding includes spouses and underage children according to Section 258.

7.2.2 Authorized Directors

Two of three directors - Mr. Sirisak Tirawattanangkul, Mr. Siriwat Vongjarukorn, and Mr. Thanakorn Charlee, co-sign with a corporate seal.

7.2.3 Information about the roles and responsibilities of the committee

The Company's Board of Directors has an essential role in supervising the management of the Company, including determining the Company's business directions, policies, and strategies for the best interests of the Company and the shareholders. The Board of Directors also oversees the performance of the Company's sub-committees. The Board of Directors holds authorities and responsibilities as stipulated by laws, Company's objectives, and resolutions of the Shareholders Meeting, of which the Board of Directors must perform its duties with responsibility and ethical standards.

Composition

The composition of the Board of Directors consists of the following:

1. The Board of Directors are not required to be the shareholders of the Company.
2. A number of members of the Board of Directors shall be defined by the Shareholders Meeting, of which must be at least five (5) persons but not over fifteen (15) persons. Not less than half of the directors must reside in the Kingdom of Thailand.
3. At least one-third of the Board of Directors must be independent directors, and the independent directors in the Board of Directors must not be less than 3 directors.

The Board of Directors shall elect one director to be the Chairman and may elect a Vice Chairman or any other positions as deemed appropriate.

Qualifications

The director of the Company shall have the following qualifications:

1. Be a knowledgeable person with honesty, integrity, and business ethics. Be able to provide adequate time to dedicate his knowledge and capability to perform his duty for the benefits of the Company.
2. Be a qualified person without having incompatibilities stipulated by relevant laws. A person shall not have any characteristics indicating a lack of suitability to be liable to perform and manage a public-owned company, according to the Securities and Exchange Commission, the Capital Market Supervisory Board, and/or the Stock Exchange of Thailand (known as "relevant rules").
3. Not be a person who operates the business of the same nature and such business is the competitor of the Company. Or become a partner or director of any juristic persons which operate the same business or are the competitors of the Company, neither for his own benefits nor the others, unless the person has informed such information to the Shareholders Meeting prior to the appointment.

4. Must have the qualifications regarding independency as specified by the Company and according to the relevant rules regarding qualifications of the independent directors. Must be able to equally look after the interests of all shareholders and not cause any conflicts of interests. In addition, the independent director shall be able to attend the Company's Board of Directors Meeting and give his opinions independently.

The Company requests the directors who do not hold management positions be independent from the Management, the controlling shareholders, and those who do not have any business relationship with the Company in such a way that shall create limitations to express his independent opinions. Such directors shall have the following additional qualifications:

- A. Not hold more than one (1) percent of the common shares with voting rights of the Company, associate companies, subsidiaries, joint venture companies. Not be the major shareholder or have a controlling power over the Company. In this regard, the shares held by any persons related to the said independent director shall be included and taken into account.
- B. Not be or has been an executive director who takes or took part in management duties, an employee, an advisor who receives or has received a regular salary, or having a controlling power over the Company, subsidiaries, affiliate companies, joint venture companies. Not be or has been the major shareholder, has or has had a controlling power over the Company, unless such person has been retired from the mentioned conditions at least two (2) years prior to the election date. However, such conditions shall not apply to the independent director who has been a government officer or an advisor to the government agency that is a major shareholder or has a controlling power over the Company.
- C. Not be related by blood or by law in the manner of parents, spouses, siblings, descendants and the spouses of the descendants with any other directors, the Management, major shareholders, or persons who have a controlling power or persons who have been nominated to be the Management, or persons who have a controlling power over the Company or the subsidiaries.
- D. Do not have or has any business relations with the Company, subsidiaries, associate companies, joint venture companies, major shareholders, or persons who have a controlling power over the Company in a manner that may impede his independent exercise of judgement. Not be or has been a significant shareholder or person with a controlling power over the persons who have any business relations with the Company, subsidiaries, associate companies, joint venture companies, major shareholders, or persons who have a controlling power over the Company. Unless the independent director has been acquitted from such conditions at least two (2) years prior to the election date. Such business relations shall include regular transactions of leasing or renting real estates, transactions relating to assets or services, transactions relating to receiving or providing financial supports by receiving or lending or guaranteeing, transactions relating to collateral loan and any other actions with similar circumstances that create the financial obligation between the Company and other parties from three (3) percent of the Company's net tangible asset or from twenty million (20,000,000) Baht, whichever is lower. In this regard, the calculation of the said debt shall be in accordance with the method of calculating the value of connected transactions and the regulations relating to connected transactions, mutatis mutandis. However, the consideration of such debt shall include the liabilities incurred during one (1) year prior to the date of such business relations with the same person.
- E. Not be or has been an auditor of the Company, subsidiaries, associate companies, joint venture companies, major shareholders, or persons having a controlling power over the Company. Not be or has been a significant shareholder, has or has had a controlling power, or be or has been a partner of the audit office which is the workplace of the auditors of the Company, subsidiaries, associate companies, joint venture companies, major shareholders, or persons who have a controlling power over the Company. Unless the independent director has been acquitted from such conditions at least two (2) years prior to the election date.
- F. Not be or has been a professional service provider of any kind, including being a legal advisor or financial advisor that receives professional service fees of more than two million (2,000,000) Baht from the Company, subsidiaries, associate companies, joint venture companies, major shareholders, or shareholders who have a controlling power over the Company. Not be or has been a significant shareholder, has or has had a controlling power, or be or has been a partner of such professional service provider. Unless the independent director has been acquitted from such conditions at least two (2) years prior to the election date.
- G. Not be a director who is appointed as a representative of the directors of the Company, major shareholders, or any shareholders related to the major shareholders.
- H. Not be a person who has or operates the business of the same nature, and such business is the competitor of the Company or its subsidiaries. Not be a partner in the partnership, or a director who holds a management position, or an employee, or a staff, or an advisor who receives regular salary, or holds more than one (1) percent of the common shares with the voting rights in other companies that operate the business of the same nature and such businesses are the competitors of the Company or its subsidiaries.

- I. Not have any incompatibilities which prevent him from expressing independent opinions regarding the Company's operations.
- J. Must be a person who has gone through the nomination process held by the Board of Directors or the Nomination and Remuneration Committee.

Independent directors may be assigned by the Board of Directors to make decisions regarding business operations of the Company, parent companies, subsidiaries, affiliate companies, major shareholders, or persons having a controlling power over the Company. Such decisions can be made in a form of collective decisions.

In the event that a person has been appointed to be an independent director has or has had any business relations, provides or has provided the professional services in excess of the value as specified in (B), (D), (E), or (F), the Board of Directors may consider a waiver should the appointment of such person does not affect an independency of his performance and opinions. And the Company has disclosed such information in the invitation of the Shareholders Meeting, in the agenda of appointment of such independent director, as follows:

- A. A nature of the business or the professional services that makes such person acquitted from the aforementioned criteria.
- B. Reasons or necessities for maintaining or appointing such person to be the independent director.
- C. Opinions of the Board of Directors regarding the appointment of such person to be the independent director.

Election and Term of Service

1. The Nomination Committee is responsible for recruiting and nominating the persons qualified for the Company's director positions to the Shareholders Meeting for further consideration and approval.
2. The Shareholders Meeting shall elect the directors of the Company. In the case that the election of director for replacing the vacant position due to reasons other than retirement by rotation, the Board of Directors may elect the qualified person to take a position as the director of the Company. The elected person from such case shall be in office only for the remaining term of service of the vacated director.
3. One-third of the directors shall retire at every Annual General Meeting of Shareholders. Should the number of the directors cannot be divided into three parts, the number of the retired directors shall be close to one-third. The retired directors may be re-elected to resume the positions. Directors who are required to retire in the first and second year after the registration of the Company may draw lots. In the subsequent years, the directors who have been in office the longest shall retire.

Directors who are retired by rotation may be re-elected to resume their positions for another term. A total term of service of the independent directors shall not exceed 9 years unless the Board of Directors deems that such independent director should continue to serve as an independent director for the best interests of the Company.

Remuneration

The remuneration of the Board of Directors shall be determined by the Nomination and Remuneration Committee Meeting, considered by the Board of Directors Meeting, and approved by the Shareholders Meeting respectively.

Board of Directors' Scopes of Duties and Responsibility

1. The Board of Directors has the authority, duties, and responsibilities to manage the Company in accordance with the laws, objectives, and Company's articles of association, including the resolutions of the legitimate Shareholders Meeting. The Board of Directors shall manage and perform with honesty and precaution to protect the interests of the Company.
2. Convene the Annual General Meeting of Shareholders within four (4) months from the end of the Company's accounting period.
3. Convene the Board of Directors Meeting at least once in every three (3) months.
4. Prepare and responsible for the preparation and disclosure of financial report to show the Company's financial situation and performance of the past year. And present such report to the Shareholders Meeting for consideration and approval.
5. Determine Company's goals, directions, policies, business plans, and budget. Monitor and supervise the administration and management of the Management to be in accordance with the established policies, plans, and budget with efficiency and effectiveness.
6. Determine Risk Management Policy. Monitor and supervise the Management to comply with such policy and later report results to the Board of Directors, including arranging the review and evaluation of efficiency of risk management regularly.
7. Review, examine and approve the business expansion plans, large investment projects, including the joint investments proposed by the Company.

8. Prepare the Board of Directors' annual report. Responsible for the execution of the Board of Directors' annual report and disclosure of the financial statement to show the Company's financial situation and performance in the past year in the said annual report. And present such report to the Shareholders Meeting for consideration and approval.
9. Supervise and oversee the business administration and operations of the Company and its subsidiaries to be in accordance with determined policies, laws regarding Securities and Exchange, notifications of the Capital Market Supervisory Board, regulations of the Stock Exchange of Thailand, such as connected transactions, acquisition or disposition of significant asset, consistency and inconsistency with other laws, and ensure that there are adequate and appropriate internal control system.
10. Consider and determine management structure. Hold authority to appoint the Board of Executive Directors, Chief Executive Officer, and any sub-committees as deemed appropriate, such as the Audit Committee and the Nomination and Remuneration Committee. As well as determine the scopes of authority of the Board of Executive Directors, Chief Executive Officer, and appointed sub-committees.

In this regard, the delegation of authority for the specified scopes must not be in a form of granting the power of attorney which allows the Board of Executive Directors, Chief Executive Officer, and any sub-committees to consider and approve transactions that may cause any conflicts of interest with any companies or subsidiaries (if any). Unless it is the approval of transactions in accordance with the policies and regulations that the Board of Directors has considered and approved.

11. Under the Board of Directors' supervision, the Board of Directors may authorize one or more directors or any other person to perform any actions on behalf of the Board of Director, or grant the power of attorney to such person to have authorities and duties as the Board of Directors deems appropriate. The Board of Directors may cancel, revoke, change, or amend such power of attorney as deems fit.

In this regard, the said power of attorney must not have the nature of allowing the attorney to consider and approve the transactions which the attorney or any persons who has conflicts of interest, or may cause conflicts of interests with the Company or the subsidiaries (if any). (As defined in the Notifications of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any Notifications made by relevant agencies) Unless it is an approval of the normal business transactions and is in accordance with general commercial terms and conditions, or in accordance with the policies and criteria approved by the Board of Directors, which are subject to the criteria, conditions and methods regarding the connected transactions, acquisition or disposition of significant asset of listed companies according to the Notification of the Capital Market Supervisory Board and/or the Stock Exchange of Thailand and/or any Notifications made by relevant agencies.

12. Consider and approve Anti-Corruption Policy. Monitor and supervise to ensure that there is an effective anti-corruption system in order to ensure that the executives, the Management, employees, and all stakeholders recognize its importance and take the policy to implementation and become a culture of the organization.

Meetings

1. The Board of Directors Meeting shall be convened at least once in every three (3) months. The meeting dates shall be scheduled in advance for the whole year. There may be additional meetings as needed.
2. In order to call for the Board of Directors Meeting, the Chairman or the assigned person shall send the invitation notice, together with the agendas and supporting documents to all directors at least seven (7) days in advance. So that the directors may have adequate time to review the agendas and supporting documents. In the event of an urgency to maintain the best interests of the Company, the invitation of the Board of Directors Meeting can be made by other means or the meeting date can be scheduled earlier than that.
3. Directors who have any interests in a considering matter shall refrain from voting on such matter, and such directors shall leave the Meeting during the consideration of such matter in order to allow the Meeting to express their opinions independently.

Quorum and Voting

1. There shall be at least half of the Board of Directors present to constitute a quorum. In the event that the Chairman is not present in the Meeting or cannot perform the duty, should the Vice Chairman be present in the Meeting, the Vice Chairman shall act as the Chairman of the Meeting. Should there not be the Vice Chairman nor the Vice Chairman not be present in the Meeting nor cannot perform the duty, the present directors shall elect one director to serve as the Chairman of the Meeting.
2. The decision of the meeting shall be made by the majority vote.
3. In voting, each director shall have one vote, except the director who has any interests in a considering matter shall refrain from voting on such matter. In case of a tie, the Chairman of the Meeting shall have an additional vote as the casting vote.

7.3 Sub-Committees and Working Team

7.3.1 Sub-Committees

Executive Board

The Board of Directors appoints the Executive Board to perform tasks, as assigned under its authority and duties in order to attain goals and plans. The Executive Board consists of three (3) members; Chief Executive Officer and two (2) executives.

List of the Executive Board	Position in the Executive Board	Position in the Board of Directors
1. Mr. Siriwat Vongjarukorn	Chairman	Director
2. Mr. Thanakorn Charlee	Director	Director
3. Mr. Arm Sivadith	Director	-

Scope of the Executive Board's Authority

1. Screening

- Policies, directions, business strategies, management structures and principles of business operation to be in accordance with economic situations and competitions
- Business plans and annual budgets of the Company
- Principles and policies for investment and management of subsidiaries and associated companies in the core business or other business groups
- All investment projects, searching for new businesses and business operations with allies
- Annual workforce plan
- Appointment, removal, disemployment, work extension of employees or management employees at positions below Chief Executive officer, employment or disemployment of persons whose ages reach or surpass requirements for retirement according to the Company's Regulations, and the consideration of compensation according to the salary structure

2. Approval or Disapproval

- Investment projects worth no more than 20 million baht and involving the Company's business
- Bidding via cooperation with allies in the forms of consortiums or joint ventures
- Opening and closing the Company's accounts in financial institutions
- Write-off for deteriorating assets/ sales of assets unused for operations
- Improving, changing the organizational structure at the departmental level, and reporting to the Board of Directors for acknowledgement
- Bonus payment and the amount that used for annual salary raising within a budget

3. Monitoring and Supervising of Operations

- Strategic plans, work plans, and projects in an annual business plan approved by the Board of Directors
- Financial performance
- Supervising and oversighting on practices following the corporate governance

4. Report to the Board of Directors

- Financial performance on a quarterly basis
- Other reports as delegated by the Board of Directors

Audit Committee

The Audit Committee has a two (2) year term. At least one (1) independent director has knowledge in accounting or finance. As of 31 December 2023, the Audit Committee consists of three (3) independent directors.

List of the Audit Committee	Position in the Audit Committee	Position in the Board of Directors
1. Mr. Suchart Thammapiatagkul	Chairman	Independent Director
2. Prof. Dr. Uthai Tanlamai	Director	Independent Director
3. Assoc. Prof. Kamales Santivejkul	Director	Independent Director

Scope of the Audit Committee's Authority

1. To verify in order to ensure about the accuracy of the Company's financial reporting in accordance with the general accepted accounting principle and standard, sufficient quarter and annual financial statements are disclosed to be consistent with fact, completeness, adequacy and creditability prior the presentation to the Board of Directors review
2. To verify in order to ensure that the Company has appropriate and effective internal control and internal audit systems, and reviews the independence of the internal audit, which directly reports to the Audit Committee as well as approval on appointment, removal, or employment termination of the internal audit executives, and assess adequacy of the Company's internal control system on an annual basis
3. To verify the Company's operation to be in line with the law of Securities and Stock Exchange, Thailand, requirement of the Stock Exchange of Thailand and other laws related to the Company's businesses
4. To consider, select, and propose the appointment of the Company's auditor who is independent to be the Company's auditor, and determine annual remuneration for the auditor, as well as attend the meeting with the Company's auditor without attendance of the management for at least once a year
5. To streamline understanding among the auditor, the Board of Directors, and the Internal Audit Department into the same direction
6. To consider on verification and disclosure of connected transactions or transactions possibly with conflict of interests to follow related rules and regulations so as to ensure that such transactions are reasonable and provide maximum benefits to the Company
7. To prepare the report of the Audit Committee with the minimum information as required by the Stock Exchange of Thailand to be disclosed in the annual report of the Company
8. To regularly verify and amend its charter of the Audit Committee to be proper and consistent with the Securities and Exchange Act and the stock Exchange of Thailand criteria
9. To consider and approve the annual audit plan of Internal Audit Department
10. To govern the Internal Audit Department to comprehensively in major issues for all units, to propose and suggest the corrective guideline for solving by the Management Team, and to monitor the correction in accordance with the suggestions within specified period
11. To consider and approve budget and manpower of Internal Audit Department
12. To report the performance of the Audit Committee to the Board of Directors for acknowledgement at least four (4) times a year
13. To have the authority to invite the Executive, the Management or the employees of the Company related to express the opinions, attend a meeting, or give document deemed as related and necessary
14. The Audit Committee may search for independent opinion from the advisors in other professions when deemed as necessary at the Company's expense
15. To undertake other matters, including the financial management policy review, as assigned by the Board of Directors and the Audit Committee
16. To annually assess the performance of the Audit Committee for consideration on further improvement

Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall have at least three (3) members; one (1) independent member of which shall be the Chairman. It assists in nominating persons with proper knowledge, capabilities and experience to be members of the Board of Directors and committees, Executive Chairman and Chief Executive Officer, while establishing appropriate remuneration policy. The Board of Directors Meeting No. 4/2023, dated 10 August 2023, has considered the extension for one (1) member of the Nomination and Remuneration Committee for another term. As of 31 December 2023, the Nomination and Remuneration Committee consisted five (5) members, one of which served a two-year term of office.

List of the Nomination and Remuneration Committee	Position in the Nomination and Remuneration Committee	Position in the Board of Directors
1. Mr. Anan Leetrakul	Chairman	Independent Director
2. Mr. Siriwat Vongjarukorn	Director	Director
3. Assoc. Prof. Kamales Santivejkul	Director	Independent Director
4. Dr. Charn Tharawas	Director	Independent Director
5. Mr. Kiyotaka Nakamura	Director	Vice Chairman

Scope of the Nomination and Remuneration Committee's Authority

1. To establish policies and principles before forwarding them to the Board of Directors for consideration
 - 1.1 Policies, principles, and procedures for nomination of Board members, committee members, Executive Chairman and Chief Executive Officer
 - 1.2 Policies, principles, and procedures for remuneration and other fringe benefits for Board members, committee members, Executive Chairman and Chief Executive Officer.
2. To select and nominate qualified candidates for Board members, committee members, Chief Executive Officer, and President before forwarding them to the Board for consideration
3. To oversee the Board containing an appropriate size and necessary elements for the environment and having the Board members, committee members, Chief Executive Officer, and President to receive reasonable remuneration for their duties and responsibilities
4. To assess and determine, with the Company's Chief Executive Officer (CEO), the successors of CEO and top executives who directly report to CEO, and to report the Board of Directors for acknowledgement with respect to the succession plans of top executives on an annual basis
5. To review and assess the adequacy of the Nomination and Remuneration Charter and, if appropriate, recommend changes to the Charter to the Board of Directors for approval
6. To perform any other tasks or to have such authority and responsibilities, as may be delegated to the Committee by the Board of Directors on a case-by-case basis

Risk Management, Corporate Governance and Sustainability Committee

The Risk Management, Corporate Governance and Sustainability Committee shall have at least four (4) independent directors and executives. An independent director is the Chairman, while executives and an accounting/ financial expert assist in systematic risk management for all significant work processes at activity and organizational levels. The Board of Directors Meeting No. 3/2022, dated 10 August 2022, has considered the extension for the four (4) members of the Risk Management, Corporate Governance and Sustainability Committee for another term. As of 31 December 2023, the Risk Management, Corporate Governance and Sustainability Committee comprises of four (4) members, each of which serves a two-year term of office.

List of the Risk Management and Corporate Governance Committee	Position in the Risk Management, Corporate Governance and Sustainability Committee	Position in the Board of Directors
1. Prof. Dr. Uthai Tanlamai	Chairman	Independent Director
2. Assoc. Prof. Kamales Santivejkul	Director	Independent Director
3. Mr. Thanakorn Charlee	Director	Director
4. Dr. Charn Tharawas	Director	Independent Director

Scope of Authority in Risk Management Part

1. To consider and propose the Board of Directors about the risk management policy and framework for approval
2. To consider, review, and approve acceptable risk appetites
3. To oversee and supervise development and implementation, following the risk management policy and framework consistently
4. To review risk management reports for monitoring on significant risks and further implementation
5. To coordinate with the Audit Committee on major risks with the internal audit unit as a reviewer for confidence
6. To report the Board of Directors about risks and risk managements on a regular basis
7. To provide the Risk Management Team about advice and recommendations and to consider proper directions in solving information relevant to risk management system development
8. To consider and appoint additional persons or persons in replacement in the Risk Management Team as appropriate, and to set their roles, duties, and responsibilities, achieving the objectives
9. To perform any other risk management tasks as assigned by the Board of Directors
10. To communicate and exchange information, and to coordinate with the Internal Audit Department in respect to risks and internal control at least once (1) a year

Scope of Authority in Corporate Government Part

1. To consider policies and guidelines for Good Corporate Governance to the Board of Directors for consideration and approval
2. To provide the Board of Directors advice to Good Corporate Governance principles
3. To consider, review, and approve Good Corporate Governance principles, compared with international standards and the Stock Exchange of Thailand and proposed to the Board of Directors to consider and approve to update regularly
4. To appoint a working group to assist with the appropriate work and consider the good Corporate Governance of the Company by reporting the results of corporate governance that are periodic
5. To report the operational results to the Board of Directors
6. To perform other duties as assigned by the Board of Directors

Scope of Authority in Sustainability Part

1. Provide oversight as well as advice and recommendations relating to the economic, environmental, and social dimensions, as well as corporate governance, for long-term sustainable business growth.
2. Monitor sustainability performance against various indicators, and provide advice on reporting data related to sustainability.
3. Provide recommendations in developing and reviewing policies and practices related to corporate sustainability and corporate governance, such as the Corporate Governance Policy, the Code of Conduct, policies related to the environment, risk management policies, and human rights policies.

7.3.2 Working Groups

Risk Management and Corporate Governance Working Group

The Risk Management and Corporate Governance Working Group consists of the management executives and Company's heads of business units. Mr. Thanakorn Charlee - Chief of Operating Officer is the supreme responsible operational management (not including the Chief Executive Officer) for the audit and risk management to be in accordance with the specified Risk Management Policies. In order to track and review the Company's risk management processes, the Internal Audit Department is the responsible unit for the internal audit of the organization. The unit is independent from the Risk Management Department, with Ms. Thitirat Thanathitikankun - Internal Audit Manager as the supreme responsible party for the internal audit of the organization. As a result, it is certain that the Company has appropriately applied the risk management processes.

In the year 2023, following are members of the Risk Management and Corporate Governance Working Groups:

List of the Risk Management and Corporate Governance	Position
1. Mr. Thanakorn Charlee	Chief Operating Officer
2. Mr. Arm Sivadith	Chief Transformation Officer
3. Mr. Pitch Manakijpairoj	Chief Financial Officer
4. Mrs. Thunkamol Pinthong	Financial & Budget Control Director
5. Mr. Surachai Khumitti	Senior Sales Director (Non-Telco)
6. Mr. Paiboon Pattanasaksiri	Project Director
7. Ms. Uraporn Aiedkarn	People Excellent Director
8. Mr. Montri Seemasiri	Director of Managed Solution Center
9. Ms. Thitirat Thanathitikankun	Internal Audit Manager
10. Ms. Chulee Werawittayanukoon	Secretary of the Risk Management, Corporate Governance and Sustainability Team
11. Ms. Lannalin Yongsukpita	Secretary for minutes of a meeting

Scope of the Risk Management and Corporate Governance Team's Authority

1. To assess risks and supervise units following the risk management plan
2. To convene reviewing operational performance following the risk management plan and reporting the Risk Management, Corporate Governance and Sustainability Committee for acknowledgement on a regular basis or a quarterly basis
3. To adapt policies and guidelines for good corporate governance
4. To train supervisor/employee acknowledging the practices of Good Corporate Governance and Anti-Corruption Policies, such as IT Governance
5. To review performance according to Good Corporate Governance and to report the Risk Management, Corporate Governance and Sustainability Committee on a regular basis or continuously

Sustainability Working Group

Sustainability Working Group comprises representatives from the Sustainable Development Core Team (SD Core Team) in various dimensions of ESG, including the environmental, social, and governance dimensions. In the year 2023, following are members of the Sustainable Development Working Groups are as follows:

List of the Sustainability	Position
1. Mr. Thanakorn Charlee	Chief Operating Officer
2. Ms. Chulee Werawittayanukoon	Risk and Compliance Director
3. Ms. Narada Manawatanakij	Corporate Communication and Branding Manager
4. Ms. Ubonrath Keawkeamsri	People Benefits and Well-being Manager
5. Mr. Tinbodee Hassakatt	IT Strategy Team Lead
6. Ms. Lannalin Yongsukpita	Company Secretary
7. Ms. Suppawan Boonsawat	Senior Risk and Compliance Officer
8. Ms. Jaruwan Juipong	Creative Producer

Scope of the Sustainability Team's Authority

To oversee and review sustainable development operations, propel towards implementation, and create participation in the execution of various projects within the sustainable development framework with relevant internal and external units. Additionally, to cultivate a culture of sustainable development and communicate to board members, executives, and employees at all levels, partners, and all relevant individuals to ensure understanding and awareness of sustainable development.

Anti-Corruption Team

The Anti-Corruption Team comprises of senior executives, anti-corruption oversight team, Anti-Corruption Compliance Audit Unit and relevant persons. In the year 2023, following are members of the Anti-Corruption Team are as follows:

List of Anti-Corruption Team	Position
1. Mr. Thanakorn Charlee	Chief Operating Officer
2. Ms. Uraporn Aiedkarn	People Excellence Director
3. Ms. Kirana Pintanot	Purchasing Director
4. Ms. Chulee Werawittayanukoon	Risk and Compliance Director
5. Ms. Thitirat Thanathitikankun	Internal Audit Manager
6. Mr. Wongsatorn Wannasing	Legal Officer
7. Ms. Lannalin Yongsukpita	Company Secretary

Scope of Anti-Corruption Team's Authority

• Senior Executives

1. To determine objectives, policies and strategies of anti-corruption
2. To appoint departments or personnel that are appropriate to supervise and comply with anti-corruption
3. To specify duties and responsibilities of the Anti-Corruption Team

• Anti-Corruption Oversight Team

1. To establish anti-corruption policy
2. To establish Code of Conduct which specifies the anti-corruption guidelines and imposes penalties for non-compliance with anti-corruption measures
3. To review the Anti-Corruption Policy, Code of Conduct and other Company's requirements annually
4. To communicate the Anti-Corruption Policy and Code of Conduct to relevant parties for implementation
5. To raise awareness and train employees being aware and understanding the Anti-Corruption Policy and Code of Conducts
6. To determine channels and procedures for whistleblowing or complaints

7. To receive whistleblowing or complaints
8. To define an investigative process including considering the appointment of investigative teams and penalties (if any)
9. To prepare reports for whistleblowing or complaints annually
- **Anti-Corruption Compliance Audit Unit**
 1. To verify compliance with the Anti-Corruption Policy, Code of Conduct and anti-corruption risks by independent experts at least once (1) a year in order to control operations reliably
 2. To prepare anti-corruption audit report
 3. To report the results of anti-corruption investigations to relevant parties for acknowledgement
- **Related persons**
 1. Manager/ Supervisor controls the compliance with Anti-Corruption Policy and Code of Conduct.
 2. Employee complies with the Anti-Corruption Policy and Code of Conduct.

Personal Data Protection Act Team

To define the roles, duties and responsibilities of the team, this is considered as an important team to the Company's performance under the Personal Data Protection Act. Therefore, it resolved to appoint the personal Data Protection Team consisting of:

List of Personal Data Protection Act Team	Position
1. Mr. Kokanok Phattarametaworakul	Senior Information Security Director
2. Mr. Kittti Wintima	Chief Operating Officer – Telco BU
3. Mr. Surachai Khumitti	Senior Sales Director
4. Ms. Uraporn Aiedkarn	People Excellence Director
5. Mr. Natnaka Sundaranaga	Head of M-Lab
6. Mr. Tanapong Wuttikajohnved	Data Services Director
7. Ms. Kirana Pintanot	Purchasing Director
8. Mr. Montri Seemasiri	Director of Managed Solution Center
9. Ms. Supranee Kongsawatsrisuk	Process Excellence Director
10. Mr. Worapot Wongpan	Senior Legal Officer
11. Ms. Narada Manawatanakij	Corporate Communication and Branding Manager

Scope of Personal Data Protection Act Team's Authority

- To advise the company including employees under a contract or all relevant external service company's providers relating to compliance with the Personal Data Protection Act, also various policy frameworks and measures that the Board of Directors may determine, a manual on the supervision of personal data processing may be prepared in a manner that provides in principles and best practices for directors, executives, employees and related person. Aiming to raise awareness about the importance of personal data and the responsibilities of those involved, it must be strictly followed and adhere to along with the regulations and rules of the Company.
- To advise departments within the company as the regulatory mechanism to consider and assess potential significant risk factors associated with the processing of personal data and the establishment of the comprehensive and complete risk management guidelines, including collecting the preparation of an overall organizational risk assessment in relation to the processing of personal data to ensure that the Company has an efficient system and process for the risk management, as well as risk factors related to the personal data process in all potential Company's business process
- Arrange the knowledge sharing for the employees on matters related to compliance with the Personal Data Protection Act, including policies and measures of related companies, in order to raise awareness on the importance of personal data and responsibilities of related persons that needs to be complied with. The Committee has appointed the People Excellence Director to be the responsible party for providing knowledge to the employees.

- To provide internal controls for departments related to the sufficient and efficient process of personal data in the Company's business operations as well as to establish a regular process assessing the suitability of the Company's internal control system in order to having the Company the ability to guarantee the personal data process is accurate and in line with the Personal Data Protection Act effectively
- To check the Company's operation including employees under contracts or the Company's external service provider regarding the collecting, gathering, using, or disclosing all personal data performed by the Company in accordance with the Personal Data Protection Act
- To follow up and supervise operations by employees, employees under contracts, or the Company's outsourced service provider, preventing violations of duties in compliance with the Personal Data Protection Act and in the event that violations are seen or received complaints from other agencies, it should proceed with further fact-finding investigations. If violations are found, it shall be proposed that disciplinary or contractual action will be taken against the violators.
- To prepare a report on the overall Company's personal data process and report directly to the Company's Board of Directors, in this regard, such reports must contain opinions about the accuracy, completeness and consistency in the Company's duties under the framework of the Company's Personal Data Protection Act. Adequacy of the Company's internal control system. In this regard, such reports must contain opinions on the accuracy, completeness and consistency in the performance of duties of the Company under the framework of the Company's Personal Data Protection Act. Adequacy of the company's internal control system Such reports must be prepared regularly at least once a year or every time there is a change. or there is a significant event in the processing of personal data or in case of personal data breach
- To coordinate and cooperate with the Office of the Personal Data Protection Commission in case of issues with collecting, using or disclosing the Company's personal data, including employees or contractors of the Company, in compliance with the Personal Data Protection Act by appointing the secretary of the committee working as the central coordinator
- To host a coordinator with data owners who exercise their rights under the Personal Data Protection Act with the Company under the appropriate time frame as specified in the Personal Data Protection Act
- To perform any other actions related to the objectives of protection and supervision of the Company's personal data processing, complying with the framework of the Personal Data Protection Act

Information Technology Working Group

The Information Technology Working Group is responsible for supervising, supporting, and leading the implementation of the Information Security Management System according to ISO/IEC 27001 standards for effective implementation. The working group is also responsible for the approved documentations, and policies related to the Information Security Management System according to ISO/IEC 27001 standards. The Information Technology Working Group consists of the following sub-working groups:

The Information Technology Committee is responsible for outlining the framework and strategies so that the Information Technology Working Group can operate efficiently.

List of the Information Technology Committee	Position
1. Mr. Thanakorn Charlee	Chairman
2. Mr. Kokanok Phattarametaworakul	Vice Chairman

The role of the coordinator for Information Technology is to coordinate with various working groups within the Information Technology (IT) team and summarize issues to be reported to the committee for acknowledge.

List of the Coordinator for Information Technology	Position
1. Mr. Tinbodee Hassakatt	IT Strategy Team Lead
2. Mr. Amorn Wirachtakul	Senior System Administrator
3. Ms. Rada Tachawit	ISO Coordinator/DCO

The role of the Technical Infrastructure Working Groups is to maintain, monitor, and troubleshoot infrastructure and network equipment to ensure uninterrupted operation and readiness for usage.

List of the Technical Infrastructure Working Groups	Position
1. Mr. Aphinat Tiyasuwan	Server/Storage/Backup
2. Mr. Akapol Tilagul	Server/Storage/Backup
3. Mr. Witsarut Khamsook	Network/IP PABX
4. Ms. Phurita Pichitnapakul	Network/IP PABX
5. Mr. Wichit Panngoen	Firewall
6. Mr. Thapanan Nongluang	Firewall
7. Mr. Kosol Nartmuang	Site Prep/Datacenter
8. Mr. Ongard Chawakhieo	Site Prep/Datacenter
9. Mr. Pitchayuk Supapattranon	Database
10. Mr. Yuttana Sae-ue	Database
11. Mr. Wasittisak Sookarom	Duo/Ironport/Anyconnect
12. Mr. Manutchai Rojanavichian	Duo/Ironport/Anyconnect
13. Mr. Thanaphat Wattakeeyanont	BIG-IP Advanced WAF/Cloud WAF Service
14. Mr. Karin Naak-in	Antivirus
15. Mr. Sunat Praphanwong	FortiSIEM
16. Mr. Woraphak Netiparatanakul	Web Application Firewall
17. Mr. Thanaphat Wattakeeyanont	Web Application Firewall
18. Mr. Amorn Wirachtakul	CCTV
19. Mr. Suthichai Suthipaet	CCTV

The role of the Application Infrastructure Working Groups is to troubleshoot application issues for overall system functionality.

List of the Application Infrastructure Working Groups	Position
1. Mr. Setaphong Tantanawat	Application Support
2. Ms. Woralak Laoareekij	Application Support
3. Mr. Kitsada Kankreng	Application Support
4. Ms. Ubonrath Keawkeamsri	ESS
5. Ms. Uraporn Aiedkarn	ESS
6. Mr. Teeranutt Planseeaow	Software Developer
7. Mr. Sarun Puangkrasae	Software Developer
8. Ms. Chawamon Pholraksa	Software Developer
9. Ms. Noppamas Phuseesod	ADFile Server/O365/Sharepoint
10. Mr. Amnat Siripisanprasert	ADFile Server/O365/Sharepoint
11. Ms. Sainamphung Phanphet	Chatbot
12. Ms. Nawaporn Manyanon	Chatbot
13. Mr. Tinbodee Hassakatt	iGIT
14. Mr. Wason Liwlompaisan	iGIT
15. Mr. Chanaphoom Promjun	Access Door
16. Mr. Amorn Wirachtakul	Access Door
17. Mr. Supapich Pisutsin	ServiceNow
18. Mr. Phasawit Nora-on	ServiceNow
19. Mr. Pongsatorn Paolanwat	Appsmith
20. Ms. Nawaporn Manyanon	MPulse

The role of the Information Technology Governance Committee to provide consultation, establish directions, seek resolutions, regarding issues related to information technology.

List of the Information Technology Governance Committee	Position
1. Mr. Montri Seemasiri	Director of Managed Solution Center
2. Mr. Sermsak Sriphothong	IT Operation Managed Services
3. Mr. Manutchai Rojanavichian	Senior System Consultant/Team Leader
4. Mr. Karin Naak-in	System Infrastructure
5. Mr. Wason Liwlompaisan	Assistant Solution Delivery Manager
6. Mr. Pongsatorn Paolanwat	Network and Cisco Customer Experience
7. Ms. Supranee Kongsawatsrisuk	Information Security Manager
	Information Security
	Chief Technology Officer
	Corporate Strategy Planning and Management
	Senior Solution Consultant (PS)
	Business Innovation Unit
	Process Excellence Director
	Corporate Operation Management

The role of the internal audit team of the Information Technology is responsible for conducting internal assessments of the information security management system according to ISO/IEC 27001 standards.

List of the Internal Audit Team of the Information Technology	Position
1. Ms. Thitirat Thanathitikankun	Lead Auditor
2. Ms. Nareerat Wongwittayanan	Internal Auditor
3. Ms. Napapat Pradabjai	Internal Auditor
4. Ms. Tamonwan Mangmee	Internal Auditor
5. Ms. Sasipapha Jadphanin	Internal Auditor

Information Security Management System Working Group

In order to efficiently develop the Information Security Management System (ISMS), the Executive Committee of MFEC Public Company Limited has appointed the IT Governance Working Group, the Information Security Management System Working Group, and related parties to support the implementation of the Information Security Management System in accordance with ISO/IEC 27001 standards.

Scope of Duties and Responsibilities of the Information Security Management System Working Group

1. Prepare and review documents related to services management, such as Information Security Management Objectives, ISMS Performance Evaluation, and policies related to the Information Security Management System according to the ISO/IEC 27001 standards.
2. Prepare and improve each step of the work process in case there is a request from related parties, including managing and ensuring that the processes are efficiently implemented and in accordance with the Information Security Management Objectives.
3. Follow up and collect implementation results which are non-conformity with the standards. Prepare guidelines for improvements, corrections, and preventions.

4. Assess risks in Information Technology Service Management and prepare reports on risk assessment results. Establish risk management guidelines and comply with the risk management guidelines.
5. Create indicators and report results of the ISMS Performance Evaluation according to the specified criteria and in line with the ISMS Service Management Objectives, which is in line with the ISO/IEC 27001 standard frameworks and related standards.
6. Coordinate with relevant departments regarding the services management to establish and improve the processes and implementation to be in accordance with the Information Security Management System Plans.
7. Report performance results according to ISO/IEC 27001 service management standards to the IT Governance.
8. Implement or coordinate with other departments in order to campaign, publicize, train, and share knowledge and understandings. Raise awareness of the services so that the related parties can comply with the policies and work processes.
9. Any other duties assigned by the IT Governance.

List of the Information Security Management System Working Groups	Position
1. Mr. Tinbodee Hassakatt	IT Support Team Lead/ISMR
2. Mr. Amorn Wirachtakul	IT Support
3. Mr. Suthichai Suthipaet	IT Support
4. Mr. Chanaphoom Promjun	IT Support
5. Mr. Sorakith Maruekasonthi	IT Support
6. Mr. Teeranutt Planseekaow	IT Support
7. Mr. Larpboonek Wongphurin	CSOC Head
8. Mr. Setthawhut Saennam	CSOC Team Lead
9. Mr. Sumet Boonsenan	CSOC
10. Mr. Pakpoom Dachphong	CSOC
11. Mr. Potchara Moncha-aum	HelpDesk Team Lead
12. Ms. Praewa Santhitipong	People Excellence
13. Ms. Nichawee Wannasawat	People Excellence
14. Ms. Netnapha Chaoun	Accounting
15. Mr. Worapot Wongpan	Corporate Lawyer

Mr. Tinbodee Hassakatt, IT Support Team Lead, is the coordinator for Information Security with the duty as a representative of the Information Security Management System Working Group. Following are the scope of duties:

- 1) Be the representative of the organization in coordinating the internal and external audits by being informed of the plans, activities, expenses, and audit results.
- 2) Be the responsible person for collecting feedback and arguments from the audited parties and the internal or external audits.
- 3) Coordinate with relevant agencies according to the plans provided by the internal and/or external audits.
- 4) Be the appointed representative in facilitating relevant parties during the site inspections, including informing the external audits of the necessary information in order to prepare for the site inspections.
- 5) Prepare and review documents related to the Information Security Management System, such as Information Security Management Objectives.

Ms. Rada Tachawit, ISO Coordinator, is the Document Control Officer (DCO) for the Information Security Management System. Following are the scope of duties:

- 1) Set the procedures for document control.
- 2) Create Document Codes as requested by relevant parties.
- 3) Supervise, record, update, and amend document registration relating to the Information Security Management System according to the ISO/IEC 27001 standards.
- 4) Control the access to the documents and control the approvals of document amendments to be in line with the IT Security Policies of MFEC Public Company Limited.
- 5) Coordinate with relevant parties for registrations, requests for amendment of the documents, distributions of documents, and cancellations of document registrations.
- 6) Communicate with relevant parties regarding the changes of policies, procedures, or any other related documents so that all parties can comply with the procedures accurately.

The Working Group for Internal Audit of the Information Security Management System consists of the Internal Audit Department, which is the independent unit that directly reports to the Audit Committee. Following are the scope of duties:

- 1) Prepare the programs for internal audits.
- 2) Prepare the plans for internal audits.
- 3) Conduct the internal audit according to the internal audit plans and audit requirements in accordance with the ISO/IEC 27001 standards.
- 4) Prepare internal audit reports.
- 5) Follow up on the resolutions of non-conformities from relevant departments.

List of the Internal audit team For the Information Security Management System	Position
1. Ms. Thitirat Thanathitikankun	Lead Auditor
2. Ms. Nareerat Wongwitthayan	Internal Auditor
3. Ms. Napapat Pradabjai	Internal Auditor
4. Ms. Tamonwan Mangmee	Internal Auditor
5. Ms. Sasipapha Jadphanin	Internal Auditor

Services Management Working Group

The Service Management Working Group is responsible for supervising, supporting, and leading the implementation of the Service Management System according to ISO/IEC 2000-1:2018 standards for effective implementation. The working group is also responsible for the approved documentation, and policies related to the Service Management System according to ISO/IEC 2000-1:2018 standards. The Services Management Working Group consists of the following sub-working groups:

List of the Service Management Committee	Position
1. Mr. Thanakorn Charlee	Chief Operating Officer
2. Mr. Potchara Moncha-aum	Helpdesk
3. Mr. Thanongsak Ittisupawan	Information Security
4. Mr. Larpboonek Wongphurin	Cyber Security Operation Center and Manage Security
5. Mr. Tinbodee Hassakatt	IT Support
6. Mr. Sermsak Sriphothong	System Infrastructure
7. Ms. Kanokporn Kamlamai	IT Operation Managed Services
8. Mr. Chinpakorn Chalerm-Muang	Networking and Cisco Customer Experience
9. Ms. Kan Yodyuengkray	Networking and Cisco Customer Experience
10. Mr. Worapot Wongpan	Corporate Lawyer
11. Mr. Surachai Khumitti	Senior Sale Director

List of the Service management working groups	Position
1. Mr. Songklod Rungsimuntachat	Helpdesk
2. Mr. Sedtapong Massuri	Helpdesk
3. Mr. Potchara Moncha-aum	Helpdesk
4. Mr. Suwat Meeboon	Information Security
5. Mr. Thanongsak Ittisupawan	Information Security
6. Mr. Setthawhut Saennam	Cyber Security Operation Center and Manage Security
7. Mr. Larphoonek Wongphurin	Cyber Security Operation Center and Manage Security
8. Mr. Amorn Wirachtakul	IT Support
9. Mr. Tinbodee Hassakatt	IT Support
10. Ms. Niramol Lertpiyanuntakul	System Infrastructure
11. Mrs. Patthanan Kaikaew	IT Operation Managed Services
12. Mr. Phisit Jomsawang	IT Operation Managed Services
13. Mr. Chinpakorn Chalerm-Muang	Networking and Cisco Customer Experience
14. Ms. Kan Yodyuengkay	Networking and Cisco Customer Experience
15. Ms. Chulee Werawittayanukoon	Risk Management

Ms. Rada Tachawit ISO Coordinator is the Document Control Officer (DCO) for the service management system.

List of the Knowledge Management Committee	Position
1. Ms. Uraporn Aiedkarn	People Excellence Director
2. Ms. Praewa Santhitipong	People Development and Growth Manager
3. Ms. Nichawee Wannasawat	Senior People Development Partner
List of the Incident Management Committee	Position
1. Mr. Setthawhut Saennam	Cyber Security Operation Center and Manage Security
2. Mr. Tinbodee Hassakatt	IT Support
3. Mr. Potchara Moncha-aum	Helpdesk
4. Mr. Boonyarit Jiemrutanasri	Networking and Cisco Customer Experience
List of the Problem Management Committee	Position
1. Ms. Niramol Lertpiyanuntakul	System Infrastructure
2. Mr. Thanongsak Ittisupawan	Information Security
3. Mr. Setthawhut Saennam	Cyber Security Operation Center and Manage Security
4. Mr. Tinbodee Hassakatt	IT Support
5. Mr. Potchara Moncha-aum	Helpdesk
6. Ms. Supattra Angkoonchotibut	IT Operation Managed Services
7. Mr. Witsarut Khamsook	Networking and Cisco Customer Experience

List of the Internal Audit team	Position
<ol style="list-style-type: none"> Ms. Thitirat Thanathitikankun Ms. Nareerat Wongwithayan Ms. Napapat Pradabjai Ms. Tamonwan Mangmee Ms. Sasipapha Jadphanin 	<ol style="list-style-type: none"> Lead Auditor Internal Auditor Internal Auditor Internal Auditor Internal Auditor
List of Vendor Management Working Groups	Position
<ol style="list-style-type: none"> Mr. Potchara Moncha-aum Mr. Tinbodee Hassakatt Mr. Setthawhut Saennam Ms. Niramol Lertpiyanuntakul Mr. Thanongsak Ittisupawan Mr. Nopporn Jindarat Mr. Manutchai Rojanavichian 	<ol style="list-style-type: none"> Supplier Manager Helpdesk Supplier Manager IT Support Supplier Manager Cyber Security Operation Center and Manage Security Supplier Manager System Infrastructure Supplier Manager Information Security Supplier Manager IT Operation Managed Services Supplier Manager Networking and Cisco Customer Experience
List of Urgent Change Advisory Committee	Position
<ol style="list-style-type: none"> Mr. Tinbodee Hassakatt Mr. Larpboonek Wongphurin Mr. Thanongsak Ittisupawan Mr. Sermsak Sriphothong Ms. Kanokporn Kamlamai Mr. Chamnong Rawang Mr. Boonyarit iemrutasari 	<ol style="list-style-type: none"> MFEC Infrastructure Cyber Security Operation Center and Manage Security Information Security/Exclude MFEC internal System Infrastructure/Exclude MFEC internal IT Operation Managed Services IT Operation Managed Services Networking and Cisco Customer Experience
List of the Consulting Team for Service Transformation	Position
<ol style="list-style-type: none"> Mr. Tinbodee Hassakatt Mr. Potchara Moncha-aum Mr. Songklod Rungsimuntuchat Mr. Sedtapong Massuri Ms. Niramol Lertpiyanuntakul Mr. Sermsak Sriphothong Mr. Manutchai Rojanavichian Mr. Thanongsak Ittisupawan Mr. Setthawhut Saennam Mr. Sumet Boonsenan Mr. Pakpoom Dachphong Mr. Nopporn Jindarat Mr. Chamnong Rawang 	<ol style="list-style-type: none"> IT Support Helpdesk Helpdesk Helpdesk System Infrastructure System Infrastructure Networking and Cisco Customer Experience Information Security Cyber Security Operation Center and Manage Security Cyber Security Operation Center and Manage Security Cyber Security Operation Center and Manage Security IT Operation Managed Services IT Operation Managed Services

7.4 Executives

7.4.1 List of Executives, as of 31 December 2023

Based on the Organization Structure in 7.1 Organization Chart, there were five (5) executives below;

List of Executives	Position
1. Mr. Siriwat Vongjarukorn	Chief Executive Officer/ Chairman of Executive Board
2. Mr. Thanakorn Charlee	Chief Operating Officer
3. Mr. Arm Sivadith	Chief Transformation Officer
4. Mr. Kittti Wintima	Chief Operating Officer - Telco Business Unit
5. Mr. Pitch Manakijpairoj	Chief Financial Officer

Details of the current executives are elaborated in the article “Details of Executives and Controlling Persons”, Attachment 1.

Scope of Authority of Executive Chairman

1. To control, supervise, and oversee execution of the Executive Committee and calling for its meetings for consideration on any issues as appropriate
2. To have authority to sign on the Company’s cheques or payment document, accounting and financial document in an amount assigned by the Board of Directors
3. In case of emergency that an Executive Committee meeting cannot be held or its members cannot convene, Chief Executive Officer is authorized to make decision on establishing the Company’s mission, objectives, directions, and policies.
4. To have authority to appoint, remove, or disemployment executive officers
5. To perform duties with integrity and caution on the Company’s benefits

“In any proceedings that Executive Chairman or his/her sub-attorney that may have conflicts, stakes, or conflicts of interests (according to the Articles of Association and the securities and exchange Commission’s requirements) with the Company or its subsidiaries (if any), Executive Chairman or his/her sub-attorney has none of the authority to approve any proceedings of such matters. Exception can be made for approval of transactions according to the Company’s policies and principles approved by the Board of Directors, and the Stock exchange of Thailand’s requirement on interconnected transactions and acquisition or disposition of key assets of the Company or its subsidiaries.”

Scope of Authority of Chief Executive Officer

1. To manage and control operations relevant to the Company’s general management
2. To proceed with operations as delegated by the Board of Directors or the Executive Board
3. To have authority to appoint, transfer, dismiss, lay off, set wage rates and rewards, increase salary, determine remuneration, provide bonuses for all employees in positions lower than the executive level, and for appointment of a representative of the employer in the provident fund
4. To have authority to approve and appoint a sub-attorney to approve disbursement for procurement of assets and services for the Company’s benefits, and to approve financial transactions within an amount limit authorized by the Board of Directors or the Executive Board
5. To have authority to introduce orders, rules, announcements and records for work implementation following the Company’s policy and benefits and for internal disciplines
6. To have authority to take actions and express himself/herself as the Company’s benefits
7. To approve any appointment of advisors in the fields necessary to operations
8. To perform any other tasks as delegated by the Board of Directors or the Executive Board on a case-by-case basis. In this regard, the Chief Executive Officer operates under the direct supervision and reports directly to the Executive Chairman and shall follow the guidelines and policies set by the Executive Board.

"In any proceedings that Chief Executive Officer or his/her sub-attorney that may have conflicts, stakes, or conflicts of interests (according to the Articles of Association and the securities and exchange Commission's requirements) with the Company or its subsidiaries (if any), Chief executive Officer or his/her sub-attorney has none of the authority to approve any proceedings of such matters. Exception can be made for approval of transactions according to the Company's policies and principles approved by the Board of Directors, and the Stock exchange of Thailand's requirement on interconnected transactions and acquisition or disposition of key assets of the Company or its subsidiaries."

7.4.2 Remuneration

The Board of directors determine the remuneration policy clearly and transparently, based on the principles before forwarding it to a meeting of the shareholders for consideration and approval.

In this regard, from 2023, the Nomination and Remuneration Committee has considered the remuneration according to the principles and has presented it to a meeting of the Board of Directors and a meeting of the shareholders for consideration and approval.

- Policy and principles for remuneration for the Board of Directors. The remuneration is set to be paid on an annual basis, with respect to mission, responsibility, and work performance of the Board, in comparison with other companies at a similar size in the similar industry.

- Policy and principles for remuneration to the Executives. The Board of directors considers remuneration to the executives in the forms of salary, bonus, contribution to a provident fund and other beneficial obligations, based on the following factors:

- 1) Survey data on remuneration provided by institutions or units in the same industry and similar level
- 2) Inflation
- 3) Past record of net profit growth and work performance in accordance with assigned responsibility and work performance as targeted earlier

Financial Remuneration

(1) Remuneration to the Board of Directors/Committees

- **Remuneration/Travel Allowance:** The remuneration to the Board was presented to 2023 Annual General Meeting of the Shareholders held on 24 April 2023 which decided to keep the remuneration unchanged during 2014-2023 in the following decisions. The shareholders' meeting has resolved to remain the remuneration of the directors as follows

Position	Remuneration to the Board (Annual Basis)				
	Board of Directors	Audit Committee	Risk Management, Corporate Governance and Sustainability Committee		Nomination & Remuneration Committee
			Remuneration	Travel Allowance	
1. Chairman	264,000	264,000	264,000	60,000	264,000
2. Directors	192,000	264,000	264,000	60,000	264,000

Remark

- 1) Mr. Kiyotaka Nakamura, Vice Chairman who represents TIS Inc. of Japan, waived remuneration throughout his term following the good corporate governance of Japan's Stock Exchange.
- 2) Mr. Thanakorn Charlee, who held the positions of Risk Management, Corporate Governance and Sustainability Committee, did not received annual remuneration and travel allowance.
Mr. Siriwat Vongjarukorn, who held the positions of the Nomination and Remuneration Committee, did not receive annual remuneration.
- 3) The AGM 2023 received on remuneration for the Board of Directors and committees at no more than 4,164,000 baht.

- **Other remunerations:** None of other benefits aside from annual meeting/ travel allowance

(2) Executive Remuneration

- Remuneration for executives of the Company and its subsidiaries: Salary and bonus

Unit: Baht	Number of Persons	Y 2023	Number of Persons	Y 2022
Financial remuneration	24	112,018,945	22	90,675,459
Total	24	112,018,945	22	90,675,459

- Other remuneration for executives of the Company and its subsidiaries: Social security contributions, Provident fund contribution, employee benefit obligations

Unit: Baht	Number of Persons	Y 2023	Number of Persons	Y 2022
Other remuneration	24	8,356,931	22	8,094,239
Total	24	8,356,931	22	8,094,239

7.5 Employees of the Company and its subsidiaries

The employees are the organization's essential resources for business operations. The organizational growth depends on the quality employees who possess skills, knowledge, and expertise. Therefore, MFEC Group has the policy for Skill Set development, improvement of internal management process to be in line with changed technology, service standards and sustainable growth. The employees are encouraged to be aware of ethics and good corporate governance.

- **Number of Employees**

As of December 31st, 2023, and December 31st, 2022, the Company and its subsidiaries had the employees by main business line in the following details;

MFEC & its subsidiaries	No. of Employees (person)			
	31 st December 2023		31 st December 2022	
	Permanent	Contract	Permanent	Contract
1. MFEC Public Company Limited	1,002	94	976	92
2. Subsidiaries	368	21	295	33
Total	1,370	115	1,271	125

Remark: 1. The lists of subsidiaries are described in topic 1.3 Shareholding structure of MFEC Group.

2. In 2023, there were 8 subsidiary companies and in 2022, there were 9 subsidiary companies.

The number of the employees, as of 31st December 2023 and 31st December 2022, of the Company and its subsidiaries can be grouped by the following, main business lines;

Main Business Line	No. of Employees (person)	
	31 st December 2023	31 st December 2022
1. Sales & marketing	59	83
2. Technical Support & Product Development	971	1,177
3. Administration	66	136
Total	1,096	1,396

Remark: The Company and its subsidiaries have no labor unions and any labor disputes in the past five (5) years.

Remuneration to the employees of the Company and its subsidiaries

- **Financial remuneration:** Salary, Bonus, Allowance, overtime payment, travel allowance, and welfare

Unit: Baht	Number of Persons	Y 2023	Number of Persons	Y 2022
Financial remuneration	1,612	1,310,681,385	1,828	1,377,263,830
Total	1,612	1,310,681,385	1,828	1,377,263,830

- **Other remuneration:** Social security fund, provident fund, and employee benefit obligations

Unit: Baht	Number of Persons	Y 2023	Number of Persons	Y 2022
Other remuneration	1,612	74,592,254	1,828	80,788,312
Total	1,612	74,592,254	1,828	80,788,312

7.6 Other important information

7.6.1 Company Secretary

The Board of Directors' Meeting No. 3/2019, dated 13 August 2019, resolved to appoint Ms. Lannalin Yongsukpita, as the Company Secretary onward. She was given training in the course relevant to duties of Company Secretary from the Institute of Directors (IOD). Her qualification is described in Attachment 1.

In the event that Company Secretary leaves the position or cannot perform the duties, the Board of Directors shall appoint new Company Secretary with 90 days from the date the previous one leaves the position or cannot perform duties.

Brief Profile of Company Secretary

Ms. Lannalin Yongsukpita

Bachelor: Faculty of Archaeology - Silpakorn University

Faculty of Law - Sukhothai Thammathirat Open University

Qualification: Having knowledge in relevant laws, possessing coordination skills and flexibility to perform tasks, gaining capabilities to summarize any issues and preparing minutes of meetings with good relationship, leadership, and communication skills. Being given training on duties of Company Secretary from the Institute of Directors (IOD)

Duties and Responsibilities of Company Secretary

- To stay as the center for document preparation/storage
- To coordinate with the shareholders and facilitate organization, meeting invitation letter, and minutes of the meeting
- To report stockholding of directors and executives
- To coordinate on implementation following the Board resolutions
- To have the Board perform its duties following the laws, the Public Company Act, the Securities and exchange Act, and rules and regulations of the Securities and Exchange Commission, Thailand, and the Stock Exchange of Thailand, and to provide advice on laws and announcements
- To do any other issues as delegated by the Board

7.6.2 Investor Relations Supervisor and Contact Information (If any)

- None -

7.6.3 Auditing Firm and Affiliated Company

Audit Fee

The 2023 Annual General Meeting of Shareholders on 24th April 2023 had a resolution to appoint Mr. Khitsada Lerdwana, a Certified Public Accountant No. 4958 and/or Ms. Manee Rattanabunnakit, a Certified Public Accountant No. 5313 and/or Mrs. Termphong Opanaphan, a Certified Public Accountant No. 4501 from EY Company Limited to be the auditors of the Company and its subsidiaries, and to audit the 2023 financial statements and review the quarterly financial statements for the year 2023. The Meeting had the resolution to approve the appointment of the nominated auditors to be the auditors of MFEC Public Company Limited. The approved auditor's remuneration for auditing and reviewing the 2023 financial statements was 1,430,000 Baht.

The Group of companies, which consists of the Company and its 7 subsidiaries, had the remuneration of the auditor amounted to 3.15 million Baht for the year 2023. Details are as follows:

Description	Amount (Baht)
Auditor's remuneration of the Company	1,430,000
Auditor's remuneration of the Company's subsidiaries (7 companies)	1,720,000
Total	3,150,000

Other remuneration beyond the scope of auditing tasks (Non-Audit Fee)

- None -



Structure

8. Significant Corporate Governance Report

8.1 Performance of the Board of Directors in the previous year

8.1.1 Nomination, Development and Evaluation of the Board's Performance

Independent Director

The independent directors act as a crucial mechanism in overseeing good corporate governance. Independent directors are responsible for supporting policies that benefit shareholders and opposing decisions that may be unfair or transparent as these decisions could affect the interests of shareholders and other stakeholders. Therefore, independent directors must have independence from the control of management and major shareholders, and should not have any financial or managerial involvement that may create conflicts of interest.

In this regard, the board of directors have determined the definition of independence for independent directors to be in line with the criteria set by The Securities and Exchange Commission, Thailand

Qualification of Independent Directors

a. An independent director shall hold no more than 1% of total shares, eligible for voting, of the Company, its subsidiaries and associated companies or juristic persons that may have conflicts. Shares owned by related persons are included.

b. The independent director shall neither have been an executive director, an employee, an officer, a consultant with regular salary, nor a person with controlling power of the Company, its subsidiaries and associated companies or juristic persons that may have conflicts. An exception is made for a person who has left the said positions for no less than two (2) years.

c. The independent director shall not have blood relationship or legal registration as parents, spouses, brothers or sisters, and daughters or sons. A spouse of daughter or son of an executive, a major shareholder, a person with controlling power or a candidate for an executive position or that with controlling power of the Company and its subsidiaries.

d. The independent director shall have no business relationship with the Company, its subsidiaries, and associated companies or juristic persons that may have conflicts possibly hinder independent consideration.

e. The independent director shall not be the one appointed as a representative of the Board, a major shareholder or a shareholder related to the Company's major shareholder.

f. The independent director shall not have any other characteristics that hinder independent opinions involving the Company's operations.

The roles and responsibilities of Independent Directors

a. Propose important and beneficial suggestions for the company, shareholders, and subsidiary shareholders to the Board of Directors.

b. Provide opinions on the roles and responsibilities of the Board of Directors, as well as provide opinions in accordance with the roles and responsibilities of Independent Directors for the benefit of the company, shareholders, and subsidiary shareholders.

c. Ensure the company's compliance with relevant laws.

d. Perform any other duties assigned by the Board of Directors that do not interfere with the independent execution of duties.

e. The term of an Independent Director begins when they possess the necessary qualifications as defined in the definition of an independent director for good corporate governance and ends when they no longer meet the aforementioned qualifications.

Separation of the Chairman of the Board of Directors and Chief Executive Officer positions

In order to separate the responsibilities of setting company policies and managing company operations, and to enable the board of directors to effectively monitor, supervise, and evaluate the performance of company management, the company designates the Chairman of the Board of Directors and the Chief Executive Officer as separate individuals. The Chairman of the Board of Directors is responsible for overseeing the management of executive affairs, providing guidance and assistance, but without getting involved or interfering in the day-to-day management, which falls within the CEO's responsibilities under the authority granted by the board.

Currently, the Chairman of the Board of Directors is a highly qualified leader who oversees board activities and ensures that they are not influenced by the management team. Their role includes allowing meeting participants to exercise their voting rights and adhering to principles of good corporate governance with strictness.

Nomination of Directors and Senior Executives

Nomination of the Board of Directors

a. The Company Secretary informs the shareholders about regulations that permit them to nominate qualified candidates to hold the position of directors through the Stock Exchange of Thailand's channels and the Company's website; ir.mfec.co.th, and propose the qualified candidates to the Nomination and Remuneration Committee's Meeting, the Board of Directors Meeting, the Annual General Meeting of Shareholders (AGM) Meeting for consideration.

b. There shall be no less than five (5) Board members and no less than three (3) independent directors. At least one (1) of the Board members shall have knowledge and expertise in accounting and finance. No less than half of total Board members shall have domicile in the Kingdom of Thailand. The Board of Directors' Meeting No. 1/2023 resolved to nominate the Annual General Meeting of Shareholders to elect Mr. Siriwat Vongjarukorn, Mr. Thanakorn Charlee and Dr. Charn Tharawas to resume their positions as the Board members.

c. The Annual General Meeting of Shareholders shall elect a director with a majority vote of the shareholders. The Nomination and Remuneration Committee shall nominate a qualified person to the Board of Directors select and nominate a qualified person to the Annual General Meeting with the following criteria;

- Each share of a shareholder is eligible for one vote.
- Shareholders' voting shall be on an individual basis.

• Candidates, who rank in order descending from the highest number of votes received, shall be elected as the Board members. The number of the Board members' vacancies shall be equal to the number of vacancies determined or elected at that time. In the event of a tie, Chairman shall cast the final vote to break the tie.

As of 31st December 2023, the Board of Directors consisted of ten (10) members. (Eight (8) of which had their domiciles in the Kingdom of Thailand. Five (5), or 50 % of total, were independent directors. Four (4) of total were those with knowledge in accounting and finance. They were Mr. Anan Leetrakul, Prof. Dr. Uthai Tanlamai, Assoc. Prof. Dr. Kamales Santivejkul, and Dr. Charn Tharawas.)

Nomination of Senior Executives/ Succession of Positions

Reported under Part 2 Corporate Governance "Section 7.4 Executives"

8.1.2 Participation in Meeting and Remuneration for Individual Committee

The Board of Directors Meeting

The Company's Regulations prescribe the meeting regulations as follows;

- In the case of Chairman's resignation, Vice Chairman or a director shall perform the duty.
- No less than half of total directors constitutes a quorum.
- The minimum quorum amount at the time, when the Board of Directors will vote at the Board Meeting, must have at least two (2) in three (3) of the total number of directors.
- At least three (3) meetings shall be held per year. Hence, the Board of Directors Meeting resolved to hold at least six (6) meetings per year according to the good corporate governance. This is to provide sufficient time for consideration, supervision, and oversight in compliance with the Board's roles, duties, and responsibilities.
- Director, who has a conflict-of-interest matter, should left the meeting during the consideration of the meeting, and allow the meeting to express their ideas freely.

The Company Secretary is assigned to arrange annual meeting schedules of the Board of Directors and committees, and to notify them for acknowledgement and the benefits of meeting attendance. The meeting document shall be delivered to all Board and committee members no less than seven (7) days in advance to allow sufficient time for detail consideration in each agenda.

In 2023, the Board of Directors held eight (8) meetings with the following attendance details of each member;

List of Board Members	No. 1/2023	No. 2/2023	No. 3/2023	No. 4/2023	No. 5/2023	No. 6/2023	No. 7/2023	No. 8/2023	Meeting Attendance (%)
1. Mr. Sirisak Tirawattanangkul	✓	✓	✓	✓	✓	✓	✓	✓	100.0
2. Mr. Kiyotaka Nakamura	✓	✓	✓	✓	✓	✓	✓	✓	100.0
3. Mr. Siriwat Vongjarukorn	✓	✓	✓	✓	✓	-	✓	✓	87.5
4. Mr. Thanakorn Charlee	✓	✓	✓	✓	✓	✓	✓	✓	100.0
5. Mr. Anan Leetrakul	✓	✓	✓	✓	✓	✓	✓	✓	100.0
6. Mr. Suchart Thammaoitagkul	✓	✓	✓	✓	✓	✓	✓	✓	100.0
7. Prof. Dr. Uthai Tanlamai	✓	✓	✓	✓	✓	✓	✓	✓	100.0
8. Assoc. Prof. Dr. Kamales Santivejkul	✓	✓	✓	✓	✓	✓	✓	✓	100.0
9. Dr. Charn Tharawas	✓	✓	✓	✓	✓	✓	✓	✓	100.0
10. Mr. Masakazu Kawamura	✓	✓	✓	✓	✓	✓	✓	✓	100.0
Total Directors in each Meeting	10/10	10/10	10/10	10/10	10/10	9/10	10/10	10/10	98.75

Remuneration for the Board of Directors

The company has established a policy of fair and reasonable compensation for the board of directors. There is a remuneration committee responsible for reviewing director remuneration to ensure appropriateness. The remuneration committee follows best practices in considering the compensation for the board of directors and other sub-committees for the year 2023. The important factors taken into consideration include the industry's prevailing practices, good corporate governance, company performance, business size, board's responsibilities, and economic growth data. Remuneration is determined based on monthly remuneration and Travel expenses (for the Risk Management, Corporate Governance and Sustainability Committee).

During the annual general meeting held on April 24, 2023, the shareholders approved the remuneration for the board of directors and sub-committees for the year 2023, maintaining the same rates as from 2014-2023. The details are as follows:

Monthly Remuneration for the Board of Directors	Amount (Baht)
1. Remuneration to Directors	
- Chairman	22,000
- Other directors	16,000
2. Other remuneration - No other benefits	-None-
Monthly Remuneration to Committees Audit Committee, Nomination and Remuneration Committee, Risk Management, Corporate Governance and Sustainability Committee	Amount (Baht)
1. Remuneration to Directors	
- Chairman	22,000
- Other directors	22,000
2. Travel expenses (for the Risk Management, Corporate Governance and Sustainability Committee)	5,000
3. Other remuneration - No other benefits	-None-

Remuneration for Individual Committee Members in the year 2023

List of Board Members	Annual Remuneration					Total
	Board of Directors	Audit Committee	Risk Management, Corporate Governance and Sustainability Committee		Nomination and Remuneration Committee	
			Remuneration	Travel expenses		
1. Mr. Sirisak Tirawattanangkul	264,000	-	-	-	-	264,000
2. Mr. Kiyotaka Nakamura	0	-	-	-	0	0
3. Mr. Siriwat Vongjarukorn	192,000	-	-	-	0	192,000
4. Mr. Thanakorn Charlee	192,000	-	0	0	-	192,000
5. Mr. Anan Leetrakul	192,000	-	-	-	264,000	456,000
6. Mr. Suchart Thammaoitagkul	192,000	264,000	-	-	-	456,000
7. Prof. Dr. Uthai Tanlamai	192,000	264,000	264,000	5,000	-	780,000
8. Assoc. Prof. Dr. Kamales Santivejkul	192,000	264,000	264,000	5,000	264,000	1,044,000
9. Dr. Charn Tharawas	192,000	-	264,000	5,000	264,000	780,000
10. Mr. Masakazu Kawamura	0	-	-	-	-	0
Total	1,608,000	792,000	792,000	180,000	792,000	4,164,000

Note

1. The remuneration for the Board of Directors, excluding Mr. Kiyotaka Nakamura and Mr. Masakazu Kawamura who are representatives from TIS Inc., has been relinquished throughout their tenure as Board of Directors. This is in line with the criteria for good corporate governance of companies listed on the Tokyo Stock Exchange.

2. The remuneration for Mr. Thanakorn Charlee, who serves as an Executive Committee and holds a position in the Risk Management, Corporate Governance and Sustainability Committee, will be waived in accordance with the remuneration policy.

3. The remuneration for Mr. Siriwat Vongjarukorn, who serves as an Executive committee and holds a position in the Nomination and Remuneration Committee, will also be waived in accordance with the compensation policy. Additionally, Mr. Kiyotaka Nakamura, who is a representative from TIS Inc., has decided to forego the remuneration throughout their tenure as board members, in line with the criteria for good corporate governance of companies listed on the Tokyo Stock Exchange.

4. The 2023 Annual General Meeting of Shareholders determined that the remuneration total maximum compensation of 4,164,000 baht for the Board of Directors and its sub-committees.

8.1.3 Supervision and Management of Subsidiaries and Affiliated Companies

Investment policies and operations management of the company in subsidiaries and affiliated companies

MFEC Public Company Limited (“the Company”) sets investment policies in its subsidiaries and closely related affiliated companies, or invests in businesses that have the potential for growth, can expand the business, or benefit the group of companies, or can generate good returns on investment. The Company will analyze and consider the possibility of investment, investment ratio, expected returns, potential risks, and financial status of the Company before making investment decisions in various projects. Significant investment approvals must be considered by the CEO and approved at the Board of Directors’ meetings, the Shareholders’ Meetings, and/or the Delegation of Authority, following the relevant regulations and criteria of the Securities and Exchange Commission, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand, including criteria related to the acquisition or disposal of assets, related transactions, and information disclosure.

In addition, the company sets policies to supervise the operations of its subsidiaries and affiliated companies with the aim of establishing direct and indirect measures and mechanisms to ensure efficient management of these companies in accordance with relevant laws, including but not limited to the Thai Civil and Commercial Code, Securities Law, and other relevant regulations, as well as announcements, regulations, and criteria of the Securities and Exchange Commission, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. This is to maintain the investment value of the company’s holdings in these subsidiaries and affiliated companies, and to enhance shareholders’ confidence. In this regard, the Board of Directors may appoint representatives, directors, and/or executives from the subsidiaries or affiliated companies to reflect the proportion of the company’s shareholding in these companies. Such representatives may be directors, chief executive officers, senior executives, or any other person with qualifications and experience suitable for the businesses of the subsidiaries or affiliated companies in which the company invests, provided that there is no conflict of interest with the businesses of such companies. The company will ensure that its representatives efficiently manage the businesses of the subsidiaries or affiliated companies and oversee their operations in compliance with applicable laws and regulations.

In addition, the company will closely monitor the performance and operations of its subsidiaries and affiliated companies, as well as ensure that data collection and accounting records of these entities are properly maintained for the company’s review.

8.1.4 Monitoring to ensure compliance with Corporate Governance Policies and Guidelines

Anti-Corruption

- **Management of the business ethics and follow-up processes**

The Board of Directors has approved the anti-corruption policy and code of conduct, which have been endorsed by the Risk Management, Corporate Governance and Sustainability Committee. The company also mandates an annual review of the anti-corruption policy and code of conduct to ensure adequacy and appropriateness. In 2023, the Company reviewed its anti-corruption policy and manual, and communicated this to all employees for implementation. The details of the anti-corruption policy can be found at <https://ir.mfec.co.th/corporate-governance-policy>.

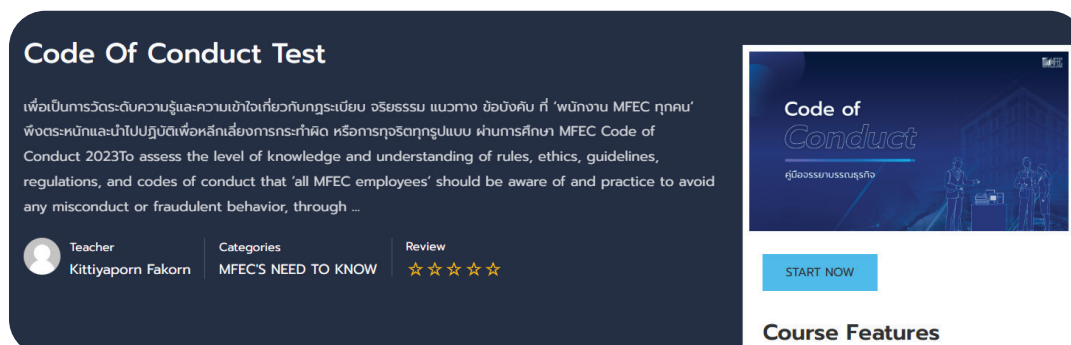
The Company is committed to combating corruption continuously. The Company has declared its support as a member of the Thai Private Sector Collective Action Against Corruption (CAC) on July 3, 2017, and was recertified as a CAC Re-Certified Company on September 30, 2022.

Additionally, the Company has appointed an Anti-Corruption and Corporate Governance Working Group to establish measures and oversee operations to prevent Fraud and corruption risks. An internal audit unit also conducts assessments, inspections and provides advice on policy and the code of conduct.

- **Employee training and testing on business ethics**

In 2023, the Company raised awareness about the anti-corruption in the corporation and took the following actions:

1. Developing employees' knowledge about compliance with the Code of Conduct via mReady (Website Knowledge) platform



2) Taking the “Code of Conduct Test 2023” to assess employees’ understanding of code of conduct through mReady website, including assessing the understanding of new employees during their orientation, employees have been tested and passed the test in 2023 with details in the table below. However, there will be a follow-up to take the test again in 2024 for employees who did not pass the test.

	No. of Tester (People)	No. of Passing Tester (People)	Percentage
New employee	159	154	96.86%
Employee	1,076	1,076	100.00%
Total	1,235	1,230	99.60%

Note: Test criteria is equal to or greater than 70 percent.

Whistleblowing

• Disclosure of Business Ethics Violations

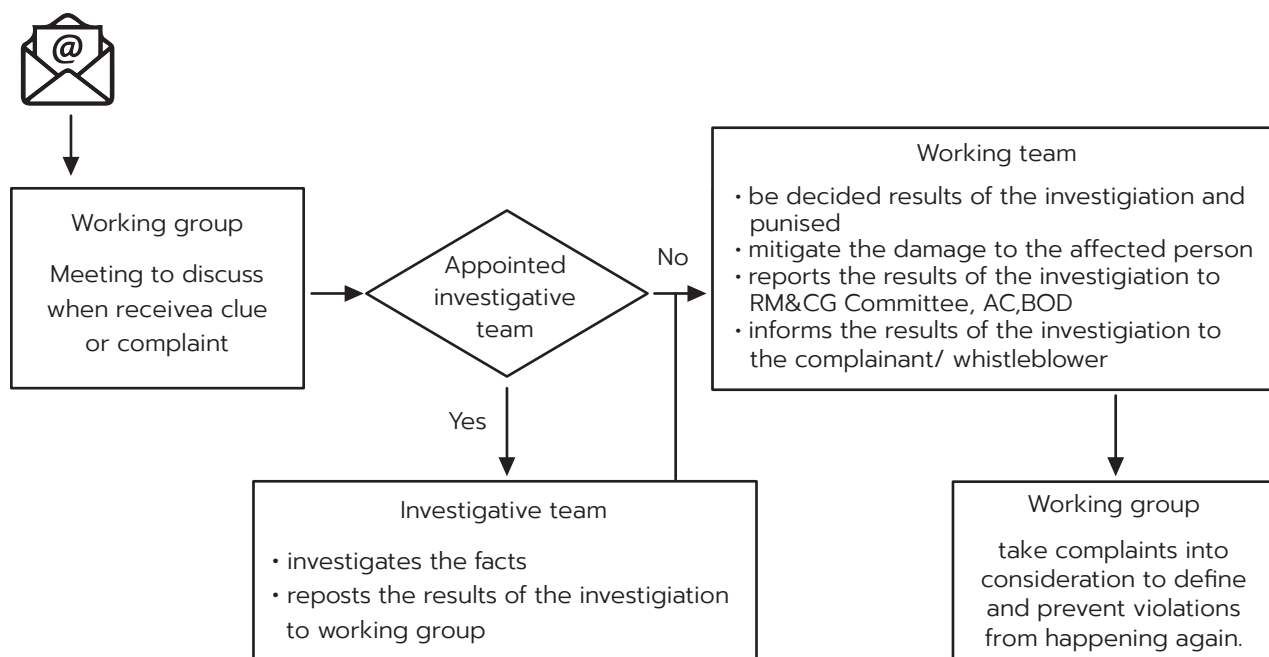
The Company has established a channel for “Whistleblowing or Complaints” and outlined the process for “Whistleblowing or Complaints” in the Code of Conduct to demonstrate the importance of combating corruption and collusion. Information, investigation processes, and investigation results will be kept confidential. And whistleblowers/ complainants will be protected according to the measures protecting them.

Summary of the Whistleblowing or Complaints report for the year 2023

Issues	Whistleblowing/ Complaints	Under reviews	Completed
1. Environment	0	0	0
2. Social	1	0	1
3. Governance and Economic	0	0	0

For the year 2023, the company has received a whistleblowing or complaints regarding social issues. There is one case of complaint concerning inappropriate behavior by an employee. The company has appointed an investigation team to conduct a thorough investigation, determine the facts, impose penalties on the wrongdoer, provide mitigation and assistance and support to those affected person and establish measures to prevent recurrence. The findings have been summarized and reported to the Anti-Corruption Working Group and reported to the Risk Management, Corporate Governance and sustainability committee and the Board of Directors.

Management of whistleblowing or complaints Process



In addition, the company conducts a risk assessment on corruption and compliance, and has an internal audit unit responsible for assessing internal controls to ensure that employees comply with various regulations and the company's Code of Conducts. There are also regular reports to the Audit Committee.

8.2 Performance of the Audit Committee in the previous year

In 2023, the Audit Committee convened four (4) times. It had one (1) meeting with the Risk Management, Corporate Governance and sustainability committee along with the external auditors, and the Management. All were reported to the Board on a quarterly basis. Details were described below:

List of the Audit Committee	No. 1/2023	No. 2/2023	No. 3/2023	No. 4/2023	No. 1/2023 Meeting Joint with Risk & Auditors	Meeting Attendance (%)
1. Mr. Suchart Thammapitagkul Chairman of the Audit Committee Independent Director, Knowledge in Law	√	√	√	√	√	100.0
2. Prof. Dr. Uthai Tanlamai Member of the Audit Committee Independent Director, Knowledge in Accounting and Finance	√	√	√	√	√	100.0
3. Assoc. Prof. Kamales Santivejkul Member of the Audit Committee Independent Director, Knowledge in Accounting and Finance	√	√	√	√	√	100.0
Total Directors in each Meeting	3/3	3/3	3/3	3/3	3/3	100.0

Ms. Thitirat Thanathitikankun acted as Internal Audit Manager and Ms. Lannalin Yongsukpita acted as Secretary for minutes of the meeting.

Performance of the Audit Committee

1. To review the quarterly and annual financial company's reports together with the management and auditors, giving approval to financial reports in the preparation of the correctness as seen in the essence of the generally accepted accounting principles, accounting standards and significant changes in accounting policies, including reviewing related transactions between shareholders and subsidiaries or related companies
2. To ensure that there is a risk management system in order to have a systematic, efficient and effective risk management process, being informed the risk management report in the previous year and giving suggestions for improvement
3. To supervise internal audits to comply with professional standards by using the risk assessment method and the internal control system in accordance with the COSO standard, as well as to consider and approve the annual audit plan which was prepared by considering various business risk factors, including the manpower plan and the internal audit personnel development plan, and to consider the audit plan and give recommendations to the Internal Audit Department and the management for the benefit of improving performance
4. The Audit Committee has regularly reviewed the company to comply with the law on securities and exchange, the Stock Exchange of Thailand's requirements and related laws, with the opinion that company's transaction has to comply with the law on securities and exchange, the Stock Exchange of Thailand's requirements and related laws to be sufficient.
5. To follow the anti-corruption measures, the Internal Audit Department sets an audit plan according to the business cycle which covers the investigation of anti-corruption measures in accordance with Thai Private Sector Collective Action against Corruption (CAC), as well as reviews the compliance with the anti-corruption policy in accordance with the company which has been renewed the membership of the Thai private sector collective action against corruption and certified by the Collective Action Committee (CAC) on 30 September, 2022. The Audit Committee has the opinion that the company has implemented strict, careful and adequate measures.
6. To consider and review for approval and information disclosure, also practices in related transactions, related items and related transactions between the company and its subsidiaries and stakeholders, this may cause a conflict of interest with the company before presenting to the Board of Directors for consideration.
7. To consider, select and nominate an auditor
8. To follow up the progress of the good corporate governance development process, social responsibility and preventing corruption continuously
9. To perform duties in accordance with the Audit Committee's Charter

8.3 Summary of the performance of other committees' duties

8.3.1 Risk Management, Corporate Governance and Sustainability Committee

Regular meetings are required. In 2023, the Risk Management and Corporate Governance Committee had four (4) meetings, including one (1) meeting with the Audit Committee, together with external auditors, and the Executives. All were reported to the Board on a quarterly basis with the following details;

List of Risk Management, Corporate Governance and Sustainability Committee	No. 1/2023	No. 2/2023	No. 3/2023	No. 4/2023	No. 1/2023 Joint Meeting with Risk & Auditors & Executives	Meeting Attendance (%)
1. Prof. Dr. Uthai Tanlamai Chairman of the Risk Management, Corporate Governance and Sustainability Committee/ Independent Director	√	√	√	√	√	100.0
2. Assoc. Prof. Dr. Kamales Santivejkul Member of the Risk Management, Corporate Governance and Sustainability Committee/ Independent Director	√	√	√	√	√	100.0
3. Mr. Thanakorn Charlee Member of the Risk Management, Corporate Governance and Sustainability Committee/ Executive Director	√	√	√	√	√	100.0
4. Dr. Charn Tharawas Member of the Risk Management, Corporate Governance and Sustainability Committee/ Independent Director	√	√	√	√	√	100.0
Total Directors in each meeting	4/4	4/4	4/4	4/4	4/4	100.0

Ms. Chulee Werawattayanukoon acted as Secretary to Risk Management, Corporate Governance and Sustainability Committee and Ms. Lannalin Yongsukpita acted as Secretary for minutes of the meeting.

Performance of Risk Management, Corporate Governance and Sustainability Committee

• Risk Management Part

1. To consider and evaluate various risk factors and comment on the risks that may affect the achievement of the objectives for the benefit of management and business expansion, along with furthering the marketing for the benefit of MFEC Group, before presenting to the Board of Directors for consideration and approval of the above transactions, and notifying investors to acknowledge the transaction
2. To consider the framework of risk management and scrutinize the risk factors affecting the achievement of the organization and affiliates' strategic objectives by carefully considering the organization's risks in both external and internal, while allying the risk indicators that look like warning signs and prepare to provide useful suggestions for prevention and surveillance
3. To acknowledge the risk management report in all dimensions by the Risk Management and Corporate Governance Team and Managing Director of each affiliate, following up on the progress of the risk managements in order to manage the risks' impact occurring at an acceptable level and to build confidence to shareholders that MFEC Group's risk management has been carried out continuously and effectively, supporting MFEC Group to achieve its objectives
4. To advise management of all companies in MFEC Group to focus on hedging and prioritizing risks in order to expedite amendments and establish guidelines reducing the risk level to an acceptable level and considering the risks in the future, including risk prevention plan

• **Corporate Governance Part**

1. To review and improve the charter of each committee according to the recommendation of the Securities and Exchange Commission, and to present to the Board of Directors
2. After the company was certified as a member of Thai Private Sector in Anti-Corruption, the company has pushed its affiliates to formulate anti-corruption policies.
3. To provide advices on principles of good corporate governance

• **Sustainability Part**

1. Provide oversight as well as advice and recommendations relating to the economic, environmental, and social dimensions, as well as corporate governance, for long-term sustainable business growth.
2. Monitor sustainability performance against various indicators, and provide advice on reporting data related to sustainability.
3. Provide recommendations in developing and reviewing policies and practices related to corporate sustainability and corporate governance, such as the Corporate Governance Policy, the Code of Conduct, policies related to the environment, risk management policies, and human rights policies.

8.3.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee shall convene at least two (2) meetings per year. In 2023, the committee had four (4) meetings with the following details;

List of the Nomination and Remuneration Committee	No. 1/2023	No. 2/2023	No. 3/2023	No. 4/2023	Meeting Attendance (%)
1. Mr. Anan Leetrakul Chairman of the Nomination and Remuneration Committee/ Independent Director	✓	✓	✓	✓	100.0
2. Mr. Siriwat Vongjarukorn Member of the Nomination and Remuneration Committee/ Chairman of Executive Board	✓	✓	✓	✓	100.0
3. Assoc. Prof. Dr. Kamales Santivejkul Member of the Nomination and Remuneration Committee/ Independent Director	✓	✓	✓	✓	100.0
4. Dr. Charn Tharawas Member of the Nomination and Remuneration Committee/ Independent Director	✓	✓	✓	✓	100.0
5. Mr. Kiyotaka Nakamura Member of the Nomination and Remuneration Committee/ Director	✓	✓	✓	✓	100.0
Total Directors in each meeting	5/5	5/5	5/5	5/5	100.0

Ms. Uraporn Aiedkarn acted as Secretary to the Nomination and Remuneration Committee and Ms. Lannalin Yongsukpita, acted as Secretary for minutes of the meeting.

Performance of Nomination and Remuneration Committee

1. To consider the performance assessment of the committees, sub-committees and Chief Executive Officer determining the 2023 remuneration based on various factors such as the operational results according to the objectives, manageability, number of meetings, performances of Board of Directors, sub-committees and Chairman of Executive Board's self-assessment comparing with the remuneration rate in the industry group as an information for considering the 2023 remuneration before proposing to the Board of Directors for consideration and further to the shareholders' meeting for approval
2. To promote, support and allow small shareholders taking part in corporate governance and giving opinions on the business operation, agenda proposals and nomination for directors to replace those whose term expires in advance for the year 2023 (between 1 November 2023 - 15 December 2023) through the channels of the Stock Exchange of Thailand and the company's website: ir.mfec.co.th

3. To recruit people from a wide variety of career fields qualified by law and relevant regulations such as Public Company Act, Securities and Exchange Act and etc., as well as MFEC Articles of Association and MFEC's Good Corporate Governance Principles based on the lack of essential skills, which analyzes from suitable qualifications in line with the company's business strategy and appropriate knowledge and competency (Board Skill Matrix) to help support the Board's performance achieving the organization's objectives by allowing minority shareholders to nominate persons they deem appropriate in order to be selected as a director, it turns out that there was no shareholders nominating persons to enter the selection process in the 2023 Annual General Meeting of Shareholders. Therefore, the Board considered proposing the retiring directors to resume their positions for another term.
4. To recruit persons with appropriate skills, knowledge, capabilities, experience and qualifications consistent with the criteria for a director's qualification to take the position of the Audit Committee (the Audit Committee has a term of 2 years) and one (1) directors of Nomination and Remuneration Committee who retired by rotation on 10 August 2023, therefore, proposing to renew the position of the former the Audit Committee and the former one (1) directors of the Nomination and Remuneration Committee for another term

8.3.3 Executive Board

On the Executive Board Meeting No. 1/2023, there was a meeting to discuss the agenda to consider the Chairman of Executive Board's performance and compensation that none of executive directors participated in the meeting. It was the meeting between non-executive directors and independent directors only.

The Executive Board is required to hold at least one (1) meeting per quarter. In 2023, the Executive Board convened nine (9) times as depicted below;

List of the Executive Board	No. 1/2023	No. 2/2023	No. 3/2023	No. 4/2023	No. 5/2023	No. 6/2023	No. 7/2023	No. 8/2023	No. 9/2023	Meeting Attendance (%)
1. Mr. Siriwat Vongjarukorn Chief Executive Officer	✓	✓	✓	✓	✓	✓	✓	✓	✓	100.0
2. Mr. Thanakorn Charlee Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	100.0
3. Mr. Arm Sivadith Executive Director	✓	✓	✓	✓	✓	-	✓	✓	✓	88.8
Total Directors in each Meeting	3/3	3/3	3/3	3/3	3/3	2/3	3/3	3/3	3/3	96.2

Mr. Pitch Manakijpairoj, Chief Financial Officer, attended the meetings and Ms. Lannalin Yongsukpita acted as Secretary for minutes of the meeting.

Performance of the Executive Board

1. To represent a clear vision in anticipating business trends, business opportunities and business priorities that affect the prosperity and operation of the company properly
2. To develop a clear mission, policy and strategic plan that respond to the needs of shareholders, customers, employees and other stakeholders correspondingly in accordance with economic and competitive conditions
3. To manage and assign work correctly, including performing duties within the scope of responsibilities and assigning various duties to others responsible professionally
4. To implement strategies according to priorities and measures set by the Board of Directors within an appropriate and effective period of time
5. To enable the company achieving its financial goals and market shares
6. To develop and implement appropriate human processes and practices, including an assessment and reward system for management and employees that will result in everyone working well for the same objective

9. Internal Control and Related Transaction

9.1 Internal Control

The Company emphasizes the importance of internal control systems, as internal control is a key mechanism for preventing and managing risks that may arise for the company. In 2023, the Board of Directors concluded that the Company has an adequate and appropriate internal control system, based on the self-assessment framework for internal control systems set by the Securities and Exchange Commission (SEC). During the Board meeting held on February 21, 2024, the Board also supported that there are sufficient personnel to ensure the evaluation, monitoring, and control of operations both within the company and its subsidiaries.

The Company has established an internal audit unit to conduct internal audits using the International Professional Practices Framework (IPPF), and has implemented an internal control system in accordance with the COSO Internal Control Framework (The Committee of Sponsoring Organizations of the Treadway Commission) to achieve the objectives of internal control in all three (3) areas: Operations, Reporting, and Compliance. The compliance component comprises five (5) elements as follows:

1. Control Environment

The Company has clear and measurable business objectives, with an annual budget plan and performance metrics set to create value and return for shareholders. It cultivates a sense of ethics, morality, and good corporate citizenship within the organization by establishing a corporate governance policy and developing a Code of Conduct. The policies and codes are regularly communicated to all executives and staff through internal training courses and various activities to ensure that they respond to customer expectations for service and products and take responsibility for society. MFEC Group is committed to the sustainable development of its business and has a policy to develop and maintain quality executives and staff, measure job performance, and motivate appropriate compensation.

The Board of Directors is responsible for setting clear and measurable business objectives. The Company has a management structure consisting of five (5) committees, including the Board of Directors, Executive Committee, Audit Committee, Risk Management, Corporate Governance and Sustainability Committee, and Nomination and Remuneration Committee. Each committee is responsible for shareholders within the framework of good corporate governance and social responsibility. The Company organizes an organizational structure that supports the management team's operations and provides effective internal controls. The division of important tasks results in cross-checking among departments, and an internal audit department verifies the operations of all departments and reports to the Audit Committee.

2. Risk Assessment

The Company assigns the Risk Management, Corporate Governance and Sustainability Committee to oversee the risks of the company and its subsidiaries. The committee and senior executives, as well as the Risk Management and Corporate Governance Working Team, collaborate to establish policies and frameworks for risk management. They determine the responsible persons for risk management in various departments of the company to assess the impact of risks on the Company's objectives and operations. They evaluate risks in various areas such as strategic risks, operational risks, human resource risks, financial risks, financial reporting risks, fraud risks, corruption risks, compliance risks, and IT risks by considering the opportunities and impacts that may arise. If the risk assessment indicates an unacceptable level of risk, a risk mitigation plan must be developed to manage and control the risk within the acceptable threshold set by the company.

3. Control Activities

The Company has implemented control measures to reduce the risks that may prevent the Company from achieving its objectives. The Board of Directors has appointed four (4) sub-committees, consisting of the Executive Committee, the Audit Committee, the Risk Management, Corporate Governance and Sustainability Committee, and the Nomination and Remuneration Committee, to operate within the scope of authority assigned to oversee the operations of the management department.

- Clear boundaries of authority and approved budgets for all executives at all levels are established and clearly documented. The positions and approval limits of authorized personnel are clearly defined and documented, and appropriateness is periodically reviewed.
- Clear policies, guidelines, procedures, and regulations should be established in writing, covering all units and should be in line with current laws, rules, and situations. There should be a constant review to ensure that they are appropriate and up-to-date, and to align with risks.
- To establish performance evaluation criteria

In this regard, the internal audit has developed an annual internal audit unit plan based on the company's risk assessment, covering financial aspects, operational practices, and compliance with regulations, and proposes the plan to the Audit Committee for approval. The internal audit unit conducts audits according to the approved internal audit plan and reports the findings to the Audit Committee for consideration of significant issues identified and provides recommendations for improvement and corrective actions to relevant parties. The Audit Committee provides regular reports on the oversight of operations to the Company's Board of Directors on a quarterly basis.

4. Information and Communication

The Company requires that important details be adequately prepared before presenting to the Board of Directors for decision-making in each meeting. This includes preparing an analytical report with supporting documents, regulations, and related criteria. Information should be sent in advance for

review 7 days prior to the meeting. The secretary coordinates and serves as the central point for the collection of important documents, such as meeting appointment letters, board meeting reports, shareholder meeting invitations, and shareholder meeting reports, so that shareholders can verify the appropriateness of the Board's actions.

The Company has provided ready-made software to manage the document storage system of each department, as well as ensuring the security of important databases by setting access rights for database users, such as accounting documents. The documents are stored completely and categorized for transparency and as reference for work operations. The Audit Committee has reviewed this together with the external auditor, internal audit unit, and those involved in preparing the Company's financial statements every quarter to ensure compliance with accounting standards. The Company has disclosed complete and appropriate information.

5. Monitoring Activities

The Company tracks its performance to ensure that it aligns with the planned objectives. In 2023, the Board of Directors held eight (8) meetings, while the management team held nine (9). Additionally, the Executive Committee held regular monthly meetings to supervise and monitor the Company's and subsidiaries' operations to ensure that they comply with the policies, strategies, and plans established. They also identified and resolved any issues that arose and adjusted the operational plans to correspond with any changes in circumstances when it was found that the actual results differed from the set targets.

In addition, the internal audit unit has planned audits based on the risks that align with the Company's objectives. They audit and monitor the operations of both the Company and its subsidiaries to achieve the shared objectives efficiently and effectively. In 2023, the audit results were reported to the Executive immediately upon completion of the tasks and the operational performance report was regularly presented to the audit committee on a quarterly basis.

Opinion of the Audit Committee

The Audit Committee has concluded that the internal control system of the Company is adequate and appropriate according to the assessment framework of the internal control system as prescribed by the Securities and Exchange Commission (SEC), which is consistent with the views of the Board of Directors, as shown in the attached document in the annual data report. This is the summary of the audit committee's report.

The Audit Committee emphasizes the importance of developing the knowledge and skills of the Internal Audit department to ensure that the internal auditors have sufficient and appropriate knowledge and skills to perform their duties effectively. Therefore, the internal auditors are provided with training according to the following course details:

- ISO 27001:2022 Internal Auditor Training Course by British Standards Institution (BSI)
- ISO/IEC 20000-1:2018 standard, Year 2023 by IT Companion Company Limited
- ISO/IEC 27001: 2022 standard, Year 2023 by IT Companion Company Limited
- Course on the Training and Development program professional competency and vocational qualifications in the field of Digital Industry, specifically in the area of Data Protection and Privacy Management at a level 5 by Thailand Professional Qualification Institute (Public Organization)
- Course on Understanding and Practicing on Japan Sarbanes Oxley Act (J Sox) for the 1/23 cohort by the Federation of Accounting Professions of Thailand



Internal Audit

9.2 Related Transaction

Table of Related Companies and Relationships:

Initials	Name of Companies	Relationships
PFT	Praln FinTech Co., Ltd.	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 71.62%
BAC	Business Application Co., Ltd.	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%
MTT	Motif Technology Public Co., Ltd.	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%
HS	Hongson Co., Ltd.	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99% (HS registered dissolution of business on May 25, 2023.)
MS	MSyne Innovations Co., Ltd.	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%
PTS	Playtorium Solutions Co., Ltd.	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 70%
MISO	MISO Digital Co., Ltd.	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 75%
VL	Venture Lab Co., Ltd.	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%
EWB	Eastwind Holdings Co., Ltd.	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 94.21% (EWB registered dissolution and settlement completed on August 29, 2023.)
BBVC	Bluebik Vulcan Co., Ltd. Former: Vulcan Digital Delivery Co., Ltd.	EWB's subsidiary, in which EWB holds the share at the aggregate rate of 99.99% (The relationship ended on February 20, 2023 after completing the transfer of all business operations to Bluebik Group Public Co., Ltd.)
SGV	Synergy Group Ventures Co., Ltd.	MFEC's subsidiary, in which MFEC holds the share at the aggregate rate of 99.99%
DC	Data Cafe Co., Ltd	MFEC's joint venture in which holds an 42% equity stake.
PWM	Joint Venture: PowerM	MSyne's joint venture in which holds an 81.47% equity stake.
ANG	Angstrom Solution Co., Ltd.	MFEC's associated company, in which MFEC holds the shares at the aggregate of 40%
PN	PromptNow Co., Ltd.	MFEC's associated company, in which MFEC holds the shares at the aggregate of 20%
FM	Fanster Media Co., Ltd.	MFEC's associated company, in which MFEC holds the shares at the aggregate of 34% (FM registered dissolution of business on September 29, 2023)
DS	Digital Savvy Co., Ltd.	MFEC's associated company, in which MFEC holds the shares at the aggregate of 42%
I2	I2 Enterprise Public Co., Ltd.	MFEC's associated company, in which MFEC holds the shares at the aggregate of 10.71% and SGV holds the shares at the aggregate of 6.58%, the combined shareholding of the group of companies is equal to 17.29%
AH	A-HOST Co., Ltd.	SGV 's associated company, in which SGV holds the shares at the aggregate of 30%
SD	Secure D Center Co., Ltd.	SGV 's associated company, in which SGV holds the shares at the aggregate of 25%
TIS	TIS Inc.	Major shareholder of MFEC in which TIS holds the shares at the aggregate rate of 48.99 % and having directors jointly.
TISI-SH	TISI (Shanghai) Co., Ltd.	Related company, in which TIS holds the shares at the aggregate of 100%
TISI-T	TISI (Thailand) Co., Ltd.	Related company, in which TIS holds the shares at the aggregate of 49%
IAM	I AM Consulting Co., Ltd.	Related company, in which TIS holds the shares at the aggregate of 49%

9.2.1 Normal business operations

The company has a list of business operations that involve the buying and selling of goods and services with its subsidiaries and affiliated companies, in accordance with the trading conditions and criteria agreed upon between the company and its subsidiaries and affiliated companies, as is customary in business.

Related Person/ Juristic Person	Relationship	Value (million Baht)		Necessity and Reasonableness
		Year 2023	Year 2022	
PFT	Sell Goods and Services Provide office services	0.89 0.65	- 0.29	MFEC purchases consulting technical and other services at prices close to market prices. MFEC provides accounting, finance, and general management services. The price is agreed upon based on the suitability of the amount of work.
BAC	Purchase Goods and Services	7.29	9.54	MFEC purchases software maintenance and other related services at a price close to the market price.
MTT	Sell Goods and Services Purchase Goods and Services	0.76 1.03	1.07 0.27	MFEC sells system solutions along with procuring hardware and software equipment, and maintenance services at prices close to the market prices. MFEC purchases software development services at prices close to the market price.
HS	Purchase Goods and Services	1.41	1.35	MFEC purchases software development services at prices close to the market prices.
MS	Sell Goods and Services Provide office services Purchase Goods and Services	0.73 1.95 157.18	0.82 1.54 161.99	MFEC sells other services and software maintenance services at prices close to market prices. MFEC provides accounting, finance, and general management services at prices agreed upon based on the suitability of the workload. MFEC purchased services for software development, purchasing goods, and other services at prices close to the market prices.
PTS	Sell Goods and Services Provides office services Purchase Goods and Services	- 2.08 15.35	0.08 2.09 28.38	MFEC sells outsourcing services and other services at prices close to market prices. MFEC provides accounting, finance, and general management services. The price is agreed upon based on the suitability of the amount of work. MFEC purchases software development and other related services at prices close to market prices.
MISO	Purchase Goods and Services Provides office services	3.92 0.08	4.84 -	MFEC purchased outsourcing services and other services at prices close to market prices. MFEC provides HR systems services. The prices are agreed upon based on the suitability of the amount of work.

Related Person/ Juristic Person	Relationship	Value (million Baht)		Necessity and Reasonableness
		Year 2023	Year 2022	
VL	Purchase Goods and Services	0.33	0.37	MFEC purchases goods at prices close to the market prices.
BBVC	Sell Goods and Services	0.06	-	MFEC sells software maintenance services at prices close to the market prices.
	Provides office services	0.51	-	MFEC provides management services at prices agreed upon based on the suitability of the workload.
	Purchase Goods and Services	17.03	-	MFEC purchases software development and other related services at prices close to market prices.
DC	Sell Goods and Services	0.01	0.10	MFEC sells outsourcing and other services at prices close to market price.
	Provides office services	1.05	0.56	MFEC provides accounting, finance, and general management services. The prices are agreed upon based on the suitability of the amount of work.
	Purchase Goods and Services	-	3.48	MFEC purchases training services and software development services, at prices close to market prices.
PWM	Sell Goods and Services	0.09	0.11	MFEC sells hardware maintenance services at prices close to the market prices.
	Provide office services	-	0.02	MFEC provides rental space services at prices close to market prices.
ANG	Purchase Goods and Services	-	7.35	MFEC purchased outsourcing and other services at prices close to market prices.
PN	Purchase Goods and Services	5.98	6.01	MFEC purchases goods and services at prices close to market prices.
FM	Provide office service	0.02	0.02	MFEC provides accounting, finance, and general management services at prices agreed upon based on the suitability of the workload.
	Purchase Goods and Services	-	0.90	MFEC purchased goods and services at prices close to the market prices.
	Purchase fixed assets	2.25	-	MFEC purchases software rights and other related services at prices close to market prices.
DS	Provide office service	-	0.10	MFEC provides accounting, finance, and general management services at prices agreed upon based on the suitability of the workload.
I2	Sell Goods and Services	2.48	2.48	MFEC sells hardware maintenance services at prices close to the market prices.
	Purchase Goods and Services	6.25	12.87	MFEC purchases hardware and software system services at prices close to the market prices.

Related Person/ Juristic Person	Relationship	Value (million Baht)		Necessity and Reasonableness
		Year 2023	Year 2022	
AH	Purchase Goods and Services	0.40	-	MFEC purchases software development and other related services at prices close to market prices.
SD	Purchase Goods and Services	3.08	-	MFEC purchases software development and other related services at prices close to market prices.
TIS	Sell Goods and Services	-	0.52	MFEC sells outsourcing services at prices close to market prices.
TISI-T	Purchase Goods and Services	0.96	0.96	MFEC purchases consulting technical at prices close to market prices.
TISI-SH	Purchase Goods and Services	-	1.18	MFEC purchases software development services and hardware maintenance services at prices close to the market prices.
IAM	Purchase Goods and Services	3.82	14.71	MFEC purchases software development services and other services at prices close to the market prices.

92.2 Financial Assistance

Related Person/ Juristic Person	Relationship	Value (million Baht)		Necessity and Reasonableness
		Year 2023	Year 2022	
MTT	Receivable interest	0.56	0.29	MFEC calculates interest for MOTIF to be used as an investment in project management at an interest rate of MLR-3.5% and MLR-2.5% per annum, which is a normal rate that commercial banks provide for loans to high-end customers.
ANG	Receivable interest	3.21	1.79	MFEC calculates interest for ANGSTROM investment to be used for project management at an interest rate of MOR-1% and MLR-1% per annum, which is a standard rate offered by commercial banks for loans to high-end customers.
DS	Receivable interest	0.04	0.03	MFEC calculates the interest rate for Digital Savvy to be used for project management investment at an interest rate of MOR per annum, which is the normal interest rate provided by commercial banks for high-end customers' loans.
TIS	Paid Interest	2.47	0.02	MFEC received financial assistance from TIS Inc. in the form of a short-term loan not exceeding 2 billion yen or approximately 520 million baht on the date of the loan agreement in December 2022, which incurs interest at the rate of 1.25 – 2.25% per annum.

Reference to remark attached with Financial Statement – Item 6 for the end as of the ending year as of 31st December 2023

Measures or procedures for approving transactions in between

Transactions between parties require presentation for consideration by the Board of Directors. The Audit Committee must attend the meeting to consider and approve the transaction. The transaction must comply with the securities laws and regulations, announcements, orders, or provisions of the Stock Exchange of Thailand. Those who may have conflicting interests or have gains and losses in the transaction will not have the right to vote on the approval of the transaction.

Policy or trends for conducting transactions between conflicting parties in the future

Policy for Transactions between Parties

For transactions that may occur in the future, they are divided into two (2) types: transactions that occur regularly and continuously, and special transactions that occur on an occasional basis. The approval process for both types of transactions is as follows:

1. Normal and continuous transactions

The company will establish criteria and guidelines for transactions that occur regularly and continuously. These will include general trading conditions that are fair, reasonable, and verifiable in terms of price. The criteria and guidelines will be presented to the Audit Committee for approval. The Audit Committee will review compliance with the criteria and provide comments on the validity of transactions that occur during the period of review.

2. Occasional transactions

The company will arrange for the Audit Committee to give opinions on the suitability of such transactions. If the Audit Committee does not have expertise in considering related transactions that occur, the company will provide personnel with special expertise such as auditors or property appraisers, or law firms, etc., who are independent from the company and persons who may have conflicts of interests to give opinions on such connected transactions. The opinions of the Audit Committee or persons with special expertise will be used to support the decision of the committee or shareholders.

Transactions/ trends in the future

1. For the year 2022, the company has related transactions in the category of receiving financial assistance from TIS Inc., which is a major shareholder, at the rate of 48.99 of the Company's paid-up capital. With an unsecured loan amount of not more than 2,000-million-yen (or equivalent to 520 million baht as of the date of the loan agreement in December 2022), the interest is charged at a rate of 1.25% per annum and repayment within one (1) year from the date approved by the Board of Directors. The Audit Committee has considered the suitability and approve the said transaction. Consideration of entering into the future related party transactions with companies that may have conflicts will depend on the suitability and necessity of each transaction. If there is any related transaction, the Company will comply with the related transaction policy that the Audit Committee has considered and approved.

During the year 2023, the company disbursed a loan and made repayments, including accrued interest, to TIS Inc. As a result, by the end of 2023, the company had fully settled the accrued balance of the loan from the major shareholders.

2. For related transactions in the part of guarantees, if the company has to guarantee additional credit lines for subsidiaries, the Company has a policy to provide guarantees according to the proportion of shareholding in subsidiaries. In case of necessity, such policy cannot be implemented. The Company will proceed in accordance with the announcement of the Board of Governors of the Stock Exchange of Thailand. on disclosure of information and actions of listed companies in connected transactions

Part 3

Financial Statements



Independent Auditor's Report

To the Shareholders of MFEC Public Company Limited

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition regarding the system integration and IT professional services

Revenue recognised from system integration and IT professional services in each period is significant to total revenues and directly impacts the Group's operating performance. In addition, the process of identifying performance obligations to customers, and the measurement and recognition of revenue are areas requiring management to exercise significant judgement to consider the terms and conditions in the contracts and assess the percentage of completion. I therefore focused my audit on the Group's recognition of revenue from system integration and IT professional services.

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

I also selected major contracts and randomly selected additional samples and performed the following procedures to ensure the correctness of revenue recognised from system integration and IT professional services:

- Read the contracts and inquired with the Group's project managers about the terms associated with these contracts relevant to revenue recognition and the identification of performance obligations.

- Examined the assessment of the percentage of completion by making enquiries of the Group's project managers about the percentage of completion up to the end of the reporting period, examining the information used to evaluate the disaggregated tasks and assess the stage of completion in comparison to all work that is required to be delivered to the customer. In addition, I compared the estimated stage of completion to the percentage of completion derived from the actual costs incurred.

- Evaluated the appropriateness of the project cost estimates by assessing the actual costs incurred to date and future costs required to fulfil the obligations to the customer and checking actual costs to supporting documents.

- Examined the accounting transactions related to revenue recognition that were recorded through journal vouchers, in order to detect any irregularities.

Goodwill

I have focused my audit on the consideration of the impairment of goodwill, as discussed in Note 17 to the financial statements, because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised. In addition, I tested the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Company and its subsidiaries and of the industry and tested the calculation of the realisable values of the assets using the selected financial model. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill.

Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is

a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.

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

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



Khitsada Lerdwana

Certified Public Accountant (Thailand) No. 4958

EY Office Limited

Bangkok: 21 February 2024

MFEC Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	256,262,468	281,972,765	63,120,516	165,361,224
Restricted bank deposits	8	78,687,671	51,139,876	-	-
Trade and other receivables	9	2,019,492,135	1,705,219,671	1,870,959,832	1,561,426,449
Amounts due from related parties	6	23,986,156	19,078,961	26,878,212	21,209,199
Unbilled receivables	10	1,051,779,194	1,145,835,883	1,020,792,250	1,113,872,572
Short-term loans to related companies	6	62,400,000	45,900,000	102,400,000	55,900,000
Costs of work in process	11	172,902,044	392,899,963	299,054,185	409,069,543
Prepayment for cost of services		2,124,647,149	1,511,056,784	1,999,123,265	1,418,886,820
Other current financial assets	12	58,935,201	48,478,952	-	-
Derivative assets	33.1	8,930,030	1,505,068	8,908,565	1,505,068
Other current assets		33,692,331	33,820,479	26,432,734	28,275,534
Non-current assets held for sale	13	-	51,184,229	-	1,227,560
Total current assets		5,891,714,379	5,288,092,631	5,417,669,559	4,776,733,969

MFEC Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Non-current assets					
Other non-current financial assets	12	34,074,619	-	-	-
Non-current derivative assets	33.1	10,145,748	-	10,145,748	-
Investments in subsidiaries	14	-	-	620,155,857	459,703,707
Investments in joint venture and associates	15	386,960,126	226,966,690	119,778,628	126,978,628
Building improvements and equipment	16	106,353,708	61,313,890	90,069,912	43,578,321
Right-of-use assets	17	199,392,406	91,920,793	183,958,120	70,661,017
Goodwill	18	257,973,155	257,973,155	-	-
Other intangible assets	19	20,143,274	11,612,123	4,430,110	5,952,627
Prepayment for cost of services		393,406,191	270,296,742	324,668,419	250,448,527
Deferred tax assets	26	58,308,791	65,280,016	51,973,026	60,585,385
Other non-current assets		23,602,037	2,586,119	2,135,498	1,567,930
Total non-current assets		1,490,360,055	987,949,528	1,407,315,318	1,019,476,142
Total assets		7,382,074,434	6,276,042,159	6,824,984,877	5,796,210,111

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

MFEC Public Company Limited and its subsidiaries
Statement of financial position
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	20	484,072,237	510,000,000	481,072,237	510,000,000
Trade and other payables	21	1,279,042,683	947,509,408	1,120,071,506	785,421,446
Amounts due to related parties	6	25,732,641	22,110,497	59,925,434	77,968,322
Accrued expenses		291,215,786	256,593,587	236,389,493	213,087,882
Short-term loans from related party	6	-	118,060,778	-	118,060,778
Current portion of lease liabilities	17	27,608,713	28,924,410	23,780,381	23,047,013
Current portion of installment payables		20,378,589	21,861,313	20,378,589	21,861,313
Income tax payable		1,092,288	1,357,448	-	-
Deferred income		1,979,316,776	1,699,280,368	1,891,475,897	1,623,258,689
Unbilled payables		222,669,562	190,880,320	237,634,740	174,309,569
Provision for penalties of project delay and project loss	22	12,354,983	38,264,375	9,489,130	35,398,522
Provision for contingent liabilities arising from litigation	31.3	20,875,032	15,048,411	-	-
Current derivative liabilities	33.1	13,017,893	27,143,177	12,804,180	26,869,031
Other current liabilities		53,871,218	55,436,010	47,965,885	46,059,808
Liabilities directly related to non-current assets held for sale	13	-	20,199,273	-	20,154,389
Total current liabilities		4,431,248,401	3,952,669,375	4,140,987,472	3,675,496,762

MFEC Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2023

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Non-current liabilities					
Lease liabilities, net of current portion	17	164,688,042	57,557,682	154,394,668	43,150,145
Installment payables, net of current portion		3,436,010	23,814,599	3,436,010	23,814,599
Provision for decommissioning		10,560,810	4,915,984	10,462,789	4,915,984
Provision for long-term employee benefits	23	205,573,467	179,256,819	167,350,678	150,605,054
Non-current derivative liabilities	33.1	9,237,940	-	9,237,940	-
Total non-current liabilities		393,496,269	265,545,084	344,882,085	222,485,782
Total liabilities		4,824,744,670	4,218,214,459	4,485,869,557	3,897,982,544

(Unit: Baht)

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

MFEC Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Shareholders' equity					
Share capital					
Registered					
441,453,555 ordinary shares of Baht 1 each		441,453,555	441,453,555	441,453,555	441,453,555
Issued and fully paid up					
441,453,555 ordinary shares of Baht 1 each		441,453,555	441,453,555	441,453,555	441,453,555
Share premium		986,741,840	986,741,840	986,741,840	986,741,840
Difference from change in shareholding interests in subsidiaries		5,732,596	5,732,596	-	-
Retained earnings					
Appropriated - statutory reserve	24	44,150,055	44,150,055	44,150,055	44,150,055
Unappropriated		1,056,907,843	566,891,682	867,946,716	442,649,876
Other components of shareholders' equity		144,625	(15,314,075)	(1,176,846)	(16,767,759)
Equity attributable to owners of the Company		2,535,130,514	2,029,655,653	2,339,115,320	1,898,227,567
Non-controlling interests of the subsidiaries		22,199,250	28,172,047	-	-
Total shareholders' equity		2,557,329,764	2,057,827,700	2,339,115,320	1,898,227,567
Total liabilities and shareholders' equity		7,382,074,434	6,276,042,159	6,824,984,877	5,796,210,111

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

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Continuing operation:					
Profit or loss:					
Revenues					
Sales and services income	28	6,718,559,441	5,421,307,936	6,112,450,458	4,877,956,058
Dividend income	14.2, 15.2	-	-	629,497,534	43,267,530
Gain on derivatives at fair value	13	649,600,881	-	-	-
Gain from change in investment classification	15.1	-	33,441,790	-	-
Other income		58,031,917	31,798,833	48,727,721	31,533,430
Total revenues		7,426,192,239	5,486,548,559	6,790,675,713	4,952,757,018
Expenses					
Cost of sales and services		5,766,979,471	4,474,180,607	5,375,199,942	4,146,997,751
Selling and distribution expenses		131,378,422	136,621,401	107,921,011	114,970,345
Administrative expenses		747,873,944	595,965,319	652,526,266	491,629,869
Loss on derivatives at fair value		993,093	288,380	1,074,991	-
Total expenses		6,647,224,930	5,207,055,707	6,136,722,210	4,753,597,965
Operating profit		778,967,309	279,492,852	653,953,503	199,159,053
Share of profit from investments in joint venture and associates	15.2	6,782,280	8,219,808	-	-
Finance cost		(23,360,547)	(18,214,456)	(21,003,668)	(15,781,750)
Profit before income tax expenses		762,389,042	269,498,204	632,949,835	183,377,303
Income tax expenses	26	(35,046,816)	(52,422,244)	(24,013,842)	(38,793,651)
Profit from continuing operations for the year		727,342,226	217,075,960	608,935,993	144,583,652

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Discontinued operation					
Profit (loss) from discontinued operation for the year	13	(9,772,587)	23,003,726	-	23,003,726
Profit for the year		717,569,639	240,079,686	608,935,993	167,587,378
Other comprehensive income:					
Continuing operation					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income from investment in associate					
- net of income tax	15.2	175,613	-	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		175,613	-	-	-
Other comprehensive income not to be reclassified to					
profit or loss in subsequent periods:					
Actuarial gain (loss) - net of income tax		(13,984,779)	1,915,811	(7,065,811)	(640,297)
Gain (loss) on cash flow hedges					
- net of income tax		30,473,965	(3,490,316)	30,473,965	(3,490,316)

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Share of other comprehensive income from investment in joint venture and associates - net of income tax	15.2	(307,826)	795,450	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		16,181,360	(779,055)	23,408,154	(4,130,613)
Other comprehensive income for the year		16,356,973	(779,055)	23,408,154	(4,130,613)
Total comprehensive income for the year from continuing operation		743,699,199	216,296,905	632,344,147	140,453,039
Total comprehensive income for the year from discontinued operation		(9,772,587)	23,003,726	-	23,003,726
Total comprehensive income for the year		733,926,612	239,300,631	632,344,147	163,456,765

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

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2023

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit (loss) attributable to:					
Equity holders of the Company					
Profit for the year from continuing operation		690,260,958	211,928,426	608,935,993	144,583,652
Profit (loss) for the year from discontinued operation		(9,206,754)	23,003,726	-	23,003,726
		681,054,204	234,932,152	608,935,993	167,587,378
Non-controlling interests of the subsidiaries					
Profit for the year from continuing operation		37,081,268	5,147,534		
Loss for the year from discontinued operation		(565,833)	-		
		36,515,435	5,147,534		
		717,569,639	240,079,686		
Total comprehensive income attributable to:					
Equity holders of the Company					
Total comprehensive income for the year from continuing operation		706,138,009	210,863,624	632,344,147	140,453,039
Total comprehensive income for the year from discontinued operation		(9,206,754)	23,003,726	-	23,003,726
		696,931,255	233,867,350	632,344,147	163,456,765

MFEC Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
As at 31 December 2023

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Non-controlling interests of the subsidiaries					
Total comprehensive income for the year from continuing operation		37,561,190	5,433,281		
Total comprehensive income for the year from discontinued operation		(565,833)	-		
		36,995,357	5,433,281		
		733,926,612	239,300,631		
Earnings (loss) per share	27				
Profit (loss) attributable to equity holders of the Company					
Continuing operation		1.56	0.48	1.38	0.33
Discontinued operation		(0.02)	0.05	-	0.05
		1.54	0.53	1.38	0.38

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

MFEC Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements									
	Equity attributable to owners of the Company									
	Issued and paid-up share capital	Share premium	Difference from change in shareholding interests in subsidiaries	Retained earnings			Other components of equity			Total equity attributable to owner of the Company
				Appropriated - legal reserve	Unappropriated		Cash flow hedge reserve	Share of other comprehensive income from associates	Total other components of shareholders' equity	
Balance as at 1 January 2023	441,453,555	986,741,840	5,732,596	44,150,055	566,891,682	(16,767,759)	1,453,684	(15,314,075)	2,029,655,653	28,172,047
Profit for the year	-	-	-	-	681,054,204	-	-	-	681,054,204	36,515,435
Other comprehensive income for the year	-	-	-	-	(14,464,701)	30,473,965	(132,213)	30,341,752	15,877,051	479,922
Total comprehensive income for the year	-	-	-	-	666,589,503	30,473,965	(132,213)	30,341,752	696,931,255	36,995,357
Dividend paid (Note 30)	-	-	-	-	(176,573,342)	-	-	-	(176,573,342)	-
Subsidiaries paid dividends to their non-controlling interests (Note 14.2)	-	-	-	-	-	-	-	-	-	(41,771,466)
Decrease in non-controlling interests of a subsidiary	-	-	-	-	-	-	-	-	-	(2,696,838)
Increase in non-controlling interests of a subsidiaries from purchasing of investment in subsidiary	-	-	-	-	-	-	-	-	-	1,500,150
Transfer of cash flow hedge reserve to costs of work in process	-	-	-	-	-	(19,415,812)	-	(19,415,812)	(19,415,812)	-
Transfer of cash flow hedge reserve to profit or loss	-	-	-	-	-	4,532,760	-	4,532,760	4,532,760	-
Balance as at 31 December 2023	441,453,555	986,741,840	5,732,596	44,150,055	1,056,907,843	(1,176,846)	1,321,471	144,625	2,535,130,514	22,199,250
										2,557,329,764

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

MFEC Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity (continued)
For the year ended 31 December 2023

(Unit: Baht)

	Separate financial statements					
	Issued and paid-up share capital	Share premium	Retained earnings		Other comprehensive income	Total shareholders' equity
			Appropriated - legal reserve	Unappropriated		
Balance as at 1 January 2022	441,453,555	986,741,840	44,150,055	452,283,737	2,700,186	1,927,329,373
Profit for the year	-	-	-	167,587,378	-	167,587,378
Other comprehensive income for the year	-	-	-	(640,297)	(3,490,316)	(4,130,613)
Total comprehensive income for the year	-	-	-	166,947,081	(3,490,316)	163,456,765
Dividend paid (Note 30)	-	-	-	(176,580,942)	-	(176,580,942)
Transfer of cash flow hedge reserve to costs of work in process	-	-	-	-	(15,977,629)	(15,977,629)
Balance as at 31 December 2022	441,453,555	986,741,840	44,150,055	442,649,876	(16,767,759)	1,898,227,567
Balance as at 1 January 2023	441,453,555	986,741,840	44,150,055	442,649,876	(16,767,759)	1,898,227,567
Profit for the year	-	-	-	608,935,993	-	608,935,993
Other comprehensive income for the year	-	-	-	(7,065,811)	30,473,965	23,408,154
Total comprehensive income for the year	-	-	-	601,870,182	30,473,965	632,344,147
Dividend paid (Note 30)	-	-	-	(176,573,342)	-	(176,573,342)
Transfer of cash flow hedge reserve to costs of work in process	-	-	-	-	(19,415,812)	(19,415,812)
Transfer of cash flow hedge reserve to profit or loss	-	-	-	-	4,532,760	4,532,760
Balance as at 31 December 2023	441,453,555	986,741,840	44,150,055	867,946,716	(1,176,846)	2,339,115,320

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

MFEC Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from operating activities				
Profit before tax from continuing operation	762,389,042	269,498,204	632,949,835	183,377,303
Add: Profit (loss) before tax from discontinued operation	(9,856,742)	29,411,464	-	29,411,464
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	72,154,448	74,163,976	58,251,306	52,780,747
Loss on sales and written-off from equipment and intangible assets	1,632,548	5,658,352	1,614,114	5,658,172
Gain on sales of non-current assets held for sale	-	-	(1,034,437)	-
Unrealised gain on exchange rate	(7,956,224)	(4,033,569)	(8,083,223)	(3,592,061)
Loss on fair value adjustment of long-term loan to non-related company	925,381	-	-	-
Gain on revaluation of investments in debt mutual funds	(197,464)	(57,371)	-	-
Gain on sales of investments in debt mutual funds	(423,985)	(73,254)	-	-
(Gain) loss on measurement of derivatives at fair value	993,093	228,731	1,074,991	(42,005)
Gain on termination of lease agreement	(231,258)	(1,137,087)	-	(683,068)
Allowance for expected credit losses (reversal)	1,893,619	36,907	(356,953)	861,303
Loss on written-off of withholding tax deducted at source	652,640	19,288,357	213	19,239,606
Gain on sales of investment in subsidiary	-	-	-	(20,999)
Provision for penalties of project delay, project losses, and contingent liabilities arising from litigation (reversal)	(15,377,098)	23,852,673	(21,203,719)	9,338,444
Allowance from impairment of investment in subsidiaries, joint venture, and associate	23,000,000	-	36,000,000	25,100,000

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Allowance for impairment loss on intangible assets (reversal)	(405,185)	218,460	-	-
Allowance for impairment loss on right-of-use assets	3,813,720	-	3,813,720	-
Provision for long-term employee benefits	22,222,187	23,595,562	18,604,397	19,437,427
Dividend income	-	-	(629,497,534)	(43,267,530)
Interest income	(9,388,075)	(4,038,313)	(6,442,612)	(4,167,333)
Finance cost	23,360,547	18,214,456	21,003,668	15,781,750
Share of profit of investments in joint venture and associates	(6,782,280)	(8,219,808)	-	-
Gain from change in investment classification	-	(33,441,790)	-	-
Gain on entire business transfer of a subsidiary	(649,600,886)	-	-	-
Loss on dissolution of subsidiaries and associate	955,188	-	52,772,572	-
Profit from operating activities before changes in operating assets and liabilities	213,773,216	413,165,950	159,466,338	309,213,220

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

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2023

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
	(Unit: Baht)			
Decrease (increase) in operating assets				
Restricted bank deposits	(27,547,795)	(13,450,856)	-	-
Trade and other receivables	(243,431,676)	34,073,217	(237,562,587)	64,331,490
Amounts due from related parties	3,115,236	(9,462,211)	(987,531)	(8,289,649)
Unbilled receivables	96,264,829	(89,308,601)	95,288,462	(91,879,792)
Costs of work in process and prepayment for cost of services	(520,761,154)	(323,371,051)	(548,500,238)	(306,765,720)
Other current assets	128,148	10,146,098	1,842,800	5,662,840
Other non-current assets	(1,898,265)	263,308	(1,958,013)	105,445
Non-current assets held for sale	(9,112,486)	-	-	-
Increase (decrease) in operating liabilities				
Trade and other payables	340,287,696	(18,424,333)	343,531,480	(42,217,345)
Amounts due to related parties	3,622,144	(1,817,025)	(18,042,888)	(21,380,233)
Accrued expenses	34,622,199	(16,738,804)	23,301,611	(17,610,070)
Deferred income	280,036,408	324,937,790	268,217,208	326,424,625
Unbilled payables	31,789,242	42,719,476	63,325,171	34,028,089
Other current liabilities	(1,564,792)	(9,945,773)	1,906,077	(9,742,667)
Liabilities directly related to non-current assets held for sale	(44,839)	-	-	-
Cash flows from operating activities	199,278,111	342,787,185	149,827,890	241,880,233
Cash paid for project penalties	(4,705,673)	(4,627,493)	(4,705,673)	(4,310,398)
Cash paid for liabilities arising from litigation	-	(5,159,125)	-	-
Cash paid for collateral of contingent liabilities arising from litigation	(20,508,098)	-	-	-
Cash paid for long-term employee benefits	(13,204,598)	(1,999,880)	(10,691,037)	(1,999,880)
Cash paid for corporate income tax	(177,127,466)	(164,089,453)	(159,047,633)	(144,314,786)
Cash refund from income tax	72,348,976	83,229,787	67,349,419	82,577,902
Net cash flows from operating activities	56,081,252	250,141,021	42,732,966	173,833,071

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from investing activities				
Cash paid for purchase of investments in debt mutual funds	(92,900,000)	(36,000,000)	-	-
Cash received from sales of investments in debt mutual funds	98,065,200	45,500,000	-	-
Cash for losing control on subsidiary	-	(2,282,504)	-	-
Cash received from sales of investment in subsidiary	-	-	-	640,000
Cash paid for purchase of investment in subsidiaries	-	-	(313,499,850)	(50,047,700)
Cash paid for purchase of investment in associates	(184,120,122)	(11,911,800)	-	(11,911,800)
Cash paid for disposals (acquisition) of non-controlling interests of a subsidiary	(1,762,521)	3,607,760	-	-
Cash paid for short-term loans to related companies	(16,500,000)	(20,100,000)	(56,500,000)	(30,100,000)
Cash received from short-term loans to related companies	-	-	10,000,000	-
Cash received from entire business transfer of a subsidiary	690,309,000	-	-	-
Cash received from dissolution of subsidiaries and associate	473,328	-	71,475,128	-
Cash paid for long-term employee benefits relating to business unit transfer to subsidiary	-	-	(20,154,389)	-
Cash received from sales of non-current assets held for sale	-	-	2,261,997	-
Cash received from sales of equipment	779,767	34,655	141,916	34,655
Cash received from sales of intangible assets	102,927	-	-	-
Cash paid for purchase of building improvements and equipment	(81,508,992)	(25,213,829)	(76,087,220)	(20,616,378)
Cash paid for deposit of right-of-use assets	(2,788,450)	-	(2,780,890)	-
Cash paid for purchase of intangible assets	(13,891,422)	(7,137,121)	(2,314,279)	(1,221,390)
Cash paid for short-term loan to non-related company	(15,000,000)	-	-	-
Cash paid for long-term loan to non-related company	(35,000,000)	-	-	-
Cash received from interest income	3,689,881	2,210,143	3,201,130	2,051,560
Cash received from dividend	4,024,000	13,235,250	628,057,534	43,267,530
Net cash flows used in investing activities	353,972,596	(38,057,446)	243,801,077	(67,903,523)

MFEC Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2023

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(25,927,763)	105,000,000	(28,927,763)	120,000,000
Cash received from short-term loans from related party	124,740,000	118,060,778	124,740,000	118,060,778
Cash paid for short-term loans from related party	(242,800,778)	-	(242,800,778)	-
Cash paid for lease agreements	(38,169,910)	(35,367,580)	(30,577,050)	(28,077,715)
Payments of liabilities under installment payables	(21,861,313)	(21,861,313)	(21,861,313)	(21,861,313)
Cash paid for interest expenses	(13,399,572)	(8,691,016)	(12,774,505)	(8,437,325)
Dividend paid	(176,573,343)	(176,580,942)	(176,573,342)	(176,580,942)
Repayment of dividend from subsidiaries to non-controlling interests	(41,771,466)	(2,667,720)	-	-
Net cash flows from (used in) financing activities	(435,764,145)	(22,107,793)	(388,774,751)	3,103,483
Net increase (decrease) in cash and cash equivalents	(25,710,297)	189,975,782	(102,240,708)	109,033,031
Cash and cash equivalents of subsidiary classified as				
non-current assets held for sale	-	(49,842,219)	-	-
Cash and cash equivalents at the beginning of year	281,972,765	141,839,202	165,361,224	56,328,193
Cash and cash equivalents at end of year	256,262,468	281,972,765	63,120,516	165,361,224
Non-cash items				
Fair value from change in investment classification	-	39,907,010	-	-
Increase in right-of-use assets and lease liabilities from additional lease agreements	136,682,612	34,494,789	134,445,893	21,540,419
Provision for decommissioning	5,523,748	-	5,426,690	-
Decrease in lease liabilities due to lease cancellation	2,537,936	-	-	-
Transfer equipment to non-current assets held for sale	-	1,295,989	-	1,227,560
Transfer of deposits to right of use assets	1,390,445	-	1,390,445	-
Dividend receivables from associate	2,324,237	-	1,440,000	-

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

Notes to consolidated financial statements

MFEC Public Company Limited and its subsidiaries
For the year ended 31 December 2023

1. General information

MFEC Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the sale of computers, computer systems, system implementation, provision of maintenance services, program development and provision of related services. The registered address of the Company is at 349 SJ Infinite One Business Complex, Vibhavadi-Rangsit Road, Chompol, Chatujak, Bangkok.

2. Basis of preparation

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

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

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

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of MFEC Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 Percent	2022 Percent
Prain Fintech Co., Ltd.	Providing the electronic payment gateway services	Thai	71.62	71.62
Business Applications Co., Ltd.	Selling and developing computer programs, including the relevant services.	Thai	99.99	99.99
Motif Technology Public Co., Ltd.	Being a consultant for designing the network systems and developing computer programs.	Thai	99.99	99.99
Hongson Co., Ltd.	Providing the consulting services, designing the working systems and developing computer programs.	Thai	-	99.99

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2023 Percent	2022 Percent
Msyne Innovations Co., Ltd.	Providing the consulting services, designing the working systems and consulting service to analyze data.	Thai	99.99	99.99
Playtorium SolutionsCo., Ltd.	Consulting, system design and development of information system and personnel recruiting to work in the projects.	Thai	70.00	70.00
MISO Digital Co., Ltd.	Personnel recruitment and IT system maintenance	Thai	75.00	75.00
Venture Lab Co., Ltd.	Providing research and experimental development on other engineering and technology	Thai	99.99	99.99
Eastwind Holdings Co., Ltd.	Being a holding company, of mostly investing in non-financial sectors	Thai	-	94.21
Synergy Group Ventures Co., Ltd.	Investing in high growth potential business and related to core business of the Group	Thai	99.99	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, 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, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) Material balances and transactions between the Group 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.

2.3 The separate financial statements present investments in subsidiaries, joint venture and associates under the cost method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

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

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

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 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 management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenues from contracts with customers

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

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

Revenues from contracts with customers mainly comprise as follows:

a) Revenue from sale of goods

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

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

b) Revenue from system integration and IT professional services

Revenue from system integration and IT professional services is recognised over the period in which the services have been rendered, taking into account the stage of completion,

which is determined using the information provided by the Group's engineers or the project managers. When the outcome of the services rendered cannot be estimated reliably, the revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

c) Revenue from other services

Revenue from rendering maintenance services for IT system and equipment is recognised over the period of maintenance using a straight-line basis over the contractual term. Revenue from cloud computing services is recognised over the period in which the services are rendered, based on actual usage. Revenue from other services is recognised at a point in time upon completion of the service.

Interest income

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

Finance cost

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

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Costs to fulfil contracts with customers

The Group recognises costs to fulfil a customer contract as an asset provided that the costs generate or enhance resources of the entity that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. The asset recognised is amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of consideration that the entity expects to receive less direct costs.

4.3 Balances of contracts with customers

Contract assets

A contract asset is the excess of cumulative revenue earned over the billings to date, presents as "Unbilled receivables" in the statement of financial position. Contract assets are transferred to receivables when the rights become unconditional i.e. services are completed and delivered to customer. Allowance for expected credit losses is provided for the estimated losses that may be incurred in customer collection.

Contract liabilities

A contract liability is recognised when the consideration received or an amount of consideration is due exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer presents as "Deferred income" in the statement of financial position. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

4.4 Cash and cash equivalents

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

4.5 Costs of work in process

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

4.6 Investments in subsidiaries and associates

Investments associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

4.7 Building improvements and equipment and Depreciation

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

Depreciation of building improvements and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building improvements	5 - 10 years
Office furniture	3 - 5 years
Tools and office equipment	3 - 5 years
Equipment and software project	3 - 5 years
Motor vehicles	5 years

Depreciation is included in the calculation of operating results and no depreciation is provided on assets under installation and under construction. An item of building improvements and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.8 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

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

Computer software	3 - 10 years
Deferred system software of the project	2 - 5 years

No depreciation is provided on cost of research and development and program under development.

4.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss. Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

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

4.10 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

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

Right-of-use assets

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

Depreciation of right-of-use assets which are office buildings are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term within 3 - 6 years.

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

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Group as a lessor

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

4.11 Related party transactions

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

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

4.12 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Group's functional currency.

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

Gains and losses on exchange are included in determining income.

4.13 Impairment of non-financial assets

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

An impairment loss is recognised in profit or loss. In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased

carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

4.15 Provisions

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

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.17 Financial instruments

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

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

Financial assets at amortised cost

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

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

Financial assets at FVTPL

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

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

Classification and measurement of financial liabilities

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

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred control of the asset.

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

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not

held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. ECLs are based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

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

4.18 Derivatives and hedge accounting

The Group uses derivatives, forward currency contracts, to hedge its foreign currency risks. Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivatives are presented as non-current assets or non-current liabilities if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting

For the purpose of hedge accounting, hedge is classified as Cash flow hedges when hedging the exposure to a variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment. At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation, at the inception of the hedge and on an ongoing basis, includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements, including analysis of the sources of hedge ineffectiveness and how the hedge ratio is determined. A hedging relationship qualifies for hedge accounting if it meets all of the following hedge effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk is not the dominant factor in the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all of the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The cash flow hedge reserve is adjusted to the lower (in absolute amounts) of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The way cash flow hedge reserve accumulated in other comprehensive income are subsequently accounted for, depends on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition

of a non-financial item, the reserve accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income for the period. For any other cash flow hedges, the reserve accumulated in other comprehensive income is subsequently reclassified to profit or loss as a reclassification adjustment in the same period which the hedged cash flows affect profit or loss. If cash flow hedge accounting is discontinued, the cash flow hedge reserve accumulated in other comprehensive income must remain in equity if the hedged future cash flows are still expected to occur. Otherwise, the reserve will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, the way the reserve remaining in equity is accounted for depends on the nature of the underlying transaction as described above.

4.19 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 applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

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

Level 1	Use of quoted market prices in an active market for such assets or liabilities
Level 2	Use of other observable inputs for such assets or liabilities, whether directly or indirectly
Level 3	Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Revenue from contracts with customers

Identification of performance obligations

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

Determination of timing of revenue recognition

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

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

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

In calculating the revenue recognised over time, the management is required to use judgement regarding measuring progress towards complete satisfaction of a performance obligation, measuring based on information provided by the Group's project managers.

Provision for penalties for project delays and possible project losses

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

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

Goodwill

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

Litigation

The Group has contingent liabilities as a result of litigation. The Group's management has used judgement to assess of the results of the litigation and considers recording contingent liabilities as at the end of reporting period.

6. Related party transactions

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

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2023	2022	2023	2022	
Transactions with subsidiaries (eliminated from the consolidated financial statements)					
Sales of goods and services	-	-	7	7	Close to market price
Purchase of goods and services	-	-	204	210	Close to market price
Dividend income	-	-	624	29	As declared by subsidiaries
Interest income	-	-	1	-	MLR-3.5% and MLR-2.5% per annum
Transactions with joint venture and associates					
Sales of goods and services	5	3	4	3	Close to market price
Purchase of goods and services	16	28	16	28	Close to market price
Dividend income	5	14	5	14	As declared by associates
Interest income	3	2	3	2	MOR, MOR-1% and MLR-1% per annum
Transactions with related parties					
Sales of goods and services	-	1	-	1	Close to market price
Purchase of goods and services	5	16	5	16	Close to market price
Interest expense	2	-	2	-	1.25 to 2.25 percent per annum

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Amounts due from related parties				
Subsidiaries	-	-	3,077	2,130
Joint venture	380	-	195	-
Associates	23,606	18,915	23,606	18,915
Related parties	-	164	-	164
Total amounts due from related parties	23,986	19,079	26,878	21,209

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Amounts due to related parties				
Subsidiaries	-	-	34,192	55,858
Associates	25,091	22,094	25,091	22,094
Related parties	642	16	642	16
Total amounts due to related parties	25,733	22,110	59,925	77,968

Short-term loans to related parties and short-term loans from related party

As at 31 December 2023 and 2022, the balances of short-term loans between the Company and those related companies and the movement in loans are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		
	Balance as at 31 December 2022	Increase during the year	Balance as at 31 December 2023
Short-term loans to related companies			
Associates			
Angstrom Solutions Company Limited	45,300	16,500	61,800
Digital Savvy Company Limited	600	-	600
Total	45,900	16,500	62,400

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at 31 December 2022	Increase during the year	Balance as at 31 December 2023
Short-term loans to related parties			
Subsidiaries			
Motif Technology Public Company Limited	10,000	30,000	40,000
Associates			
Angstrom Solutions Company Limited	45,300	16,500	61,800
Digital Savvy Company Limited	600	-	600
Total	55,900	46,500	102,400

The Company provide a loan to Angstrom Solution Co., Ltd., an associate, with the loan principal together with accrued interest to be repaid in the original agreement from 30 December 2023 to 30 December 2024, with all conditions specified in the original agreement remaining in effect. The loan included a one-time convertible right on the maturity date, which allows the Company to choose whether to receive loan repayment together with interest in full or convert to the loan to ordinary shares based on the mutually agreed-upon exercise price in accordance with the share conversion agreement.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Balance as at 31 December 2022	Increase during the year	Decrease during the year	Balance as at 31 December 2023
Short-term loans to related companies				
Parent company				
TIS Inc.	118,061	124,740	(242,801)	-
Total	118,061	124,740	(242,801)	-

In December 2023, the Company repaid the loan from TIS, including the accrued interest.

On 21 December 2023, the Board of Directors Meeting No. 8/2023 approved the borrowing from TIS Inc., who is the major shareholder holding 48.99% of the Company authorized and issued ordinary share, with unsecured loan facility not exceeding to Yen 2,800 million (or approximately amounting to Baht 690.5 million as at loan agreement date). The loan can be drawdown with repayment within period of 1 year from the date of first loan drawdown or 31 December 2024, whichever date is earlier. As at 31 December 2023, the Company does not have any remaining loan balances from the parent company. The loan has not yet been drawn down amounting to Baht 690.5 million.

Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Short-term employee benefits	116,227	87,126	78,812	56,164
Post-employment benefits	2,521	2,961	1,880	1,880
Total	118,748	90,087	80,692	58,044

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash	448	380	228	208
Bank deposits	255,814	281,593	62,893	165,153
Total	256,262	281,973	63,121	165,361

As at 31 December 2023, bank deposits in saving accounts and fixed deposits carried interests between 0.15 and 0.60 percent per annum (2022: between 0.10 and 0.35 percent per annum).

8. Restricted bank deposits

Restricted bank deposits represent advance receipts from service users of a subsidiary which are restricted in accordance with regulations relevant to the subsidiary's business.

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade receivables				
Aged on the basis of due dates				
Not yet due	1,095,066	854,072	1,007,380	776,790
Past due				
Up to 3 months	344,469	374,938	322,179	352,379
3 - 6 months	263,303	15,092	261,799	13,519
6 - 12 months	10,884	3,626	10,746	2,608
Over 12 months	86,515	314,577	62,255	285,396
Total	1,800,237	1,562,305	1,664,359	1,430,692
Less: Allowance for expected credit losses	(43,298)	(38,996)	(40,847)	(38,996)
Total trade receivables - net	1,756,939	1,523,309	1,623,512	1,391,696
Other receivables				
Receivable from Revenue Department	246,471	172,486	235,860	161,796
Other receivables	37,753	31,296	31,607	27,953
Total	284,224	203,782	267,467	189,749
Less: Allowance for expected credit losses	(21,671)	(21,871)	(20,019)	(20,019)
Total other receivables - net	262,553	181,911	247,448	169,730
Total trade and other receivables - net	2,019,492	1,705,220	1,870,960	1,561,426

As at 31 December 2023, the allowance for expected credit losses with respect to trade receivables amounting to Baht 17 million (2022: Baht 17 million) (the Company only: Baht 17 million, 2022: Baht 16 million) as the Central Bankruptcy Court ordered one of the Group's large corporate clients to enter into business rehabilitation process.

10. Unbilled receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Unbilled receivables	1,063,143	1,159,408	1,020,792	1,116,081
Less: Allowance for expected credit losses	(11,364)	(13,572)	-	(2,208)
Total unbilled receivables - net	1,051,779	1,145,836	1,020,792	1,113,873

As at 31 December 2023, the Group had outstanding income of Baht 1,052 million expected to be paid within one year (2022: Baht 1,146 million) and Baht 11 million expected to be paid after one year (2022: Baht 13 million).

11. Costs of work in process

(Unit: Thousand Baht)

	Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	43,448	35,915	(7,056)	(7,056)	36,392	28,859
Work in process	127,872	362,484	-	-	127,872	362,484
Goods in transit	8,638	1,557	-	-	8,638	1,557
Total	179,958	399,956	(7,056)	(7,056)	172,902	392,900

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2023	2022	2023	2022	2023	2022
Finished goods	14,838	9,231	(7,056)	(7,056)	7,782	2,175
Work in process	282,634	405,719	-	-	282,634	405,719
Goods in transit	8,638	1,176	-	-	8,638	1,176
Total	306,110	416,126	(7,056)	(7,056)	299,054	409,070

12. Other current financial assets

(Unit: Thousand Baht)

	Consolidated financial statements	
	2023	2022
Other current financial assets		
Other current financial assets		
Financial assets at amortised cost		
Promissory note to non-related company	15,000	-
Financial assets at FVTPL		
Investments in debt mutual funds	43,935	48,479
Other non-current financial assets		
Financial assets at FVTPL		
Long-term loan to non-related company	34,075	-
Total	93,010	48,479

On 18 May 2023, a subsidiary made loan agreement with non-related company amounting to Baht 35 million, with interest rate of 11% per annum. The loan agreement contains an agreement to pay principle and interest, including the convertible right to ordinary shares within a period of 3 years. The loan is presented as financial assets that measured at fair value through profit or loss.

On 14 July 2023, a subsidiary issued a promissory note to non-related company amounting to Baht 15 million, with interest rate of 6% per annum. The promissory note is due on 10 June 2024 and is guaranteed by a director of the associated company. The promissory note is presented as financial assets that measured amortised cost.

13. Non-current assets held for sale and discontinued operation

During the year 2022, the Company's internal business restructure in which assets used in the Digital Delivery business unit under the Company, such as computers, related IT equipment and employees approximately to 300 persons in the position of software developers and related staffs in support function, transferring to Vulcan Digital Delivery Co., Ltd. ("VDD"), under the shareholding of Eastwind Holdings Co., Ltd. ("EWH"), a subsidiary of the Company.

The Group presents the Digital Delivery business unit separately as "Non-current assets held for sale" in the statement of financial position as at 31 December 2022.

As at 31 December 2022, assets and liabilities reclassified as held for sale were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Non-current assets held for sale		
Cash and cash equivalents	49,842	-
Other current assets	46	-
Equipment	1,296	1,228
Total	51,184	1,228
Liabilities directly related to non-current assets held for sale		
Trade and other payables	11	-
Accrued expenses	34	-
Provision for long-term employee benefits	20,154	20,154
Total	20,199	20,154

Subsequently, on 20 February 2023, EWH transferred its business under the entire business transfer process (Entire Business Transfer or "EBT") to Bluebik Group Public Company Limited ("BBIK") and received cash as consideration for such transaction, totaling Baht 691 million. In addition, gain on the entire business transfer of a subsidiary of Baht 650 million was presented in the consolidated statement of comprehensive income.

Book value of assets and liabilities of VDD as at the entire business transfer date were summarised below.

(Unit: Thousand Baht)

Cash and cash equivalents	48,004
Trade and other receivables	636
Unbilled receivables	19,977
Costs of work in process	5,388
Other current assets	566
Building improvement and equipment	2,397
Deferred tax assets	84
Trade and other payables	(81)
Amounts due to related parties	(496)
Accrued expenses	(3,232)
Unbilled payables	(12,501)
Other current liabilities	(25)
Provision for long-term employee benefits	(20,575)
Net book value of VDD	40,142

Reconciliation of gain on the entire business transfer of a subsidiary was summarised below.

(Unit: Thousand Baht)

Compensation from the entire business transfer of EWH	691,000
Less: Net book value of VDD as at the entire business transfer date	(40,142)
Non-controlling interests of EWH	(566)
Other related expenses as at the business transfer date	(691)
Gain on the entire business transfer of a subsidiary	649,601

Discontinued operations which was presented in the statement of comprehensive income for the year ended 31 December 2023 and 2022 were as follows.

(Unit: Thousand Baht)

	Consolidated financial statements				Total	
	Continuing operation		Discontinued operation			
	2023	2022	2023	2022	2023	2022
Revenues						
Sales and services income	6,718,559	5,421,308	20,337	425,470	6,738,896	5,846,778
Gain on derivatives at fair value	649,601	-	-	-	649,601	-
Gain from change in investment classification	-	33,442	-	-	-	33,442
Other income	58,032	31,799	15	-	58,047	31,799
Total revenues	7,426,192	5,486,549	20,352	425,470	7,446,544	5,912,019
Expenses						
Cost of sales and services	5,766,979	4,474,181	8,996	337,682	5,775,975	4,811,863
Selling and distribution expenses	131,378	136,622	-	-	131,378	136,622
Administrative expenses	747,874	595,965	21,213	58,376	769,087	654,341
Loss on derivatives at fair value	993	288	-	-	993	288
Total expenses	6,647,224	5,207,056	30,209	396,058	6,677,433	5,603,114
Operating profit (loss)	778,968	279,493	(9,857)	29,412	769,111	308,905
Share of profit from investments in joint venture and associates	6,782	8,220	-	-	6,782	8,220
Finance cost	(23,360)	(18,215)	-	-	(23,360)	(18,215)
Profit (loss) before income tax expenses	762,390	269,498	(9,857)	29,412	752,533	298,910
Income tax expenses	(35,047)	(52,422)	84	(6,408)	(34,963)	(58,830)
Profit (loss) for the year	727,343	217,076	(9,773)	23,004	717,570	240,080
Earnings (loss) per share:						
Earnings (loss) per share (Baht/share)	1.65	0.48	(0.02)	0.05	1.63	0.53

	Separate financial statements				Total	
	Continuing operation		Discontinued operation			
	2023	2022	2023	2022	2023	2022
Revenues						
Sales and services income	6,112,450	4,877,956	-	425,470	6,112,450	5,303,426
Dividend income	629,498	43,268	-	-	629,498	43,268
Other income	48,728	31,533	-	-	48,728	31,533
Total revenues	6,790,676	4,952,757	-	425,470	6,790,676	5,378,227
Expenses						
Cost of sales and services	5,375,200	4,146,998	-	337,682	5,375,200	4,484,680
Selling and distribution expenses	107,921	114,970	-	-	107,921	114,970
Administrative expenses	652,526	491,630	-	58,376	652,526	550,006
Loss on derivatives at fair value	1,075	-	-	-	1,075	-
Total expenses	6,136,722	4,753,598	-	396,058	6,136,722	5,149,656
Operating profit (loss)	653,954	199,159	-	29,412	653,954	228,571
Finance cost	(21,004)	(15,782)	-	-	(21,004)	(15,782)
Profit (loss) before income tax expenses	632,950	183,377	-	29,412	632,950	212,789
Income tax expenses	(24,014)	(38,793)	-	(6,408)	(24,014)	(45,201)
Profit (loss) for the year	608,936	144,584	-	23,004	608,936	167,588
Earnings (loss) per share:						
Earnings (loss) per share (Baht/share)	1.38	0.33	-	0.05	1.38	0.38

Net cash flow for the year ended 31 December 2023 and 2022 of Digital delivery business unit are as follows:

(Unit: Thousand Baht)

	For the year ended 31 December	
	2023	2022
Cash flows from operating activities	601	23,182
Cash flows from investing activities	(2,439)	(751)
Net increase (decrease) in cash and cash equivalents	(1,838)	22,431

14. Investments in subsidiaries

14.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost		Allowance for impairment loss on investments		Net book value under cost method - net	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Prain Fintech Co., Ltd.	37,000	37,000	71.62	71.62	58,084	58,084	(29,050)	(29,050)	29,034	29,034
Business Applications Co., Ltd.	10,000	10,000	99.99	99.99	200,828	200,828	-	-	200,828	200,828
Motif Technology Public Co., Ltd.	50,000	40,000	99.99	99.99	261,927	251,927	(237,653)	(225,653)	24,274	26,274
Hongson Co., Ltd.	-	5,000	-	99.99	-	80,441	-	(11,441)	-	69,000
Msyne Innovations Co., Ltd.	18,000	18,000	99.99	99.99	68,739	68,739	(31,143)	(7,143)	37,596	61,596
Playtorium Solutions Co., Ltd.	10,000	5,000	70.00	70.00	7,000	3,500	-	-	7,000	3,500
MISO Digital Co., Ltd.	5,000	5,000	75.00	75.00	14,424	14,424	-	-	14,424	14,424
Venture Lab Co., Ltd.	7,000	7,000	99.99	99.99	7,000	7,000	-	-	7,000	7,000
Eastwind Holdings Co., Ltd.	-	51,000	-	94.21	-	48,048	-	-	-	48,048
Synergy Group Ventures Co., Ltd.	300,000	-	99.99	-	300,000	-	-	-	300,000	-
Total investments in subsidiaries - net					918,002	732,991	(297,846)	(273,287)	620,156	459,704

Eastwind Holdings Co., Ltd.

On 10 March 2023, the Board of Directors' Meeting No. 2/2023 of Eastwind Holdings Co., Ltd. resolved to approve the interim dividend payment of Baht 635 million at the rate of Baht 1,245.50 per share. The Company received the dividend amounting to Baht 598 million on 15 March 2023.

On 18 August 2023, the Company received cash refund from the liquidation of the subsidiary in the amount of Baht 53 million. The subsidiary has completed the liquidation process on 29 August 2023.

Motif Technology Public Co., Ltd.

On 13 March 2023, the Extraordinary General Meeting of shareholders No. 1/2023 of Motif Technology Public Company Limited, resolved to approve the increase of registered capital from Baht 40 million (40,000,000 ordinary shares with a par value of Baht 1 per share) to Baht 50 million (50,000,000 ordinary shares with a par value of Baht 1 per share). The Company purchased the whole number of newly issued ordinary shares to maintain the existing shareholding in the subsidiary at 100%.

The subsidiary registered the capital increase with the Ministry of Commerce on 24 March 2023.

For the year ended 31 December 2023, the Company determined impairment of investment in Motif Technology Public Company Limited based on business valuation using discounted cash flows method, based on the subsidiary's financial and operation plans prepared by management. The subsidiary's recoverable amount was lower than the book value, and thus the Company recorded an allowance for impairment of the investment in the subsidiary amounting to Baht 12 million (2022: Baht 13.4 million) in the separate statement of comprehensive income.

Business Applications Co., Ltd. and Hongson Co., Ltd.

On 7 April 2023, the Board of Directors' Meeting No. 2/2023 of the Company resolved to approve the business restructuring of the Group through a merger of two subsidiaries, namely, Business Applications Co., Ltd. ("BAC") and Hongson Co., Ltd. ("HS"). Under the scheme, HS has been approved to dispose of assets used in its business operations, including computers and related equipment, and to transfer all employees to BAC. Such transaction has completed on 10 April 2023. In addition, to maintain continuity of HS's service contracts throughout the merger process, BAC is a subcontractor to HS's contracts with external customers until HS completes delivery to meet the requirements under the terms of each contract.

On 17 May 2023, the Extraordinary General Meeting of the shareholders of HS approved the dissolution, and the company registered its dissolution with the Ministry of Commerce on 25 May 2023. Currently, the subsidiary is in the process of liquidation.

On 18 August 2023, the Company received cash refund from the subsidiary in the amount of Baht 18 million.

Synergy Group Ventures Co., Ltd.

On 7 April 2023, The Board of Directors' Meeting No. 2/2023 of the Company resolved to approve the establishment of new subsidiary company namely Synergy Group Ventures Co., Ltd. ("SGV") for the purpose to invest in high growth potential business and related to core business of the Group. SGV has been registered its company establishment with the Ministry of Commerce on 27 April 2023, with the registered share capital of Baht 5 million. Subsequently, on 18 May 2023, SGV has registered the increase in capital to Baht 500 million with the Ministry of Commerce, with the capital called-up of 30% or equal to of Baht 150 million.

On 12 July 2023, the Board of Director's Meeting No. 2/2023 of SGV resolved to approve the call for an additional payment of Baht 100 million of shares.

On 28 November 2023, the Board of Director's Meeting to 5/2023 of SGV resolved to approve the call for an additional payment of Baht 50 million of shares. After the call for payment, SGV has an issued and paid-up capital of Baht 300 million with a paid-up capital of 60%. The Company has shareholding in SGV of 100%.

Playtorium Solutions Co., Ltd.

On 19 September 2023, the Board of Directors' Meeting No. 3/2023 of Playtorium Solutions Company Limited resolved to approve the interim dividend payment of Baht 5.5 million at the rate of Baht 11 per share. The Company received the dividend amounting to Baht 3.9 million on 16 October 2023.

On 18 October 2023, the Extraordinary General Meeting of Shareholders No. 1/2023 of Playtorium Solutions Company Limited passed a resolution approving the increase in registered capital from Baht 5 million (500,000 common shares with a value of Baht 10 per share) to Baht 10 million (1,000,000 common shares with a value of Baht 10 per share). The Company purchased an additional 700,000 common shares to maintain its existing shareholding in the subsidiary at 70%. The subsidiary has registered the increase in capital with the Ministry of Commerce on 19 October 2023.

Msyne Innovation Co., Ltd.

On 9 November 2023, the Board of Directors' Meeting No. 6/2023 of the Company resolved to approve the business restructuring of the Group by transferring the business operation of Msyne Innovation Co., Ltd. ("MS"), in which the Company holds 100% interest. Under the scheme, MS will transfer the assets used in its business operations, including computers and related equipment, and to transfer all employees to the Company. In addition, to maintain continuity of MS's service contracts throughout transferring the business transfer process, the Company will be a subcontractor to MS's contracts with external customers until MS completes delivery to meet the requirements under the terms of each contract. The business transfer will take effect on 1 January 2024. After the implementation of the aforementioned merger plan, MS will register its dissolution with the Ministry of Commerce within the year 2024.

As at 31 December 2023, the Company determined the impairment of investment in MS based on net realisable value. The recoverable amount of the subsidiary is lower than the book value. The Company therefore recorded an allowance for impairment of investment in MS amounting to Baht 24 million, which was included in the separate statement of comprehensive income.

14.2 During the years ended 31 December 2023 and 2022, the Company received dividend from its subsidiaries as below.

(Unit: Thousand Baht)

Company's name	2023	2022
Playtorium Solutions Company Limited	8,750	2,800
Msyne Innovations Company Limited	8,100	9,900
MISO Digital Co., Ltd.	3,750	3,750
Business Applications Co., Ltd.	5,000	10,000
Hongson Co., Ltd.	-	3,000
Eastwind Holdings Co., Ltd.	598,434	-
	624,034	29,450

15. Investments in joint venture and associates
15.1 Details of joint venture and associates:

(Unit: Thousand Baht)

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Carrying amounts based on equity method		Cost of investment		Allowance for impairment loss on investments		Net book value under cost method - net	
			2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
			(Percent)	(Percent)								
Data Cafe' Co., Ltd.	Providing consulting services to analyse all types of business information	Thai	42	42	31,002	40,719	5,022	5,022	-	-	5,022	5,022
Angstrom Solutions Co., Ltd.	Information & Communication Technology	Thai	40	40	40,728	41,741	44,000	44,000	-	-	44,000	44,000
PromptNow Co., Ltd.	Creates entertainment media for electronics devices	Thai	20	20	42,750	67,036	3,680	3,680	-	-	3,680	3,680
Fanster Media Co., Ltd.	Provides news dissemination of the activities of well known persons through application	Thai	-	34	-	2,925	-	22,800	-	(15,600)	-	7,200
Digital Savvy Co., Ltd.	Provides sale of tickets and advertising services	Thai	42	42	5,660	5,670	16,465	16,465	(10,800)	(10,800)	5,665	5,665
I2 Enterprise Public Co., Ltd.	Provides sale and installation of telecommunication systems and implementation of various communication systems	Thai	17	15	149,996	68,876	61,412	61,412	-	-	61,412	61,412
A-Host Co., Ltd.	Provides IT professional services included ERP system and application implementation and ERP consulting, IT managed services, and cloud services provide to the leading enterprise	Thai	30	-	79,679	-	-	-	-	-	-	-
Secure D Center Co., Ltd.	Provides conducting business in relation to providing consult and develop services in cybersecurity and IT security systems	Thai	25	-	37,145	-	-	-	-	-	-	-
Total investment in joint venture and associates - net					386,960	226,967	130,579	153,379	(10,800)	(26,400)	119,779	126,979

Data Cafe Co., Ltd.

During the year 2022, There was the establishment of business partnership with external investor, the Company's shareholding in DC decreased from 64.90% to 42.19%. As a result of the change in the Company's control over DC caused the Company to change its investment classification in DC from a subsidiary to a joint venture. The Group recognised gain from change in investment classification of Baht 33 million in the consolidated statement of comprehensive income.

Reconciliation of gain from change in investment classification was summarised below.

(Unit: Thousand Baht)

Fair value of investment in a joint venture	39,907
Add: Non-controlling interests of DC	3,595
Less: Net book value of DC before changing its investment classification	(10,060)
Gain from change in investment classification	33,442

For the year ended 31 December 2023, the Group determined impairment of investment in Data Cafe Company Limited based on business valuation using discounted cash flows method, based on the joint venture's financial and operation plans prepared by management. The joint venture's recoverable amount was lower than the book value, and thus the Group recorded an allowance for impairment of goodwill, which was the part of investment in the joint venture, in the consolidated financial statements of Baht 3 million. This was presented as an expense in the consolidated statement of comprehensive income.

Promptnow Co., Ltd.

For the year ended 31 December 2023, the Group determined impairment of investment in Promptnow Company Limited based on business valuation using discounted cash flows method, based on the associate's financial and operation plans prepared by management. The associate's recoverable amount was lower than the book value, and thus the Group recorded an allowance for impairment of goodwill, which was the part of investment in associate of Baht 20 million. This was presented as an expense in the consolidated statement of comprehensive income.

Fanster Media Co., Ltd.

On 15 September 2023, the Extraordinary General Meeting of shareholders No. 1/2023 of Fanster Media Company Limited, approved the dissolution, and the company registered its dissolution with the Ministry of Commerce on 29 September 2023. Currently, the associate is in the process of liquidation. On 9 October 2023, the Company received cash refund from the associate in the amount of Baht 0.5 million.

I2 Enterprise Public Co., Ltd.

On 7 August 2023, the Board of Director's Meeting No. 3/2023 of Synergy Group Ventures Co., Ltd. ("SGV") resolved to approve to acquire 18 million shares of I2 Enterprise Public Company Limited ("I2") from four existing shareholders of I2 at the price equal to the Initiate Public Offering price (IPO price) of Baht 2.70 per share, representing the total investment value of Baht 48.6 million. The acquisition was executed through the trading of Big Lot transactions on the first trading day of I2 shares in the Market for Alternative Investment ("MAI") on 8 August 2023. Upon the completion of investment in I2, the Group's shareholding in I2 remains at 15% of the total issued and paid-up capital of I2, with shares held by the Company and SGV representing 10.71% and 4.29% respectively.

During the year, SGV has additional investment in I2 after being listed in the MAI, resulting in the Group's shareholding in I2 represents 17.29%, with shares held by the Company and SGV representing 10.71% and 6.58% respectively.

A-Host Co., Ltd. and Secure D Center Co., Ltd.

On 21 June 2023, Synergy Group Ventures Co., Ltd. ("SGV") has invested in A-Host Co., Ltd. ("AH") which principally engaged in various IT professional services included ERP system and application implementation and ERP consulting, IT managed services, and cloud services provide to the leading enterprise. SGV has acquired 1,800,000 ordinary shares from existing shareholders with a par value of Baht 10 per share, representing 30% of the total issued and paid-up share capital with a consideration paid of Baht 41.67 per share, at the total investment amount of Baht 75 million.

On 3 July 2023, SGV has invested in Secure D Center Company Limited ("SD"), which principally engaged in conducting business in relation to providing consult and develop services in cybersecurity and IT security systems, including provide service in security test of IT systems. SGV has entered to invest at 166,667 newly issued ordinary shares, representing 25% of the total issued and paid-up after registered capital increase of SD with total initial investment amount of Baht 36 million.

Fair value of assets and liabilities assumed of A-Host Co., Ltd. and Secure D Center Co., Ltd. as at acquisition date were summarised below.

(Unit: Thousand Baht)

	A-Host Co., Ltd.	Secure D Center Co., Ltd.
Assets		
Cash and cash equivalents	167,841	6,123
Restricted bank deposits	594	-
Trade and other receivables	47,238	3,616
Other current assets	17,359	662
Investments in subsidiaries	11,860	1,000
Other investment	1,435	-
Building improvements and equipment	6,659	3,032
Other intangible assets	484	300
Other non-current assets	1,919	-
Total assets	255,389	14,733
Liabilities		
Trade and other payables	107,794	1,278
Accrued expenses	14,188	43
Deferred income	18,878	-
Other current liabilities	3,639	-
Provision for long-term employee benefits	5,934	761
Total liabilities	150,433	2,082
Net assets from business acquisition	104,956	12,651
Shareholder percentage (%)	30	25
Net assets in proportion of the Group	31,487	3,163
Cash paid for business acquisition	75,006	36,000
Goodwill from business acquisition	43,519	32,837

Currently, the Group is in the process of completing the measurement of fair value of the identifiable assets acquired and liabilities assumed as at the acquisition date of A-Host Co., Ltd. and Secure D Center Co., Ltd. in order to initially allocate costs of the business acquisition to such identifiable items, mainly with respect to the identification and measurement of intangible assets and certain tangible assets. The measurement is to be completed within a period of 12 months from the acquisition date in accordance with the Thai Financial Reporting Standard No. 3 Business Combinations. However, the Group has used its best estimates to perform valuation of assets and liabilities based on the facts and circumstances as at the acquisition date in order to initially allocate costs of the business acquisition to such identifiable items. This assessment may be significantly different from the final outcome, and the Group may need to retrospectively adjust the provisional amounts previously recognised as at the acquisition date.

15.2 Share of comprehensive income and dividend received

During the years, the Company recognised its share of profit (loss) from investments in joint venture and associates and dividend received as follows:

(Unit: Thousand Baht)

Company’s name	Consolidated financial statements		Separate financial statements		Dividend received during the year	
	Share of profit (loss) from investments in joint venture and associates during the year		Share of other comprehensive income from investments in joint venture and associates during the year			
	2023	2022	2023	2022	2023	2022
Data Cafe Co., Ltd.	(5,712)	769	(445)	53	649	583
Angstrom Solutions Co., Ltd.	(1,013)	53	-	-	-	-
Promptnow Co., Ltd.	(4,503)	1,537	227	928	-	-
Fanster Media Co., Ltd.	(1,496)	(405)	-	-	-	-
Digital Savvy Co., Ltd.	(10)	(61)	-	-	-	-
I2 Enterprise Public Co., Ltd.	13,698	6,327	9	-	4,815	13,235
A-Host Co., Ltd.	4,673	-	-	-	-	-
Secure D Center Co., Ltd.	1,145	-	-	-	-	-
Total	6,782	8,220	(209)	981	5,464	13,818

15.3 Summarised financial information about material associates

Summarised information about financial position

(Unit: Thousand Baht)

	Angstrom Solutions Co., Ltd.		PromptNow Co., Ltd.		I2 Enterprise Public Co., Ltd.	
	2023	2022	2023	2022	2023	2022
Current assets	1,824	625	123,710	149,983	1,855,535	603,681
Non-current assets	220,917	199,858	26,475	23,087	199,792	206,894
Current liabilities	(109,147)	(89,206)	(16,267)	(20,432)	(649,224)	(448,883)
Non-current liabilities	(11,529)	(6,679)	(8,288)	(5,815)	(776,446)	(97,625)
Net assets	102,065	104,598	125,630	146,823	629,657	264,067
Shareholding percentage (%)	40	40	20	20	17	15
Share of net assets	40,826	41,839	25,126	29,365	108,868	36,610
Goodwill	-	-	37,514	37,514	41,128	29,245
Allowance for impairment goodwill	-	-	(20,000)	-	-	-
Others	(98)	(98)	110	157	-	21
Carrying amounts of associates based on equity method	40,728	41,741	42,750	67,036	149,996	68,876

Summarised information about comprehensive income

(Unit: Thousand Baht)

	Angstrom Solutions Co., Ltd.		PromptNow Co., Ltd.		I2 Enterprise Public Co., Ltd.	
	2023	2022	2023	2022	2023	2022
Revenue	12,957	13,157	76,964	196,473	1,419,728	935,862
Profit	(2,532)	132	(22,515)	7,683	82,396	42,180
Other comprehensive income	-	-	1,085	3,765	41	-
Total comprehensive income	(2,532)	132	(21,430)	11,448	82,437	42,180

The Company determined the recoverable amounts of cash-generating units of associates based on the value-in-use, using 5-year cash flow projections approved by management.

Key assumptions used in value in use calculations are as follows:

	(Unit: percent per annum)
Growth rate	3.0
Pre-tax discount rate	11.81 - 12.00

Management has considered growth rate based on past business performance, forecasted market growth and GDP growth rates, and discount rate as a pre-tax rate to reflect the risks specific to each cash-generating unit, and recorded an allowance for impairment of the investment in joint venture and associate amounting to Baht 23 million.

16. Building improvements and equipment

Movements of building improvements and equipment for the year ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements						
	Building improvement	Office furniture	Tools and office equipment	Equipment and software system	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2022	50,655	164,384	217,203	25,752	13,570	-	471,564
Additions	-	7,923	13,899	-	2,330	1,062	25,214
Disposals/write-off	-	(863)	(3,826)	-	-	-	(4,689)
Transfers in (out)	-	1,018	3	-	-	(1,021)	-
Decrease from change of investment in subsidiary to joint venture	(340)	(260)	(388)	-	-	-	(988)
Transfers to non-current assets held for sale	-	(4,422)	(69)	-	-	-	(4,491)
31 December 2022	50,315	167,780	226,822	25,752	15,900	41	486,610
Additions	25,532	19,623	33,304	-	3,050	-	81,509
Disposals/write-off	-	(21,094)	(52,312)	(5,910)	(1,141)	-	(80,457)
Transfers in (out)	-	-	41	-	-	(41)	-
31 December 2023	75,847	166,309	207,855	19,842	17,809	-	487,662
Accumulated depreciation:							
1 January 2022	26,598	129,789	202,493	18,872	6,039	-	383,791
Depreciation for the year	6,124	13,092	9,973	101	2,416	-	31,706
Depreciation on disposals/write-off	-	(863)	(2,133)	-	-	-	(2,996)
Decrease from change of investment in subsidiary to joint venture	(307)	(234)	(219)	-	-	-	(760)
Transfers to non-current assets held for sale	-	(3,194)	(1)	-	-	-	(3,195)
31 December 2022	32,415	138,590	210,113	18,973	8,455	-	408,546
Depreciation for the year	6,337	12,474	12,189	101	3,223	-	34,324
Depreciation on disposals/write-off	-	(21,091)	(50,419)	(5,909)	(893)	-	(78,312)
31 December 2023	38,752	129,973	171,883	13,165	10,785	-	364,558
Allowance for impairment loss:							
1 January 2022	-	10,150	-	6,600	-	-	16,750
31 December 2022	-	10,150	-	6,600	-	-	16,750
31 December 2023	-	10,150	-	6,600	-	-	16,750
Net book value:							
31 December 2022	17,900	19,040	16,709	179	7,445	41	61,314
31 December 2023	37,095	26,186	35,971	77	7,024	-	106,354
Depreciation for the year							
2022 (Baht 14 million included in cost of sales and services, and the balance in selling and administrative expenses)							31,706
2023 (Baht 17 million included in cost of sales and services, and the balance in selling and administrative expenses)							34,324

(Unit: Thousand Baht)

	Separate financial statements						
	Building improvement	Office furniture	Tools and office equipment	Equipment and software system	Motor vehicles	Assets under installation and under construction	Total
Cost:							
1 January 2022	37,887	155,852	198,703	25,443	5,303	-	423,188
Additions	-	7,583	11,972	-	-	1,062	20,617
Disposals/write-off	-	(742)	(3,207)	-	-	-	(3,949)
Transfers in (out)	-	1,021	-	-	-	(1,021)	-
Transfers to non-current assets held for sale	-	(4,422)	-	-	-	-	(4,422)
31 December 2022	37,887	159,292	207,468	25,443	5,303	41	435,434
Additions	25,531	18,903	31,653	-	-	-	76,087
Disposals/write-off	-	(21,076)	(52,313)	(5,909)	-	-	(79,298)
Transfers in (out)	-	-	41	-	-	(41)	-
31 December 2023	63,418	157,119	186,849	19,534	5,303	-	432,223
Accumulated depreciation:							
1 January 2022	22,410	123,699	187,085	18,834	2,630	-	354,658
Depreciation for the year	4,753	12,039	8,244	-	861	-	25,897
Depreciation on disposals/write-off	-	(740)	(1,515)	-	-	-	(2,255)
Transfer to non-current assets held for sale	-	(3,194)	-	-	-	-	(3,194)
31 December 2022	27,163	131,804	193,814	18,834	3,491	-	375,106
Depreciation for the year	5,000	11,463	10,405	-	841	-	27,709
Depreciation on disposals/write-off	-	(21,084)	(50,419)	(5,909)	-	-	77,412
31 December 2023	32,163	122,183	153,800	12,925	4,332	-	325,403
Allowance for impairment loss:							
1 January 2022	-	10,150	-	6,600	-	-	16,750
31 December 2022	-	10,150	-	6,600	-	-	16,750
31 December 2023	-	10,150	-	6,600	-	-	16,750
Net book value:							
31 December 2022	10,724	17,338	13,654	9	1,812	41	43,578
31 December 2023	31,255	24,786	33,049	9	971	-	90,070
Depreciation for the year							
2022 (Baht 13 million included in cost of sales and services, and the balance in selling and administrative expenses)							25,897
2023 (Baht 16 million included in cost of sales and services, and the balance in selling and administrative expenses)							27,709

As at 31 December 2023, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 168 million (2022: Baht 173 million) (the Company only: Baht 150 million, 2022: Baht 161 million).

17. Leases

The Group as a lessee

The Group entered into lease contracts for office building to be used in its operations. The lease contracts have a term of 3 years, with an option to extend the lease term for a period equal to the original term. The Group therefore expressed its intention to extend the lease term and recognised the depreciation of the right-of-use assets for a period of 3 - 12 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
1 January 2022	90,166	72,511
Additions	34,543	21,540
Decrease	(4,588)	(376)
Depreciation for the year	(28,200)	(23,014)
31 December 2022	91,921	70,661
Additions	146,623	144,044
Decrease	(2,545)	-
Depreciation for the year	(32,793)	(26,933)
Loss on contract cancellation	(3,814)	(3,814)
31 December 2023	199,392	183,958

b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Lease payments	260,733	101,011	243,618	76,394
Less: Deferred interest expenses	(68,436)	(14,529)	(65,443)	(10,197)
Total	192,297	86,482	178,175	66,197
Less: Portion due within one year	(27,609)	(28,924)	(23,780)	(23,047)
Lease liabilities - net of current portion	164,688	57,558	154,395	43,150

A maturity analysis of lease payments is disclosed in Note 33.2 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	32,793	28,200	26,933	23,014
Interest expense on lease liabilities	9,840	9,498	8,109	7,344
Expense relating to short-term leases	2,496	1,623	999	354

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 41 million (2022: Baht 37 million), including the cash outflow related to short-term leases.

18. Goodwill

The Company allocates goodwill acquired through business combination to an asset's cash-generating unit for annual impairment testing as follows:

(Unit: Thousand Baht)

	CGU 1	CGU 2	CGU 3	Total
	Business Applications Co., Ltd.	Motif Technology Public Co., Ltd.	Msyne Innovations Co., Ltd.	
Net goodwill	215,022	16,072	26,879	257,973

The Company has determined the recoverable amounts of its cash-generating units based on value in use using cash flow projections from financial estimation approved by management covering a 5 years.

Key assumptions used in value in use calculations are as follows:

(Unit: Percent per annum)

	CGU 1	CGU 2	CGU 3
	Business Applications Co., Ltd.	Motif Technology Public Co., Ltd.	Msyne Innovations Co., Ltd.
Growth rate	3.0	3.0	3.0
Pre-tax discount rate	11.81	12.81	11.81

Management has considered growth rate from the growth rate based on the past performance, forecast for market growth and GDP growth rate, and discount rate as a pre-tax rate to reflect the risks specific to each cash-generating unit.

Management has considered the above and believes that there is no occurrence of impairment of goodwill.

19. Other intangible assets

The net book value of intangible assets as at 31 December 2023 and 2022 is presented below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Computer software	Deferred of project system software	Cost of research and development	Program under development	Other	Total
Cost:						
1 January 2022	56,632	54,741	6,301	-	500	118,174
Additions/Internal cost	1,226	2,135	2,775	1,001	-	7,137
Write-off	(82)	-	(3,999)	-	-	(4,081)
31 December 2022	57,776	56,876	5,077	1,001	500	121,230
Additions/internal cost	2,511	-	3,324	8,056	-	13,891
Write-off	(740)	-	-	-	(500)	(1,240)
31 December 2023	59,547	56,876	8,401	9,057	-	133,881
Accumulated amortisation:						
1 January 2022	44,607	30,431	3,448	-	-	78,486
Amortisation for the year	3,924	10,334	-	-	-	14,258
Amortisation on write-off	(81)	-	-	-	-	(81)
31 December 2022	48,450	40,765	3,448	-	-	92,663
Amortisation for the year	3,637	1,400	-	-	-	5,037
Amortisation on write-off	(512)	-	-	-	-	(512)
31 December 2023	51,575	42,165	3,448	-	-	97,188
Allowance for impairment loss:						
1 January 2022	3,357	13,193	-	-	187	16,737
Increase during the year	-	-	-	-	218	218
31 December 2022	3,357	13,193	-	-	405	16,955
Decrease during the year	-	-	-	-	(405)	(405)
31 December 2023	3,357	13,193	-	-	-	16,550
Net book value:						
31 December 2022	5,969	2,918	1,629	1,001	95	11,612
31 December 2023	4,615	1,518	4,953	9,057	-	20,143
Amortisation for the year						
2022 (Baht 14 million included in cost of sales and services, and the balance in selling and administrative expenses)						14,258
2023 (Baht 1 million included in cost of sales and services, and the balance in selling and administrative expenses)						5,037

(Unit: Thousand Baht)

	Separate financial statements			
	Computer software	Deferred of project system software	Cost of research and development	Total
Cost:				
1 January 2022	55,702	32,781	3,999	92,482
Additions	1,221	-	-	1,221
Write-off	(81)	-	(3,999)	(4,080)
31 December 2022	56,842	32,781	-	89,623
Additions	2,314	-	-	2,314
Write-off	(740)	-	-	(740)
31 December 2023	58,416	32,781	-	91,197
Accumulated amortisation:				
1 January 2022	43,745	22,665	-	66,410
Amortisation for the year	3,868	2	-	3,870
Amortisation on write-off	(81)	-	-	(81)
31 December 2022	47,532	22,667	-	70,199
Amortisation for the year	3,609	-	-	3,609
Amortisation on write-off	(512)	-	-	(512)
31 December 2023	50,629	22,667	-	73,296
Allowance for impairment loss:				
1 January 2022	3,357	10,114	-	13,471
31 December 2022	3,357	10,114	-	13,471
31 December 2023	3,357	10,114	-	13,471
Net book value:				
31 December 2022	5,953	-	-	5,953
31 December 2023	4,430	-	-	4,430
Amortisation for the year				
2022 (All amortisation included in selling and administrative expenses)				3,870
2023 (All amortisation included in selling and administrative expenses)				3,609

As at 31 December 2023, certain items of intangible assets were fully depreciated but are still in use. The gross carrying amount before deducting accumulated amortization and allowance for impairment loss of those assets amounted to approximately Baht 86 million (2022: Baht 82 million) (the Company only: Baht 45 million, 2022: Baht 42 million).

20. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (% per annum)	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Trust receipts	3.33	41,072	-	41,072	-
Short-term loans from financial institutions	0.90 - 3.15	443,000	510,000	440,000	510,000
Total		484,072	510,000	481,072	510,000

The short-term loans from financial institutions were unsecured loans.

As at 31 December 2023, the short-term loans from banks credit facilities of the Group which have not yet been drawn down amounted to Baht 1,773 million (2022: Baht 1,597 million).

21. Trade and other payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade and other payables	1,151,383	819,174	1,078,687	711,034
Escrow payables	78,688	51,140	-	-
Revenue Department payable	48,972	77,195	41,385	74,387
Total trade and other payables	1,279,043	947,509	1,120,072	785,421

22. Provision for penalties of project delay and project loss

(Unit: Thousand Baht)

	Consolidated financial statement		
	Penalties for project delays	Project losses	Total
1 January 2022	28,120	11,127	39,247
Increase (decrease) including actual incurred during the year	(3,482)	7,126	3,644
Paid during the year	(4,627)	-	(4,627)
31 December 2022	20,011	18,253	38,264
Decrease including actual incurred during the year	(11,900)	(9,303)	(21,203)
Paid during the year	(4,706)	-	(4,706)
31 December 2023	3,405	8,950	12,355

(Unit: Thousand Baht)

	Separate financial statement		
	Penalties for project delays	Project losses	Total
1 January 2022	23,629	6,741	30,370
Increase including actual incurred during the year	692	8,647	9,339
Paid during the year	(4,310)	-	(4,310)
31 December 2022	20,011	15,388	35,399
Decrease including actual incurred during the year	(11,900)	(9,304)	(21,204)
Paid during the year	(4,706)	-	(4,706)
31 December 2023	3,405	6,084	9,489

23. Provision for long-term employee benefits

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Provision for long-term employee benefits at beginning of year	179,257	181,013	150,605	152,522
Included in profit or loss:				
Current service cost	17,042	19,169	14,002	15,635
Interest cost	5,180	4,284	4,602	3,802
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	386	(13,922)	2,334	(10,814)
Experience adjustments	16,913	11,614	6,499	11,614
Benefits paid during the year	(13,205)	(2,000)	(10,691)	(2,000)
Decrease from change in investment in subsidiary to investment in joint venture	-	(747)	-	-
Transfer to liabilities directly related to non-current assets held for sale	-	(20,154)	-	(20,154)
Provision for long-term employee benefits at end of year	205,573	179,257	167,351	150,605

The Group expects to pay Baht 17 million of long-term employee benefits during the next year (2022: Baht 28 million) (the Company only: Baht 8.3 million, 2022: Baht 28 million).

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 9 - 19 years (2022: 12 - 21 years) (the Company only: 12 years, 2022: 13 years).

Significant actuarial assumptions are summarised below:

(Unit: percent per annum)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	2.76 - 3.75	1.81 - 3.21	3.05	3.21
Salary increase rate	6.00	5.00 - 6.00	6.00	6.00
Turnover rate	1.91 - 34.38	1.91 - 34.38	2.87 - 25.79	2.87 - 25.79

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

(Unit: Million Baht)

	2023			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (change 1%)	(17.5)	20.1	(14.0)	16.0
Salary increase rate (change 1%)	18.4	(16.3)	14.5	(13.0)
Turnover rate (change 20%)	(15.3)	23.8	(15.9)	19.6

(Unit: million Baht)

	2022			
	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
Discount rate (change 1%)	(17.2)	(17.2)	(14.0)	16.1
Salary increase rate (change 1%)	18.8	18.8	14.7	(13.0)
Turnover rate (change 20%)	(20.4)	(20.4)	(16.5)	20.6

24. Statutory reserve

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

According to the Thai Civil and Commercial Code, a subsidiary is required to set aside a statutory reserve equal to at least 5% of its profit each time the company pays out a dividend, until such reserve reaches 10% of its registered share capital. The statutory reserve cannot be used for dividend payment.

25. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Salaries and wages and other employee benefits	1,505,298	1,540,339	1,246,367	1,309,148
Depreciation and amortisation	72,154	74,164	58,251	52,781
Purchase of inventories and service	4,270,678	3,248,143	4,128,833	3,175,532
Gain on exchange rate	30,166	26,157	27,208	21,910
Impairment loss on investment in subsidiaries	-	-	36,000	13,400
Impairment loss on investment in associates	23,000	-	-	11,700
Loss on dissolution of subsidiaries and associate	955	-	52,773	-

26. Income tax

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current income tax:				
Current income tax charge	28,520	64,481	17,436	50,067
Deferred tax:				
Relating to origination and reversal of temporary differences	6,443	(5,651)	6,578	(4,865)
Less: Income tax expenses from discontinued operation (Note 13)	84	(6,408)	-	(6,408)
Income tax expenses from continuing operation reported in profit or loss	35,047	52,422	24,014	38,794

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax on actuarial gain (loss)	(3,624)	678	(1,767)	(160)
Deferred tax on gain (loss) from cash flow hedges	7,619	(873)	7,619	(873)
	3,995	(195)	5,852	(1,033)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Accounting profit (loss) before tax				
- From continuing operation	762,390	267,663	632,950	183,377
- From discontinued operation (Note 13)	(9,857)	29,412	-	29,412
	752,533	297,075	632,950	212,789
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	150,507	59,415	126,590	42,558
Effects of income to adjustment of previous year	-	(119)	-	-
Effects of eliminated transactions	(14,515)	(6,276)	-	-
Effects of changes in the tax rate	-	9	-	-
Temporary differences and tax losses for the year for which deferred tax assets were not recognised	10,266	8,479	7,200	5,020
Temporary differences of previous year which were recognised as deferred tax assets during the year	-	979	-	980
Reversal of temporary differences which were recognised as deferred tax assets of previous year	1,823	(84)	1,690	-
Tax losses utilised during the year for which deferred tax assets were not previously recognised	-	(353)	-	-
Effects of:				
Non-deductible expenses	16,386	6,191	15,115	5,888
Exempt revenues	(128,715)	(612)	(125,900)	(590)
Additional expense deductions allowed	(789)	(8,799)	(681)	(8,654)
Total	(113,118)	(3,220)	(111,466)	(3,356)
Less: Income tax expenses from discontinued operation (Note 13)	84	(6,408)	-	(6,408)
Income tax expense from continuing operation reported in profit or loss	35,047	52,422	24,014	38,794

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Deferred tax assets				
Allowance for expected credit losses	12,202	12,245	12,174	12,245
Allowance for diminution in value of costs of work in process	1,411	1,411	1,411	1,411
Allowance for impairment of building improvements and equipment	4	4	4	4
Provision for long-term employee benefits	39,780	38,927	33,470	34,152
Provision for penalties of project delay and project loss	1,898	7,080	1,898	7,080
Provision for decommissioning	2,093	983	2,093	983
Unrealised loss on derivative at fair value	598	4,192	598	4,192
Lease	418	497	325	518
Total	58,404	65,339	51,973	60,585
Unrealised gain from change in value of investments in debt mutual fund	95	59	-	-
Total	95	59	-	-

As at 31 December 2023, the Group has deductible temporary differences and unused tax losses totaling Baht 118 million (2022: Baht 94 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 77 million will expire by 2028 (2022: Baht 60 million will expire by 2027).

27. Earnings per share

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

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group is principally engaged in the systems integration, maintenance service, IT professional service and cloud computing service with the main operation in the single geographic area in Thailand. Segment performance is considered by revenue and gross profit and is also measured based on the Group's operating profit or loss, on a basis consistent with used to measure operating profit or loss in the financial statements.

28.1 Timing of revenue recognition

(Unit: Thousand Baht)

	Consolidated financial statements					
	Continuing operation		Discontinued operation		Total	
	2023	2022	2023	2022	2023	2022
Revenue recognised at a point in time	425,934	358,857	-	-	425,934	358,857
Revenue recognised over time	6,292,625	5,062,451	20,337	425,470	6,312,962	5,487,921
Total revenue from contracts with customers	6,718,559	5,421,308	20,337	425,470	6,738,896	5,486,778

(Unit: Thousand Baht)

	Separate financial statements					
	Continuing operation		Discontinued operation		Total	
	2023	2022	2023	2022	2023	2022
Revenue recognised at a point in time	113,622	131,158	-	-	113,622	131,158
Revenue recognised over time	5,998,828	4,746,798	-	425,470	5,998,828	5,172,268
Total revenue from contracts with customers	6,112,450	4,877,956	-	425,470	6,112,450	5,303,426

28.2 Major customers

For the year 2023, the Group has revenue from two major customers in totaling of Baht 2,079 million (2022: Baht 1,864 million), arising mostly from systems integration and IT professional service segments.

29. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Group contribute to the fund monthly at the rate of 3 - 15 percent of basic salary. The fund, which is managed by a licensed Fund Manager, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 45 million (2022: Baht 50 million) (The Company only: Baht 40 million and 2022: Baht 46 million) were recognised as expenses.

30. Dividends

Dividends	Approved by	Dividends paid (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2021	Annual General Meeting of the shareholders on 25 April 2022	176,581	0.40
Total dividends for 2022		176,581	
Final dividends for 2022	Annual General Meeting of the shareholders on 24 April 2023	176,573	0.40
Total dividends for 2023		176,573	

31. Commitments and contingent liabilities

31.1 Guarantees

As at 31 December 2023, the Company had outstanding bank guarantees of Baht 501 million (2022: Baht 616 million and USD 0.1 million) and on behalf of the subsidiaries of Baht 34 million (2022: Baht 28 million) in respect of certain performance obligations required in the normal course of business of the Group.

31.2 Obligations relating to undelivered or unrendered contracts

As at 31 December 2023, the Group has contracts related to selling goods or rendering services that are undelivered or unrendered to its customers of approximately Baht 7,563 million (2022: Baht 7,527 million) and of approximately Baht 7,160 million for the Company only (2022: Baht 7,116 million).

31.3 Contingent liabilities on lawsuit of the subsidiary

Case 1

A subsidiary may incur contingent liabilities from penalties associated with a service agreement made with a government agency. Under the term of the agreement, in case of late work delivery, the other party has the right to charge a penalty fee for such delay at the rate specified in the agreement. Although the subsidiary completed and delivered and the delivery indeed occurred after the period specified in the agreement.

In response to this, the management of the subsidiary provided clarification and documentary evidences to prove that the subsidiary was not at fault in the late delivery of work and set aside a provision for possible penalties amounting to Baht 5 million. The management is confident that the amount is, adequate for settlement of the actual contingent liabilities.

On 30 August 2016, the subsidiary filed a lawsuit with the Central Administration Court to claim damages of Baht 94 million from the above customer, together with interest thereon at the rate of 7.5% per annum.

On 14 July 2017, the above government agency filed a suit against the subsidiary with the Administrative Court for the late delivery of work, claiming damages amounting to Baht 39 million.

On 31 July 2020, the Central Administrative Court delivered a ruling in favour of the subsidiary, resulting in it winning the lawsuit. The court's ruling required the government agency to pay a last installment of the payment of Baht 30 million to the subsidiary and required the subsidiary to pay penalties from delays in submitting deliverables of Baht 5 million. Finally, the net payment amount that the government agency has to pay the last installment net of the penalties is Baht 25 million.

Subsequently, on 27 October 2023, the Supreme Administrative Court delivered a ruling in favour of a subsidiary company in the original case. The court's ruling required the government agency to pay a last installment of Baht 30 million to the subsidiary and required the subsidiary to pay additional penalties for delays in submitting deliverables, amounting to Baht 5 million, totaling Baht 10 million in penalties. The government agency has to pay for the last installment net of the penalties amounting to Baht 20 million. Furthermore, the court ordered government agency to return a letter of guarantee worth Baht 2.5 million to the subsidiary within 60 days following the finalisation of the case.

On 6 February 2024, the government agency pledged Baht 20 million with the Legal Execution Office as debt repayment in accordance with the Supreme Administrative Court's ruling.

Case 2

On 13 May 2016, the contracting party, i.e., a state enterprise, terminated the agreement for system purchases/sale and installation/development with the contract value of Baht 34 million. The state enterprise customer filed a lawsuit against the subsidiary with the Civil Court for late delivery of work claiming damages of Baht 141 million.

On 28 November 2022, the Civil Court ordered the defendant to pay damages to the plaintiff amounting to Baht 15 million, together with interest at a rate of 7.5% per annum for the period from 7 December 2017 until 10 April 2021 and a rate of 5% per annum for the period from 11 April 2021 until the payment is settled with the plaintiff.

On 27 March 2023, the subsidiary lodged an appeal against the judgment to the Civil Court. At present, the appeal is being considered by the Civil Court.

On 6 June 2023, the Office of the Attorney General issued a letter notifying the subsidiary to initiate debt settlement in compliance with the judgment of the Civil Court in favour of the plaintiff will lead the executing officer to seize and freeze the subsidiary's assets for sale by auction in order to pay debts according to the judgment.

Subsequently, on 6 July 2023, the subsidiary filed a request for collateral to ensure debt repayment in accordance with the court's judgement amounting to Baht 20.5 million. In response, the civil court ordered the subsidiary to enter into a bail contract, preventing immediate execution.

As at 31 December 2023, the management considered to record additional estimated contingent liabilities arising from such compensation amounting to Baht 5.9 million, with totaling provision of Baht 20.9 million.

32. Fair value hierarchy

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

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Other current financial assets				
Investments in debt mutual funds	-	44	-	44
Promissory note to non-related company	-	15	-	15
Derivatives assets				
Foreign currency forward contracts	-	19	-	19
Other non-current financial assets				
Long-term loans to non-related company	-	34	-	34
Liabilities measured at fair value				
Derivatives				
Foreign currency forward contracts	-	22	-	22

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Other current financial assets				
Investments in debt mutual funds	-	48	-	48
Derivatives assets				
Foreign currency forward contracts	-	2	-	2
Liabilities measured at fair value				
Derivatives liabilities				
Foreign currency forward contracts	-	27	-	27

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Derivatives assets				
Foreign currency forward contracts	-	19	-	19
Liabilities measured at fair value				
Derivatives liabilities				
Foreign currency forward contracts	-	22	-	22

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Derivatives assets				
Foreign currency forward contracts	-	2	-	2
Liabilities measured at fair value				
Derivatives liabilities				
Foreign currency forward contracts	-	27	-	27

33. Financial instruments

33.1 Derivatives and hedge accounting

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Derivative liabilities				
Derivatives assets not designated as hedging instruments				
Foreign exchange forward contracts	598	784	577	784
Derivative assets designated as hedging instruments				
Foreign exchange forward contracts	18,477	721	18,477	721
Total derivative liabilities	19,075	1,505	19,052	1,505
Derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange forward contracts	1,824	1,016	1,610	742
Derivatives liabilities designated as hedging instruments				
Foreign exchange forward contracts	20,432	26,127	20,432	26,127
Total derivative liabilities	22,256	27,143	22,042	26,869

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The contracts are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from 1 to 60 months.

Derivatives designated as hedging instruments**Cash flow hedges****Foreign currency risk**

Foreign exchange forward contracts are designated as hedging instruments in cash flow hedges of forecast purchases in US dollar. These forecast transactions for the year 2023 are highly probable about 68% (2022: 84%) of the Group's total expected purchases in US dollars. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the foreign exchange match those of the expected highly probable forecast transactions (i.e., notional amount and expected payment date). The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the foreign exchange are identical to the hedged risk components. To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

Hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged items and the hedging instruments
- Different indexes and accordingly different curves linked to the hedged risk of the hedged items and hedging instruments
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items
- Changes to the forecasted amount of cash flows of hedged items and hedging instruments

Details of derivatives, by maturity, held as hedging instruments as at 31 December 2023 and 2022 are as follows:

	Less than 1 year		1 to 5 years	
	2023	2022	2023	2022
Foreign exchange forward contracts (for highly probable forecast purchases)				
Notional amount (Thousand Baht)	559,297	520,139	438,418	-
Average forward rate (Baht/US dollar)	31.13 - 36.07	32.10 - 37.55	31.08 - 35.85	-

The impact of hedged items on the statement of financial position as at 31 December 2023 and 2022 is, as follows:

(Unit: Thousand Baht)

	Change in fair value used for measuring ineffectiveness		Cash flow hedge reserve			
			Continuing hedges		Discontinued hedges	
	2023	2022	2023	2022	2023	2022
Highly probable forecast purchases	23,451	(31,000)	1,471	20,960	-	-

The impact of the hedging instruments on the statement of financial position as at 31 December 2023 and 2022 and the effect of the cash flow hedges in the statement of comprehensive income for the year ended 31 December 2023 and 2022 are, as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements														
	Notional amounts		Carrying amount		Line item in statement of financial position	Changes in fair value used for measuring ineffectiveness		Effectiveness recognised in other comprehensive income		Ineffectiveness recognised in profit or loss		Line item in profit or loss	Amount of cash flow hedge reserve reclassified to profit or loss		Line item in profit or loss
	2023	2022	2023	2022		2023	2022	2023	2022	2023	2022		2023	2022	
Foreign exchange forward contracts - hedge the risk arising from highly probable forecast purchases	997,715	520,139	(1,955)	(25,406)	Derivative assets/ liabilities	23,451	(31,000)	23,451	(31,000)	-	-	Realised gain or loss from foreign exchange forward contracts	5,666	-	Realised gain or loss from foreign exchange forward contracts

Cash flow hedge reserve reclassified to cost of work in process.

33.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, restricted bank deposits, trade and other receivable, loans to, investments, and short-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, deposits with banks and financial institutions and other financial instruments. Except for derivatives, the maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position. The Group's maximum exposure relating to derivatives is noted in the liquidity risk topic.

Trade receivables and contract assets

The Group manages the risk by adopting appropriate credit control policies and procedures and most customers are large enterprises. Thus, the Group does not have high concentrations of credit risk since it has a large customer base in various industries. Therefore, the management does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored. An impairment analysis is performed at each reporting date to measure expected credit losses.

The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. In addition, the Group does not hold collateral as security.

Financial instruments and cash deposits

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

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

Market risk

There are significant market risk comprising foreign currency risk arising on the import of goods and services.

Foreign currency risk

The Group's exposure to the foreign currency risk relates primarily to its importing goods and services that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into foreign exchange forward contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2023, the Group has outstanding balance trade payables denominated in foreign currency of USD 17 million (2022: USD 7 million).

As at 31 December 2023 and 2022, the balances of derivative assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Derivative assets		Derivative liabilities		Average exchange rate	
	2023 (Million)	2022 (Million)	2023 (Million)	2022 (Million)	2023	2022
					(Baht per 1 foreign currency unit)	
US dollar	1	16	32	1	31.08 - 36.84	32.10 - 37.66

Foreign currency	Separate financial statements					
	Derivative assets		Derivative liabilities		Average exchange rate	
	2023 (Million)	2022 (Million)	2023 (Million)	2022 (Million)	2023 (Baht per 1 foreign currency unit)	2022
US dollar	1	15	32	1	31.08 - 36.07	32.10 - 37.55

The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 60-month period for hedges of forecasted purchases.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to match the terms of the hedged exposure. For hedges of forecast transactions, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting payable that is denominated in the foreign currency.

At 31 December 2023, the Group hedged its expected foreign currency purchases. Those hedged purchases were highly probable at the reporting date. This foreign currency risk is hedged by using foreign currency forward contracts.

Foreign currency sensitivity

The impact on the Group's profit before tax from the changes in the fair value of monetary assets and liabilities including foreign currency derivatives is not material.

Interest rate risk

Most of the Group's financial assets and liabilities are fixed interest rate and non-interest bearing. Thus, the interest rate risk is expected to be minimal.

Liquidity risk

The Group monitors the risk of a shortage of liquidity by maintaining adequate level of cash and cash equivalents to support the Group's operations including seeking the short-term credit facilities from financial institutions for reserve as necessary and to manage its cash flow.

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

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2023		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	487,098	-	487,098
Trade and other payables	1,279,043	-	1,279,043
Amounts due to related parties	25,733	-	25,733
Lease liabilities	40,498	220,235	260,733
Installment payables	20,379	3,436	23,815
Total non-derivatives	1,852,751	223,671	2,076,422
Derivatives			
Derivative liabilities: net settled	652,258	452,810	1,105,068
Total derivatives	652,258	452,810	1,105,068

(Unit: Thousand Baht)

	Consolidated financial statements		
	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	511,954	-	511,954
Trade and other payables	947,509	-	947,509
Amounts due to related parties	22,100	-	22,100
Lease liabilities	35,794	65,217	101,011
Installment payables	21,861	23,815	45,676
Total non-derivatives	1,539,218	89,032	1,628,250
Derivatives			
Derivative liabilities: net settled	602,709	-	602,709
Total derivatives	602,709	-	602,709

(Unit: Thousand Baht)

	Separate financial statements		
	As at 31 December 2023		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	484,053	-	484,053
Trade and other payables	1,120,072	-	1,120,072
Amounts due to related parties	59,925	-	59,925
Lease liabilities	35,473	208,145	243,618
Installment payables	20,379	3,436	23,815
Total non-derivatives	1,719,902	211,581	1,931,483
Derivatives			
Derivative liabilities: net settled	633,081	452,810	1,085,891
Total derivatives	633,081	452,810	1,085,891

(Unit: Thousand Baht)

	Separate financial statements		
	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Short-term loans from financial institutions	511,954	-	511,954
Trade and other payables	785,421	-	785,421
Amounts due to related parties	77,968	-	77,968
Lease liabilities	28,203	48,191	76,394
Installment payables	21,861	23,815	45,676
Total non-derivatives	1,425,407	72,006	1,497,413
Derivatives			
Derivative liabilities: net settled	580,965	-	580,965
Total derivatives	580,965	-	580,965

33.3 Fair values of financial instruments

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

34. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Group's debt-to-equity ratio was 1.90:1 (2022: 2.08:1) and the Company's was 1.92:1 (2022: 2.05:1).

35. Events after the reporting period

On 21 February 2024, the Board of Directors' meeting of the Company passed a resolution to propose the payment of a dividend in respect of the operation results of 2023 of Baht 0.40 per share, representing dividend payment being proposed to approve of Baht 176.6 million. The Company will propose to the Annual General Meeting of the shareholders to resolve approval on such dividend payment.

36. Approval of financial statements

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

Part 4

Correctness Certification of Information




Confirmation of Information Accuracy

The Company has reviewed all the information disclosed in this Annual Information Disclosure Report/ Annual Report with due care. The Company confirms that the information disclosed herein is accurate and complete without any false or missing material information. Furthermore, the Company would like to confirm that:


- (1) The financial statements and the financial information summarized in the Annual Information Disclosure Report/ Annual Report accurately and completely present material information concerning the financial position, performance, and cash flow of the Company and its subsidiaries.
- (2) It is the company's responsibility to arrange a sound information disclosure system, so as to ensure that the company has accurately and completely disclosed material information of the Company and its subsidiaries, and supervised system compliance accordingly.
- (3) It is the company's responsibility to arrange a sound internal control system, and supervise system compliance accordingly. The Company have reported the internal control assessment as at 21 February 2024 to the Company's auditor and the Audit Committee. The report covers deficiencies and significant changes in the internal control system, as well as any misconduct that may affect the financial reporting of the Company and its subsidiaries.

As evidence that this documentation is the same as that confirmed by the Company, the Company has assigned Mr. Thanakorn Charlee, to sign every page of the documentation. If any page is not signed by Mr. Thanakorn Charlee, it will be deemed unconfirmed information.

Name	Positions	Signature
1. Mr. Siriwat Vongjarukorn	Director/ Chairman of Executive Board	

2. Mr. Thanakorn Charlee	Director/Executive Director	
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Name	Positions	Signature
Proxy Mr. Thanakorn Charlee	Director/Executive Director	

Attachment 1

**Details of Directors, Executives, Controlling Persons,
Persons who are assigned to the highest responsibility in
accounting and finance, Persons who are assigned to take
direct responsibility for accounting supervision, Company Secretary**



No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions		
						Time Period	Position	Company
1	Mr. Sirisak Tirawattanangkul Chairman • Appointed as Chairman on April 25, 2022 • Appointed as The Authorized Person on May 11, 2023	63	2.27	None	Education	Working Experiences in the 5 Preceding Years		
					• Bachelor of Science, Chulalongkorn University	-		
					Certification	Directorial Position in Listed Company - The Stock Exchange of Thailand		
					• DAP, RCP Programs of IOD	2016 - Present	• Chairman	• MFEC Public Company Limited
						Directorial Position in Non - Listed Company		
2	Mr. Kiyotaka Nakamura Vice Chairman/ Member of the Nomination and Remuneration Committee • Appointed as Vice Chairman on April 25, 2022 • Appointed as Member of the Nomination and Remuneration Committee on August 10, 2023	55	None	None	Education	Working Experiences in the 5 Preceding Years		
					• Bachelor of Engineering, Osaka University, Japan • MBA, Graduate School of Business Administration, Keio University, Japan	2021 - Present	• Senior Managing Executive Officer	• TIS Inc.
					Certification	Directorial Position in Non - Listed Company		
					• DAP Program of IOD	2014 - Present	• Director/Member of the Nomination and Remuneration Committee	• MFEC Public Company Limited
						Relevant Important Positions in Non - Listed Company/ Other Organizations		
						2023 - Present 2016 - Present	• Director • Chairman	• Nihon ICS Company Limited • Promptnow Company Limited
						Relevant Important Positions in Other Organizations		
						-		

No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions		
						Time Period	Position	Company
3	Mr. Siriwat Vongjarukorn Director/Member of the Nomination and Remuneration Committee/ Chief Executive Officer/Chairman of Executive Board/The Authorized Person • Appointed as Director on April 24, 2023 • Appointed as Member of the Nomination and Remuneration Committee on August 10, 2022 • Appointed as Chief Executive Officer on January 1, 2013 • Appointed as Chairman of Executive Board on January 1, 2013 • Appointed as The Authorized Person on May 11, 2023	55	4.66	None	Education	Working Experiences in the 5 Preceding Years		
					• Honorary Doctorate Degree of Information Technology, Sripatum University • Bachelor of Engineering, Chulalongkorn University	2013 - Present	• Chief Executive Officer/ Chairman of Executive Board • President • President	• MFEC Public Company Limited • MFEC Public Company Limited • MFEC Company Limited
					2003 - 2012 1997 - 2003			
					Directorial Position in Listed Company - The Stock Exchange of Thailand			
					2020 - Present	• Director	• 12 Enterprise Public Company Limited	
					2017 - Present	• Director	• Veranda Resort Public Company Limited	
					2016 - Present	• Director	• Matchon Public Company Limited	
					2003 - Present	• Director/ Member of the Nomination and Remuneration Committee	• MFEC Public Company Limited	
					Directorial Position in Non - Listed Company			
					2023 - Present	• Director	• Synergy Group Ventures Company Limited	
2023 - Present	• Director	• Banpong Tapioca Flour Industrial Company Limited						
2023 - Present	• Director	• INNOVESTX Securities Company Limited						
2021 - Present	• Director	• Venture Lab Company Limited						
2021 - Present	• Director	• Omega Grit Company Limited						
2018 - Present	• Director	• Angstrom Solutions Company Limited						
2013 - Present	• Director	• Promptnow Company Limited						
2011 - Present	• Chairman	• MISO Digital Company Limited						
2005 - Present	• Chairman	• Prain FinTech Company Limited						
Relevant Important Positions in Other Organizations								
2022 - Present	• Honorary Member of the University Council	• Siam University						
2022 - Present	• Advisor to the Board of Directors	• Vulcan Digital Delivery Company Limited						
2021 - Present	• Chairman of the Advisory Board	• Rabbit Digital Group Company Limited						

No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions
						Time PeriodPositionCompany
4	Mr. Thanakorn Charlee Director/Member of the Risk Management, Corporate Governance and Sustainability Committee/ Chief Operating Officer/Executive Director/The Authorized Person	55	None	None	Education • Bachelor of Engineer, Chulalongkorn University Certification	Working Experiences in the 5 Preceding Years 2015 - Present 2011 - Present 2003 - Present • Chief Operating Officer • Director • Executive Director • MFEC Public Company Limited • Motif Technology Public Company Limited • MFEC Public Company Limited
					Certification • DAP, HRP and FSD Programs of IOD	Directorial Position in Listed Company - The Stock Exchange of Thailand 2015 - Present 2011 - Present • Director/Member of the Risk Management, Corporate Governance and Sustainability Committee • MFEC Public Company Limited
						Directorial Position in Non - Listed Company 2021 - Present 2020 - Present 2020 - Present 2019 - Present 2019 - Present 2018 - Present 2017 - Present 2015 - Present 2013 - Present • Director • Director • Director • Director • Director • Director • Director • Director • Director • Venture Lab Company Limited • Data Café Company Limited • MISO Digital Company Limited • A-Brand Intertrade Company Limited • Angstrom Solutions Company Limited • MSyne Innovations Company Limited • Digital Savvy Company Limited • Prain FinTech Company Limited • Coach Marketing Company Limited
						Relevant Important Positions in Other Organizations -

No.	Name/ Position	Age (Year)	(% of Share Possession)	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions		
						Time Period	Position	Company
5	Mr. Anan Leetrakul Independent Director/Chairman of Nomination and Remuneration Committee • Appointed as Independent Director on April 26, 2021 • Appointed as Chairman of Nomination and Remuneration Committee on August 10, 2022	83	None	None	Education	Working Experiences in the 5 Preceding Years		
					• Ph.D. Faculty of Information Technology, Rajamangala University of Technology Suvarnabhumi (Honorary Degree) • Bachelor of Commerce, Chulalongkorn University	-		
					Certification	Directorial Position in Listed Company - The Stock Exchange of Thailand		
					• DCP, RCC Programs of IOD	2016 - Present	• Independent Director/ Chairman of the Nomination and Remuneration Committee	• MFEC Public Company Limited
						Directorial Position in Non - Listed Company		
6	Mr. Suchart Thammapitagkul Independent Director/Chairman of the Audit Committee • Appointed as Independent Director on April 26, 2021 • Appointed as Chairman of the Audit Committee on August 10, 2023	75	None	None	Education	Working Experiences in the 5 Preceding Years		
					• Master of Law, Harvard Law School, U.S.A. • Bachelor of Law, Chulalongkorn University • Barrister of the Thai Bar Association	-		
					Certification	Directorial Position in Listed Company - The Stock Exchange of Thailand		
					• DAP, DCP, RCC Programs of IOD	2005 - Present	• Independent Director/ Member of the Audit Committee	• Unimit Engineering Public Company Limited
						2004 - Present	• Independent Director/ Chairman of the Audit Committee	• T.C. Union Global Public Company Limited
						2003 - Present	• Independent Director/ Chairman of the Audit Committee	• MFEC Public Company Limited
						1999 - Present	• Independent Director/ Chairman of the Audit Committee	• Modernform Group Public Company Limited
						Relevant Important Positions in Other Organizations		
						2016 - Present	• Director	• A-Host Company Limited
						2008 - Present	• Director	• D2 Systems Company Limited

No.	Name/ Position	Age (Year)	(% of Share Possession)	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions		
						Time Period	Position	Company
7	Prof. Dr. Uthai Tanlamai Independent Director/Chairman of the Risk Management, Corporate Governance and Sustainability Committee/Member of the Audit Committee • Appointed as Independent Director on April 26, 2021 • Appointed as Chairman of the Risk Management, Corporate Governance, Sustainability Committee on August 10, 2022 • Appointed as Member of the Audit Committee on August 10, 2023	71	None	None	Education • Ph. D. (MIS Major), University of Illinois at Urbana Champaign • MS B.A. (MIS Major), University of Illinois at Urbana Champaign • B.A. in Accounting (Cost Accounting Major), Chulalongkorn University Certification • DAP, DCP, FSD Programs of IOD	Directorial Position in Non - Listed Company		
						1989 - Present	• Director	• Bann Sathorn Company
						1986 - Present	• Director	• Somnuk Sutee & Associate Company Limited
						1970 - Present	• Director	• On-Nik Company Limited
						Relevant Important Positions in Other Organizations		
						Working Experiences in the 5 Preceding Years		
						-		
						Directorial Position in Listed Company - The Stock Exchange of Thailand		
						2021 - Present	• Chairman	• Nonthavej Hospital Public Company Limited
						2020 - Present	• Independent Director/Chairman of the Risk Management and Corporate Governance Committee/Member of the Audit Committee	• Nonthavej Hospital Public Company Limited
						2016 - Present	• Independent Director/Chairman of the Risk Management, Corporate Governance and Sustainability Committee/Member of the Audit Committee	• MFEC Public Company Limited
						Directorial Position in Non - Listed Company		
						2023 - Present	• Independent Director/Member of the Audit Committee	• Dusit Foods Company Limited
						2016 - Present	• Director	• Thai Shellac (1980) Company Limited
						Relevant Important Positions in Other Organizations		
						-		

No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions		
						Time Period	Position	Company
8	Ass. Prof. Kamales Santivejkul Independent Director/Member of the Nomination and Remuneration Committee/Member of the Risk Management, Corporate Governance and Sustainability Committee/ Member of the Audit Committee/ • Appointed as Independent Director on April 25, 2022 • Appointed as Member of Nomination and Remuneration Committee on August 10, 2022 • Appointed as Member of the Risk Management, Corporate Governance and Sustainability Committee on August 10, 2022 • Appointed as Member of the Audit Committee on August 10, 2023	72	None	None	Education	Working Experiences in the 5 Preceding Years		
					• Ph.D. Business Administration, Oklahoma State University, U.S.A • Master’s Degree, Major of Monetary and Fiscal, National Institute of Development Administration • BA, Civil Engineering, Songklha Nakarin University	2020 - Present	• Chief Executive Officer	• Nonthavej Hospital Public Company Limited
					Certification	Directorial Position in Listed Company - The Stock Exchange of Thailand		
					• DCP Program of IOD	2020 - Present	• Director / Member of the Risk Management and Corporate Governance Committee • Independent Director/ Member of the Nomination and Remuneration Committee/Member of the Risk Management, Corporate Governance and Sustainability Committee/Member of the Audit Committee	• Nonthavej Hospital Public Company Limited
						2016 - Present	• Independent Director/ Chairman of the Audit Committee/ Chairman of Nomination and Remuneration Committee	• MFEC Public Company Limited
					1994 - Present			• Sea Fresh Industry Public Company Limited
Directorial Position in Non - Listed Company								
					2006 - Present	• Director		• Jamjuree Innovations Company Limited
					2004 - Present	• Director		• C & C International Venture
Relevant Important Positions in Other Organizations								
					2015 - Present	• Advisor		• Computer Center, Faculty of Commerce and Accountancy, Chulalongkorn University

No.	Name/ Position	Age (Year)	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions		
					Time Period	Position	Company
9	Dr. Charn Tharawas Independent Director/Member of the Nomination and Remuneration Committee/Member of the Risk Management, Corporate Governance and Sustainability Committee • Appointed as Independent Director on April 24, 2023 • Appointed as Member of Nomination and Remuneration Committee on August 10, 2022 • Appointed as Member of the Risk Management, Corporate Governance, Sustainability Committee on August 10, 2022	72	None	Education • Ph. D., Finance, Western American University, U.S.A. • Master's Degree, Business Administration, Kasetsart University • Bachelor's Degree, Economics, Thammasat University	Working Experiences in the 5 Preceding Years		
					-		
				Certification • DAP, DCP Programs of IOD	Directorial Position in Listed Company - The Stock Exchange of Thailand		
					2016 - Present	• Independent Director/Member of the Nomination and Remuneration Committee/ Member of the Risk Management and Corporate Governance and Sustainability Committee	• MFEC Public Company Limited
					Directorial Position in Non - Listed Company		
					2023 - Present	• Independent Director/Member of the Audit Committee • Director	• Union Chemicals & Equipments Company Limited • Inter Capital Leasing Company Limited • C.Am Creation Company Limited
					1999 - Present	• Chairman	
					1995 - Present		
					Relevant Important Positions in Other Organizations		
					2023 - Present	• Member of University Affairs Committee • Honorary Member of the University Council	• Kasetsart University • Faculty of Business Administration Kasetsart University
					2023 - Present	• Honorary Member of the University Council	• College of Innovation Management (Ph.D) Rajamangala University of Technology Rattanakosin • IWA Design (Thailand) Company Limited
					2022 - Present	• Financial Advisor	• Sanko Diecasting (Thailand) Public Company Limited
					2021 - Present	• Financial Advisor to the Board	• Jubilee Enterprise Public Company Limited
					2006 - Present	• Advisory to the Board of Directors	• Jubilee Enterprise Public Company Limited

No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions		
						Time Period	Position	Company
10	Mr. Masakazu Kawamura Director • Appointed as Director on April 26, 2021	50	None	None	Education	Working Experiences in the 5 Preceding Years		
					• Master of Business Administration from Yokohama National University, Japan	2020 - Present	• Executive Officer	• TIS Inc.
					Certification	Directorial Position in Listed Company - The Stock Exchange of Thailand		
					• DAP Program of IOD	2021 - Present	• Director	• MFEC Public Company Limited
					Directorial Position in Non - Listed Company			
					2023 - Present 2023 - Present 2021 - 2023 2020 - 2023 2020 - 2023	• Director • Director • Director • Director • Director	• INTEC Inc. • Nihon ICS Co., Ltd. • AGREX Inc. • I AM Consulting Company Limited • TIS Chiyoda Systems Inc.	
Relevant Important Positions in Other Organizations			-					
11	Mr. Kitti Wintima Chief Operating Officer – Telco BU • Appointed as Chief Operating Officer – Telco BU on December 1, 2018	51	None	None	Education	Working Experiences in the 5 Preceding Years		
					• Master's Degree of Information Technology, Kasetsart University • Bachelor's Degree of Computer Engineering, Khonkaen University	2018 - Present	• Chief Operating Officer – Telco BU	• MFEC Public Company Limited
					Certification	Directorial Position in Listed Company - The Stock Exchange of Thailand		
					-	-		
					Directorial Position in Non - Listed Company			
					2018 - Present	• Director	• MSyne Innovations Company Limited	
Relevant Important Positions in Other Organizations			-					

No.	Name / Position	Age (Year)	Age (%) of Share Possession	Family Relationship among Directors and Executives	Education / Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions		
						Time Period	Position	Company
12	Mr. Arm Sivadith Chief Transformation Officer / Executive Director • Appointed as Chief Transformation Officer on December 1, 2018 • Appointed as Executive Director on February 26, 2016	49	None	None	Education	Working Experiences in the 5 Preceding Years		
					<ul style="list-style-type: none"> MBA, University of Houston Bachelor's Degree in Computer Engineering, King Mongkut's Institute of Technology Ladkrabang 	2018 - Present	• Chief Transformation Officer	• MFEC Public Company Limited
						2016 - Present	• Executive Director	• MFEC Public Company Limited
					Certification	Directorial Position in Listed Company - The Stock Exchange of Thailand		
					• HRP Program of IOD	-		
13	Mr. Pitch Manakijpairoj Chief Financial Officer • Appointed as Chief Financial Officer on July 20, 2020	44	None	None	<ul style="list-style-type: none"> Master of Finance, Chulalongkorn University Bachelor of Accounting, Bangkok University 	Working Experiences in the 5 Preceding Years		
						2020 - Present	• Chief Financial Officer	• MFEC Public Company Limited
						Directorial Position in Listed Company - The Stock Exchange of Thailand		
						-		
						Relevant Important Positions in Other Organizations		
						Directorial Position in Non - Listed Company		
						2021 - Present	• Director	• Venture Lab Company Limited
						2017 - Present	• Director	• Playtorium Solutions Company Limited
						2017 - Present	• Director	• Data Café Company Limited
						2017 - Present	• Director	• Digital Savvy Company Limited
						2017 - 2023	• Director	• Fanster Media Company Limited
13	Mr. Pitch Manakijpairoj Chief Financial Officer • Appointed as Chief Financial Officer on July 20, 2020	44	None	None	Education	Working Experiences in the 5 Preceding Years		
					<ul style="list-style-type: none"> Master of Finance, Chulalongkorn University Bachelor of Accounting, Bangkok University 	2020 - Present	• Chief Financial Officer	• MFEC Public Company Limited
						Directorial Position in Listed Company - The Stock Exchange of Thailand		
					Certification	-		
					<ul style="list-style-type: none"> DCP of IOD Certified Public Accountant (Thailand) No. 8182 			

No.	Name/ Position	Age (Year)	(%) of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions		
						Time Period	Position	Company
14	Ms. Lannalin Yongsukpita Company Secretary • Appointed as Company Secretary on August 13, 2019	36	None	None		Directorial Position in Non - Listed Company		
						2023 - Present	• Director	• Synergy Group Ventures Company Limited
						2020 - Present	• Director	• Prah FinTech Company Limited
						Relevant Important Positions in Other Organizations		
						-		
						Working Experiences in the 5 Preceding Years		
						2019 - Present	• Company Secretary	• MFEC Public Company Limited
						Directorial Position in Listed Company - The Stock Exchange of Thailand		
						-		
						Directorial Position in Non - Listed Company		
						Relevant Important Positions in Other Organizations		
						-		

No.	Name/ Position	Age (Year)	(% of Share Possession	Family Relationship among Directors and Executives	Education/ Certification	Working Experiences in the 5 Preceding Years and Relevant Important Positions		
						Time Period	Position	Company
						Working Experiences in the 5 Preceding Years		
15	Mrs. Netnapha Chaoun Accountant	41	None	None	Education • Bachelor's Degree of Business Administration in Accountancy, the University of Central Thailand Certification -	2017 - Present	• Accountant	• MFEC Public Company Limited
						Directorial Position in Listed Company - The Stock Exchange of Thailand		
						-		
						Directorial Position in Non - Listed Company		
						-		
						Relevant Important Positions in Other Organizations		
						-		

Noted: 1. Number of Shares as of 31 December 2023.

2. Proportion of Shares included spouse, children who are underage under Section 258 (All directors hold shares in their own names)

3. Listed Company means a company whose shares are listed on the Stock Exchange of Thailand.

4. Motif Technology Public Company Limited is a company without shares listed on the Stock Exchange of Thailand.

Details of Directors, Executives and Company Secretary of MFEC Public Company Limited, and subsidiaries, associated companies and other related companies

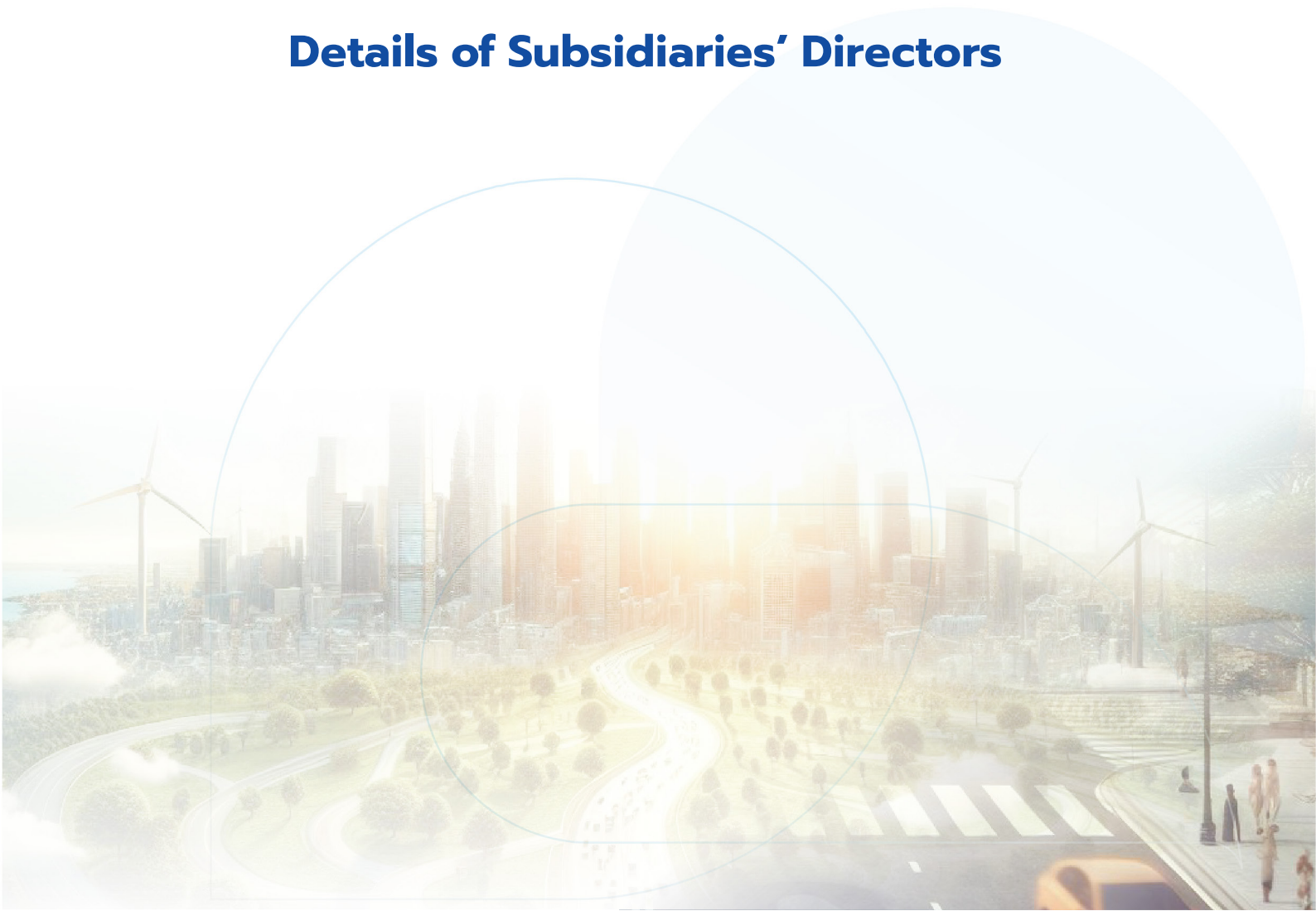
Company's Name List of Directors	MFEC Plc.	Subsidiaries										Associated Companies					Related Companies	
		PFT	MISO	BAC	MOTIF	MS	HS	PS	VL	SGV	ANG	PN	FM	DS	I2	DC	TIS	
1. Mr. Sirisak Tirawattanakul	X	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2. Mr. Kiyotaka Nakamura	I	-	-	-	-	-	-	-	-	-	-	X	-	-	-	-	II	
3. Mr. Siriwat Vongjarukorn	I, II and III	X	X	-	-	-	-	-	I	X	I and II	I and II	-	-	I	-	-	
4. Mr. Thanakorn Charlee	I, II and III	I and II	I and II	-	X	X	-	-	I	-	I and II	-	-	I and II	-	I and II	-	
5. Mr. Anan Leetrakul	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
6. Mr. Suchart Thammapitagkul	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
7. Prof. Uthai Tanlamai	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
8. Assoc. Prof. Kamales Santivejkul	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
9. Dr. Charn Tharawas	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
10. Mr. Masakazu Kawamura	I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	II	
11. Mr.Kitti Wintima	III	-	-	-	-	I and II	-	-	-	-	-	-	-	-	-	-	-	
12. Mr. Arm Sivadith	II and III	-	-	-	-	-	-	I and II	I and II	-	-	I and II	I and II	-	-	X	-	
13. Mr. Pitch Manakijpairoj	III	I and II	-	-	-	-	-	-	-	I and II	-	-	-	-	-	-	-	

Remark: 1. X = Chairman, I = Director, II = Executive Director, III = Executive

2. The list of subsidiaries and associated companies follows Part 1, 1.3: Shareholding Structure

Attachment 2

Details of Subsidiaries' Directors



List of companies List of directors	Subsidiaries									Associated companies					
	PFT	MISO	BAC	MOTIF	MS	HS	PS	VL	SGV	ANG	PN	FM	DS	I2	DC
31. Mr. Permbun Aimsupasit	I & II	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32. Ms. Chotima Sitthichaiviset	-	-	-	-	-	-	-	I & II	-	-	-	-	-	-	-
33. Mr. Athiporn Limchareon	-	-	-	-	-	-	-	-	-	-	-	-	-	I & II	-
34. Mr. Yutthachai Toolphun	-	-	-	-	-	-	-	-	-	-	-	-	-	I & II	-
35. Mr. Paitoon Pramuanachai	-	-	-	-	-	-	-	-	-	-	-	-	-	I & II	-
36. Mr. Somphot Wunlayasavi	-	-	-	-	-	-	-	-	-	-	-	-	-	I	-
37. Mr. Chanakun Srirattanabul	-	-	-	-	-	-	-	-	-	-	-	-	-	I	-
38. Mr. Somchai Wongrussamee	-	-	-	-	-	-	-	-	-	-	-	-	-	I	-
39. Mr. Furusho Kensaku	-	-	-	-	-	-	-	-	I	-	-	-	-	-	-
40. Mr. Hiroyuki Higashi	-	-	-	-	-	-	-	-	I & II	-	-	-	-	-	-
41. Mr. Kawee Panrattanamala	-	-	-	-	-	-	-	-	I	-	-	-	-	-	-

Note: 1. Meaning of the symbol X = Chairman I = Director II = Executive Director

2. List of subsidiaries and associated companies refers to the information in Part 1, Section 1.3: The shareholding structure of the company.

List of directors	Mr. Natjira Honda	Mr. Shuhei Kamoto	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Arpakorn Bunkongcheun	Mr. Chatri Sabado Srivijit	Mr. Chokchai Atsawarangsalit	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Thanawat Lertwattanarak	Mr. Permibun Aimsupasit	Mr. Somphot Wunlayasavi	Mr. Chanakun Srirattananabul	Mr. Somchai Wongrussamee	Mr. Hiroyuki Higashi	Mr. Kawee Panrattanamala
List of related companies																				
SIAM SPORT SYNDICATE Plc.													I & II							
KILEN PRINTING												I & II								
SIAM SPORT DIGITAL MEDIA												I & II	I & II							
SPORT & LEISURE PROMOTION												I & II	I & II							
TMF												I								
SHOOT SPORTS												I & II								
P&P ESTATE												I & II								
JYI BEAUTY												I & II								
GEN M DEVELOPMENT												I & II								
INSTINCT (THAILAND)												I & II								
LOHTONG HOLDING												I & II								
MUANG THONG UNITED												I & II								
PRIME PROPERTY ESTATE												I & II								
TALENT TEAM												I & II								
PP PLUS SUPPLEMENT												I & II								
SIAMSPORTMEDIA MANAGEMENT													I & II							
HENGDEE LOGIST													I & II							
I-SPORT													I & II							
DEEPSARKS PEER LENDING														I						
DEEPSARKS														I						
XCHAIN NETWORK														I & II						
BUSINESS ALIGNMENT PCL.														I						
MASTER STYLE PCL.														I						
INDEX CREATIVE VILLAGE														I						

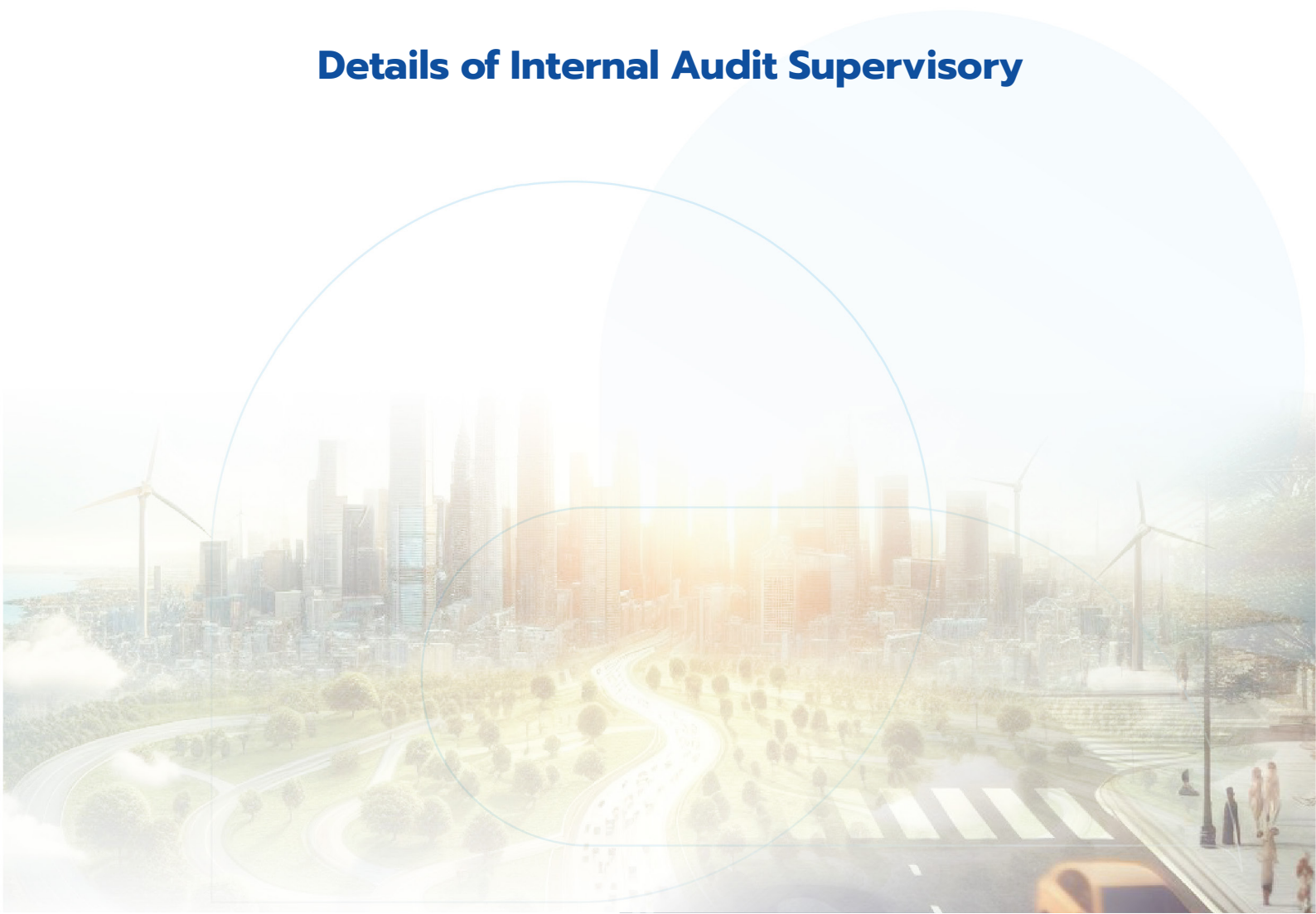
List of directors List of related companies																				
	Mr. Natjira Honda	Mr. Shuhei Kamoto	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Arpakorn Bunkongcheun	Mr. Chatri Sabado Srivijit	Mr. Chokchai Atsawarangsalit	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Thanawat Lertwattanak	Mr. Perm bun Aimsupasit	Mr. Somphot Wunlayasavi	Mr. Chanakun Srirattanabul	Mr. Somchai Wongrussamee	Mr.Hiroyuki Higashi	Mr. Kawee Panrattanamala
K INNOVATION														I & II						
JDN														I & II						
J P2P														I & II						
J VENTURES														I & II					I & II	
SAFEBCS														I						
AVANTIS LABORATORY (THAILAND)														I						
any i corporation														I & II						
PAC CORPORATION (THAILAND)														I						
METAWARDEN														I & II						
TOKENINE														I						
I AM CONSULTING														I					I & II	
IGNITE PLAY															I & II					
PENGAWIN CORPORATION															I & II					
BITEC ENTERPRISE																I				
S DIGITAL ASSET																I & II		I & II		
AGRI ACTIVE																I & II				
STARFLEX PCL.																I & II		I & II		
STAR UNION PACKAGING																I & II		I & II		
THAI-USA COOPERATING CENTER FOR FRUIT EXPORT																I & II				
VALVI																I & II				
MONKEY PLANET																I & II				
P S PLUS CONSULTING																I & II		I & II		
BANGKOK EVENT AND EXHIBITION																I & II				
TRAVEL CREATION																I & II				

List of directors List of related companies																
	Mr. Natjira Honda	Mr. Shuhei Kamoto	Mr. Praphan Teerawanwilai	Mr. Viriya Anuchari	Mrs. Mallika Teerawanwilai	Mr. Chewin Kosiyapong	Mr. Thana Kosiyapong	Mr. Arpakorn Bunkongcheun	Mr. Chatri Sabado Srivijit	Mr. Chokchai Atsawarangsalit	Mr. Thanachart Ritbumroong	Mr. Vaksorn Lohthong	Mr. Sarayuth Mahawaleerat	Mr. Thanawat Lertwattanak	Mr. Permbun Aimsupasit	Mr. Somphot Wunlayasavi
																I & II
T PLUS INTERSERVE																I & II
PREMIUM VEHICLE PART																I & II
TISI (THAILAND)																I & II
ECM CONSULTING																I & II
BASELINE																I & II
CODE IT CONSULTING																I & II
ITS - TRADE SHIP																I & II
I-AGREX (THAILAND)																I & II
IHR CONSULTING																I & II
ICOACH																I & II
CROSSLAND FORWARDERS																I & II
SWIFT CROSSLAND LOGISTICS																I & II
INFRAASIA DEVELOPMENT																I & II
ERAWAN ADVISERS																I & II
BANGKOK GOURMET																I & II
WINE CONNECTION (SAMUI)																I & II
IR CONSULTING SERVICE COMPANY																I & II

Note: Meaning of the symbol X = Chairman I = Director II = Executive Director

Attachment 3

Details of Internal Audit Supervisory



Biography of Head of the Office of Corporate Audit



Miss Thitirat Thanathitikankun

Age : 45 years old

Internal Audit Manager

Appointed by the Audit Committee Meeting

No. 4/2019 on November 11, 2019

(%) of Share Possession

-None-

Family Relationship among Directors and Executives

-None-

Educational Qualifications and Licenses

- Bachelor's Degree, Faculty of Science Information Technology, Ubon Ratchathani Rajabhat University

Training History:

- Fundamentals for New Auditor, The Association of Internal Auditors of Thailand
- Internal Audit Management, Federation of Accounting Professions under the Royal Patronage
- Good Governance of Information Technology: Risk Management and Information Responsibility, Office of the Securities and Exchange Commission
- Updated COSO Enterprise Risk Management: Integrating with Strategy and Performance, Thai Institute of Directors Association
- Capability Maturity Model Integration (CMMI) CMMI Institute
- The Certified Professional Internal Auditor of Thailand (CPIAT) Course, The Institute of Internal Auditors Thailand
- Personal Data Protection Act (PDPA) Easy PDPA
- ISO/IEC 27001: 2013 for Internal Audit by IT Companian Co.,Ltd.
- ISO/IEC 27001: 2013 for Introduction by IT Companian Co.,Ltd.
- Intensive Cybersecurity Capacity Building Program by Office of the National Cybersecurity Commission (NBC)
- Understanding the Financial Reporting by Association of Internal Auditors of Thailand
- EC-Council Security Specialist (ECSS) by Office of the National Cybersecurity Commission (NBC)
- ISO/IEC 20000 training course for operators by IT Companian Co.,Ltd.
- Internal Audit Training ISO/IEC 20000 by IT Companian Co.,Ltd.
- ISO/IEC 27001 (International standards for information security management systems) by IT Companian Co.,Ltd.
- PDPA in Action : Internal Audit PDPA THAILAND
- Internal auditing of information security standards according to ISO 27001:2022 BSI GROUP (THAILAND) COMPANY LIMITED
- ISO/IEC 20000-1:2018 by I.T. COMPANION CO., LTD.
- ISO/IEC 27001:2022 by I.T. COMPANION CO., LTD.

Diplomas

- Fundamentals for New Auditor
- CMMI Certifications Version 1.2
- Certificate of Professional Internal Auditor (CPIAT)
- EC-Council Certified Security Specialist v9

Member of Institution/ Organization

- The Association of Internal Auditors of Thailand

Work Experience (Information as of 31st December 2023)

October 2019 – Present	Internal Audit Manager, MFEC Public Company Limited
2018 – October 2019	Quality Control Manager/ Secretary of the Risk Management Working Group, MFEC Public Company Limited
2017	Quality Control Manager/ Assistant Secretary of the Risk Management Working Group, MFEC Public Company Limited

Relevant Important Positions in Listed Companies –The Stock Exchange of Thailand (In the Previous Year)

-None-

Relevant Important Positions in Non-Listed Company/ Other Organizations (In the Previous Year)

-None-

Attachment 4

**Assets used in business operations and details
about Property Appraisal Items**



Assets used in business operation

Main fixed assets of the company and subsidiaries

As of December 31, 2023, the main fixed assets used by the company's group in the business operations consist of:

(Unit: Thousand Bt.)

List of Net Assets	Property	Net residual value after deducting accumulated depreciation
Leasehold improvements	Owner	37,095
Office decoration	Owner	26,186
Tools and equipment	Owner	35,972
Deferred project work equipment	Owner	77
Vehicle	Owner	7,024
Intangible assets	Owner	20,143
		126,497

The intangible assets of the company and subsidiaries are such as computer software, which is used in the development of the system, improves storage efficiency, and helps in designing for customer service.

The company and subsidiaries have significant lease agreements for use in business operations. Details could be summarized as follows:

Office	Contract Details
MFEC Public Company Limited Rental purpose: Head Office	Contract Party: Real Estate Investment Trust and Leasehold WHA Business Complex Relevance: -Not related- Rental Location: 11 th Floor, Room no. 1101-7, SJ Infinite One Business Complex Building Duration: 16 October 2021 – 15 October 2025 Rental Location: 12 th Floor, Room no. 1204-6, SJ Infinite One Business Complex Building Duration: 1 August 2021 – 31 July 2024 Rental Location: 23 rd Floor, Room no. 2301-7, SJ Infinite One Business Complex Building Duration: 1 November 2021 - 31 October 2025
MFEC Public Company Limited Rental purpose: The Executive office, the Sales and Project Management office, and the center for Product, Service, and Personnel Development.	Contract Party: Max Future Company Limited Relevance: -Not related- Rental Location: 21 st Floor, S-Oasis Building Duration: 1 April 2023 – 31 March 2026
MFEC Public Company Limited Rental purpose: Warehouse for Equipment and Goods Awaiting Delivery	Contract Party: Thanapat Property Development Public Company Limited Relevance: -Not related- Rental Location: 12 th Floor, Unit C3 and D1, LPN Tower Duration: 1 December 2021 - 30 November 2024

Office	Contract Details
Playtorium Solutions Company Limited Rental purpose: Head Office	Contract Party: MFEC Public Company Limited Relevance: Major shareholder and Joint director Rental Location: 23 rd Floor, SJ Infinite One Business Complex Building Duration: 1 February 2023 – 31 March 2024 Contract Party: Yakult Sale (BKK) Company Limited Relevance: -Not related- Rental Location: 16 th Floor, Yakult Building, Phaholyothin Road Duration: 1 April 2024 – 31 March 2027
Prain FinTech Comapny Limited Rental purpose: Head Office	Contract Party: Real Estate Investment Trust and Leasehold WHA Businesss Coplex Relevance: -Not related- Rental Location: 21 st Floor, SJ Infinite One Business Complex Building Duration: 1 December 2023 – 30 November 2026
MISO Digital Company Limited Rental purpose: Head Office	Contract Party: Moderform Tower Company Limited Relevance: -Not related- Rental Location: 17 th Floor, Modernform Srinakarin Tower Duration: 1 September 2023 – 31 August 2026
Motif Technology Public Company Limited Rental purpose: Head Office	Contract Party: C.T. Land Company Limited Relevance: -Not related- Rental Location: 14 th Floor, Time Square Building Duration: 16 April 2021 – 15 April 2024
Business Application Company Limited Rental purpose: Head Office	Contract Party: Thai Samut Asset Company Limited Relevance: -Not related- Rental Location: 2 nd Floor, Ocean Insurance Building, Surawong Road Duration: 1 October 2021 – 30 September 2024

Investment policy in Subsidiaries and Associated Companies

The company has a policy to invest only in business that is conducted in a manner related to the company's main business to strengthen the stability and competitiveness of the company. If there is an investment, the company has the policy to hold shares in such business in the proportion of not less than 25% of the business's total shares, or the case of a shareholding of approximately 25%, the company considers and determines management power in the company that invests by sending a representative to be the director in the said business to participate in administration and formulate important operational policies.

Shareholding proportion in various subsidiaries is as follows:

Subsidiary	Investment proportion (Percentage of registered capital)
Praln FinTech Company Limited	71.62
MISO Digital Company Limited	75.00
Motif Technology Public Company Limited	99.99
Business Application Company Limited	99.99
MSyne Innovations Company Limited	99.99
Playtorium Solutions Company Limited	70.00
Venture Lab Company Limited	99.99
Associated Company	Investment proportion (Percentage of registered capital)
Angstrom Solution Company Limited	40.00
Promptnow Company Limited	20.00
Digital Savvy Company Limited	42.00
I2 Enterprise Public Company Limited	17.29
Joint Venture	Investment proportion (Percentage of registered capital)
Power M (MSyne Innovations Company Limited holds 81.47% and the company holds 18.53%)	100.00
Data Café Company Limited	42.19

Details about the Property Appraisal

No significant property appraisal reports were made during the year 2023.

Attachment 5

The complete policies and guidelines for Corporate Governance and the Complete Business Ethics that the Company prepared



Corporate Governance Policy

Provided MFEC Board of Directors' awareness of and commitment on its management with good corporate governance, it performs its duties and responsibilities to enrich transparency, cultivate healthy relationship with clients, traders, rivals, communities and the society as a whole. The policies and strategies are altered to cope with business transformation and promote innovation for business values as well as deliver benefits to clients and the society. Our businesses are properly operated with responsibility which makes the company stay competitive and grow with sustainability in the long term for confidence of MFEC's shareholders, investors and stakeholders. The Board of Directors of MFEC Public Company Limited has considered and formulated a corporate governance policy by covering various practices to uphold it as a good guideline for the Board, Executives and Staff to achieve the goal of creating stability and sustainable growth of the organization.

<https://ir.mfec.co.th/corporate-governance-policy>

Code of Conduct

Board of Director has recognized and encouraged the directors, executives and employees to perform their works and operate the company's businesses with fairness and transparency, adhere to ethics and morality, and avoid any action or activity which could lead to any conflict of interests with the company's businesses. MFEC Public Company Limited's Board of Director has considered and established a code of conduct, based on business ethics, in order to communicate the importance of it to the board members, executives, and employees to be the basis for consider for evaluate the appropriateness of behaviors that may pose a risk to ethical standards and provides guidelines for proper conduct to work. Which ultimately, this will promote and lead to good corporate governance, Develop the operations of the company and personnel within the organization to have ethical minds for the better and sustainable. Building confidence and being widely recognized and accepted by the broader society. For more detailed information regarding the Code of Conduct, can refer to the website of MFEC Public Company Limited.

<https://ir.mfec.co.th/code-of-conduct>

Charter of the committee and Charter of the subcommittee

Charter of the Board of Directors

Reported under Section 2 "Topic 7.2.3 Information about the roles and responsibilities of the committee"

Charter of the Board of Executive Directors/ Charter of the Audit Committee / Charter of the Nomination and Remuneration Committee / Charter of the Risk Management, Corporate Governance and Sustainability Committee

Reported under Section 2 "Topic 7.3.1 Information about the subcommittee"

Attachment 6

Audit Committee Report



Audit Committee Report

The Audit Committee comprises of three (3) independent qualified directors who are senior experts with knowledge and experience in the fields of laws, accounting and finance, and organizational management. The scope of its duty and responsibility is assigned by the Board of Directors, following the announcement of Capital Market Supervisory Board and the regulations of Stock Exchange of Thailand.

In 2023, the Audit Committee had four (4) meetings and reported its performance to the Board of Directors every quarter. Each Audit Director had the following meeting attendance;

	Attendance
Mr. Suchart Thammapitagkul Chairman of Audit Committee	4/4 Times
Prof. Dr. Uthai Tanlamai Audit Director	4/4 Times
Assoc. Prof. Dr. Kamales Santivejkul Audit Director	4/4 Times

All of three (3) Audit Directors were independent directors.

In regard to the meeting of the company's annual performance and quarterly performance, the Audit Committee held the meeting with auditors and internal auditors. And the Audit Committee had one (1) meeting with the Risk Management, Corporate Governance and Sustainability Committee. In all meetings, the Audit Committee reported its opinions and provided its recommendation with independence in the following details;

Accuracy, Completeness and Credibility of Financial Reports

The Audit Committee audited quarterly financial reports and annual financial reports together with the management department and auditors for approval, in respect with appropriate preparation with accuracy of essential information in accordance with the general accepted accounting principles, accounting standard, significant accounting policy changes, including the review of related transactions between shareholders and subsidiaries or related companies. This was to ensure that the related

transactions were items that follows normal business conditions for the optimal benefits of the Company without taking any irregular advantages, according to the laws and the regulations of the Stock Exchange of Thailand. The Audit Committee also discussed with the auditors to acknowledge issues from the audit, including considering and proposing opinions to the audit plans and the audit results of the auditors before proposing to the Board of Directors for consideration accordingly.

The audit results stated that the 2023 financial reports and related transactions between the shareholders and the subsidiaries or other related companies were accurately prepared and followed the legal requirements, accounting standards, reliability, including sufficient information disclosure for financial-statement users.

Risk Management

Risk management system and process were managed to be standardized for efficiency and effectiveness by acknowledging the risk management report in the previous year and giving recommendations for the improvement.

The Audit Committee audited the risk management process inside the organization, as well as policies, plans, and guidelines of the risk management on a regular basis. It had the annual meeting with the Risk Management Committee to provide details of the internal audit results, to provide recommendations for appropriate improvement, and to acknowledge major risk issues for the purpose of audit planning in the following year. In 2023, the Audit Committee added the issues regarding the impairment of account receivable, investment, MFEC's affiliates and future customer guidelines. This may be risks that require the attention, adjust the risk determination criteria and added the risk to 9 dimensions as follows:

1. Strategic Risk
2. Operational Risk
3. Human Resource Risk
4. Financial Risk
5. Financial Reporting Risk
6. Fraud Risk
7. Compliance Risk
8. Corruption Risk
9. IT Risk

Internal Control System and Internal Audit System

Internal audit was supervised to be in compliance with the professional standard through assessment of risks and internal control system of Committee of Sponsoring Organizations of the Treadway Commission (COSO), while an annual audit plan – based on business risks, workforce and internal audit human resources development plans – was reviewed and approved. Audit results were also considered with recommendations to the internal audit office and management department for working improvement.

The Audit Committee considered the audit results, in compliance with the audit plan in major issues following the annual audit plan, gave observations and presented major issues to the Board of Directors as a means to urge the management department to make working improvement in the issues founded by the internal auditors.

Compliance with Relevant Requirements and Related Laws

The Audit Committee reviewed and prompted the Company to abide by the securities and exchange laws, the Stock Exchange of Thailand's requirements and related laws on a regular basis, presenting the opinion that the compliance with audited transactions required by the securities and exchange laws, the Stock Exchange of Thailand's requirements and related laws was adequate.

Compliance with Anti-Corruption Measures

The Internal Audit Office determined the audit plan in conjunction with the business cycle, which covered the examination of anti-corruption measures in accordance with Thailand's Private Sector Collective Action Against Corruption (CAC). The company was certified for the first time on September 30th, 2022 as a good example organization in conducting transparent and ethical business operations, with a strong commitment to anti-corruption. The Audit Committee was of the opinion that the company had implemented adequate measures strictly and carefully.

Disclosure of Connected Transactions/Related Party Transactions

The Audit Committee considered, reviewed, approved and disclosed information and actions in the connected transactions, related transactions and related party transactions among the Company, its subsidiaries and the shareholders at stakes which could lead to any conflicts of interest before further forwarding them to the Board of Directors for approval correspondingly. Most of the transactions in 2023 are involved in trade the normal business. The Company abided by the policy and disclosed the information as required by the Stock Exchange of Thailand as to ensure the Company's reasonable compliance with the normal business conditions, good corporate governance and its business operation philosophy.

Selection and Nomination of Auditors

In 2023, the Audit Committee considered the performance in the previous year of EY Office Company Limited, which acted as an auditor for the Company and its subsidiaries, was satisfied. After the meeting with the auditors, mistake found in the internal control including the guidance for the accounting standard was reported to the Audit Committee. Therefore, the Committee agreed to recommend the Board of Directors proposing to the Shareholders' meeting for approval to nominate Mr. Khitsada Lerdwana CPA Licensed No. 4958 and/or Ms. Manee Rattanabunnakit CPA Licensed No. 5313 and/or Mr. Termphong Opanaphan CPA Licensed No. 4501 of EY Office Company Limited as the Company's auditors. The audit fee in 2023 was determined 1,430,000 baht. The rate has been considered comparing with other auditing firms and is appropriate. The auditors did not provide other services to the Company and had no relationship and/or no stake with the Company/its subsidiaries/its executives/its major shareholders or any other persons related in a person that will affect the performance of their duties independently.

Good Corporate Governance

In respect with the importance recognition of good corporate governance, the Board of Directors had followed up continuously the progress of the good corporate governance development process, corporate social responsibility, and prevention of corruption. And the Board of Directors assigned the Risk Management, Corporate Governance and Sustainability Committee, the Audit Committee (Executive Staff), and the Internal Audit Office, under the supervision of the Audit Committee, were responsible for supervision and continuously evaluating the performance of the corporate governance policy annually. All details were disclosed in this year's report "Corporate Governance".

Opinions to Audit Committee's Performance following the Audit Committee Charter

Based on its self-appraisal in 2023, the Audit Committee performed its duties and took responsibility as designated in the Audit Committee Charter, employing its knowledge, capability, caution, prudence, and independence sufficiently. Moreover, the committee expressed opinion and provided proper recommendations for equal benefits of the stakeholders. In regard to the audit works of financial statements arrangement, internal control, compliance with related laws for the businesses of the Company, selection and nomination of the auditors, consideration of connected transactions or any transaction that may lead to conflicts of interest, audit of Anti-Corruption Principle Compliance, preparation of the audit Committee report, in which the appraisal result appeared that the Audit Committee completely performed all of its duties as designated in the charter.

Audit Committee presented the opinion that, the Company accurately made financial reports following in conformity with the general accepted accounting standard with adequate disclosure of connected transactions or any transactions that may lead to conflicts of interest sufficiently, had sufficient risk management, appropriate and efficient internal control and internal audit system, followed in compliance with the applicable laws, the Stock Exchange of Thailand's requirements and other related laws, for the objective of continuous support for good and sustainable corporate governance of the Company in consequence.



Mr. Suchart Thammapiatagkul
Chairman of the Audit Committee
21st February 2024



MFEC Public Company Limited (Head Office)

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