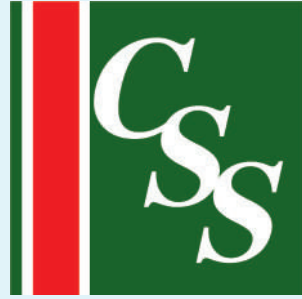




## 56-1 One Report 2023

Communication & System Solution PCL.





*“Geared towards...the company to grow  
With good...Corporate Governance”*



# The company operates 3 main businesses.



## Distribution Business

Service business One-stop distribution of electrical equipment It is a quality product as follows:

- Electrical Wire : Phelps Dodge, Bangkok Cable, CTW, Prysmian, Belden, Commscope
- Electrical system control equipment : Bticino
- Network Solution : Commscope
- Conduits and installation equipment : Arrow, T.G.G./TAP
- Telecommunication products : Commscope(Andrew)
- Fire protection materials and equipment : 3M, Metacaulk



## Installation Business

Operate an installation service business by providing design and installation services Telecommunication and fire protection systems including providing telecommunication maintenance services and other coordination.



## Information Technology

System business information technology The company provides comprehensive information technology development services as well as innovative information technology concepts that are suitable for the needs of government agencies, state enterprises and private sectors.



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# **Message from Chief Executive Office & Chairman**





Communication and Systems Solutions Public Company Limited still adheres to conducting business on the foundation of sustainability under good governance and being aware of creating a balance in every dimension of sustainability, including the economic dimension, social dimension, and environmental dimension. Although the entire year 2023 will be a challenging time due to global economic uncertainty. That has caused many worrying crises both energy costs higher interest rates including inflation this affects business operations under many restrictions.

The company has made significant positive changes in preparation for dealing with such crises concretely Especially in the area of risk management. In addition to conducting an annual review of policies and practices, in 2023 the Board of Directors approved an increase in the number of risk committee members and an increase in the number of meeting days as well. This is to ensure that the company has effective risk management. Appropriate and up to date

The company still maintains an important role in operating under good corporate governance. that reflects confidence in efficient and sustainable management From the project to survey corporate governance of listed companies By the Thai Institute of Directors at the level of excellent results Continuing for the 6th year with a score of 85% We are also aware of building trust from investors and shareholders. Including all groups of stakeholders on a platform of effective participation by organizing the 2023 Annual General Meeting of Shareholders in accordance with the standard criteria of the Thai Investors Association. At the level of excellent results For the 6th consecutive year at the 100% score level.

In addition, the company has developed a new transportation system to be more efficient and suitable for the transition to the Digital Transformation era by introducing a transportation management system. (Transportation Management System-TMS) comes in to help the delivery system and respond to customer needs quickly and accurately. Make it more satisfying to customers.

*"On behalf of the Chairman of the Executive Committee and CEO, Thank you for the trust of all stakeholders and thank you to all employees who are a key force in building success and driving the organization towards its goals. The Company will continue to adhere to good governance and create sustainable social value."*



Mr.Sompong Kangsawiwat  
Chief Executive Office & Chairman

## Product





## Financial Highlights

Current Ratio (times)	2021	2022	2023
<b>Operating Results (Million Bath)</b>			
Sales and Services Revenues	3,854	4,643	3,890
Total Revenues	4,010	4,658	3,899
Total Costs and Expenses	3,702	4,485	3,889
Gross Profit	543	530	426
Net Profit (Loss) (Shareholder's Equity)	248	116	8
<b>Financial Position (Million Bath)</b>			
Total Assets	3,660	3,532	3,135
Total Liabilities	1,758	1,683	1,350
Shareholders' Equity	1,902	1,849	1,785
Inventories	521	435	474
<b>Per Share (Million Bath)</b>			
Net Profit per share (Loss) (Shareholder's Equity)	0.21	0.10	0.02
Dividend per share	0.06	0.14	0.05
Book Value per share	1.62	1.57	1.52
<b>Financial Ratio (%)</b>			
Gross Profit Margin	14%	11%	11%
Net Profit Margin (Shareholder's Equity)	6%	2%	1%
Return on Equity	13%	6%	1%
Current Ratio (times)	1.63	1.67	1.82
Debt to Equity Ratio (times)	0.92	0.91	0.76

# Vision Mission and CSS' Culture

## Vision

"A leading company in the business of engineering communication. Business information technology and renewable energy products and systems engineering with quality management"

## Mission

- To distribute and deliver engineering products with reasonable prices and service of excellent standards. For maximum satisfaction for customers.
- Implement the installation of innovative telecommunications systems that meet international standards.
- Successful bidding and installation of communication technology and information engineering system to maximize customer benefits. Adopt international advanced technology.
- Business Operate of Renewable Energy and energy management policy for the Government to provide new alternative energy source in Thailand.

## CSS' Culture

# T

Team

Collaboration with others organization to results efficiently.

# O

Organization Commitment

Contribute to organization's activities and problems solving.

# C

Coordination

Clear and straight to the point, persuading goods at negotiation.

# S

Service Mind

Understand customer requirement and expectations. Show appropriate company behavior to ensure customer satisfaction and impression.

# S

Self-Development

Enthusiastic Interest in new knowledge, self-development, applying knowledge to benefit work.

# Part 1

## Business Operations



## Part 1. Business Operations and Performance

### 1. Group Operations Structure

#### 1.1 Policy and overall business

Communication & System Solution Public Limited Company “CSS” was founded on 25 January 1994, with the initial objective of distributing and installing passive fire protection materials and equipment for high-rise buildings and factories. The Company has since expanded the business to become the distributor for electrical wires of various types and other electrical systems equipment from leading international manufacturers such as general cables for use in buildings and factories, internal and external lighting, transformers, conduits, and materials and equipment related to passive fire protection. Customers include government agencies and private companies. In addition, the Company provides installation and maintenance services for communications systems, including the construction and installation of mobile telephone systems, basic telephone systems. In 2015, the company has expanded to provide Information Technology (IT) and the business of renewable energy with the governance policy. The company is focused on the continued growth and sustainability. By expanding into new business areas to continue business operations at all times. Which is considered the heart of the policies and operations of the Company.

##### 1.1.1 Vision / Mission / Business Objectives and Strategy of the Company

###### Vision

" A leading company in the business of engineering communications. Business information technology and renewable energy products and systems engineering with quality management. "

###### Mission

- Distributing and delivering engineering products at a reasonable price and with excellent service.
- Installing telecommunication systems with innovation to meet the needs of customers regarding international standards.
- Auction operation tasks for installation communication technology systems and information technology until successful with advanced technology solutions.
- Business operations of Renewable Energy and energy management policy for the Government to provide new alternative energy sources of Thailand.

###### Business objectives

The Company aims to maintain its position as the market leader in the distribution of electric cable and equipment that is of high quality and standards and to provide a one-stop service, which means offering a wide range of electrical wires and equipment of all types that makes it convenient and easy for customers to order and receive their goods. The aim is to meet customers' requirements quickly and efficiently so that they receive the highest satisfaction.

The Company aims to maintain its status as the country's leading provider of services in the design and installation of passive fire protection and telecommunication systems, focusing on improving operational efficiency and quality services to ensure customer confidence that work will be completed to the quality and schedule they require. By focusing on these areas, the Company has experienced business success.

In addition, the company is certified to ISO 9001:2008 accreditation for the management of telecommunications systems installations from United Registrar of Systems (Thailand) Co. Ltd. (URS). However, the company remains committed to development of operational efficiency in order to meet the needs of our customers to the maximum. In 2017, The Company has undertaken to improve the quality system, by expanding the scope to identify the risks and opportunities that affect the quality management system of the organization including the planning and control of changes that may affect the production and delivery of products or services. With a commitment to quality and continuous development The Company can raise towards ISO certification 9001:2015 from United Registrar of Systems (Thailand) Co. Ltd. (URS) is completed.

The Company aims to expand business to cover the installation of other communication systems. As well as expanding the business into a growing industry and a government policy such as installation communication technology systems and business of Energy to provide new alternative energy sources of Thailand.



## Strategy

- Planning to expand the customer base by greater coverage of sales area and industrial groups, as well as expanding the customer base among state agencies
- Increasing the range of products and services to enable expansion of the customer base and to better support the needs of existing customers.
- Focusing on growth of installation services, particularly telecommunications systems which is an expanding domestic industry, and being able to quickly adapt to changes in technology. Moreover, the Company aims to expand operations in the telecommunications field and the distribution business to support business growth in neighboring countries where there is high growth potential such as Myanmar.
- Building and maintaining good customer relations by focusing on pre- and post-sales services and main training the quality and standards of services offered to customers in order to create satisfaction and confidence in choosing to continue using the Company's services.
- The development of Company personnel at all levels in order to move ahead with changing technology and reduce reliance on key personnel, with staff training budget provided every year.
- Expand business to make revenue and long-term returns, such as business investment in information technology and the Government's renewable energy policy.
- Expand business and invests in neighboring countries and AEC Group to reduce on the effects of competition and the domestic market.

### 1.1.2 Significant developments

January 2019	Phu Khanh Solar Power Joint Stock Company Limited ("PKS") has called to pay up share capital of VND 137,806 million, from VND 362,194 million to its registered and paid up share capital totaling VND 500,000 million. PKS has issued 1,378,065 new ordinary shares with a par value of VND 100,000 each. Following the increase in share capital, the shareholding of the Company changed from 35% to 25% because the Company did not invest in the additional ordinary shares.
February 2019	The Board of Directors meeting of the company the Company invest to purchased 330,000 shares of Phu Khanh Solar Power Joint Stock Company Limited ("PKS"), the value of VND 100,000 each, or a total of VND 33,000 million . (approximately 45 million baht) to maintain its 25 percent shareholding. The Company paid-up for new ordinary share.
July 2019	Nam So Hydro Power Company Limited has a letter notifying the increase of registered capital from Kip 36,000 to Kip 47,200 million by issuing 112,000 new ordinary shares with a par value of Kip 100,000.
September 2019	The Board of Directors meeting of the company the Company invest to purchased 375,000 shares of Phu Khanh Solar Power Joint Stock Company Limited ("PKS"), the value of VND 100,000 each, or a total of VND 32,955 million . (Approximately 45 million baht) to maintain its 25 percent shareholding. The Company paid-up for ordinary share. The meeting of the Board of Directors of the Company resolved to approve the Company to invest in the purchase of newly issued ordinary shares of the Company. Nam So Hydro Power Co., Ltd. As of September 30, 2019, the Company has already paid for shares in the amount of 16.6 million baht in advance.
June 2020	The Annual General Meeting of Shareholders passed a resolution to The Annual General Meeting of Shareholders passed a resolution to increase the Company's objectives from the original 56 items to 60 items. To comply with business operations Then, The Company has completed the registration with the Ministry of Commerce on July 8, 2020
April 2021	The Board of Directors' meeting resolved to approve the investment in the Company's newly issued ordinary shares. Nam So Hydro Power Co., Ltd. of 26,600 shares, amounting to USD 332,500 (approximately 10.7 million baht) and paid the full amount of capital increase shares on April 30 and October 25, 2021. Nam So Hydro Power Company Limited registered the capital increase under the law of the Lao People's Democratic Republic on December 29, 2021. The investment in such capital increase shares resulted in the change in the Company's shareholding ratio from 38%. is 39%

## 1.2 Business Characteristics

The Company and the subsidiary (referred to jointly as “the Company”) are involved in 2 types of business: the distribution of electrical wires and other electrical equipment, and the design of telecommunication and passive fire protection systems, as well as the maintenance of telecommunication systems and other forms of coordination with a team expertise for more than 23 years.

The Company’s products and services can be detailed as follows:

### 1.2.1 Revenue Structure

Types of Products	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Electrical Wire	2,518.39	62.81	3,127.20	67.14	2,859.23	73.33
Electrical system control equipment	202.80	5.06	313.47	6.73	334.57	8.58
Conduits and installation equipment	109.73	2.74	133.02	2.86	90.31	2.32
Network Solution	83.18	2.07	99.53	2.14	121.79	3.12
Telecommunication products	52.50	1.31	68.60	1.47	10.87	0.28
Fire protection materials and equipment	39.46	0.98	44.92	0.96	35.41	0.91
Others	33.14	0.83	62.64	1.34	132.53	3.40
<b>Total Sale Revenues</b>	<b>3,039.20</b>	<b>75.80</b>	<b>3,849.38</b>	<b>82.64</b>	<b>3,584.72</b>	<b>91.93</b>
Telecommunication system installation revenue	339.93	8.48	295.20	6.34	115.20	2.95
Fire protection system installation revenue	23.29	0.58	22.26	0.48	22.30	0.57
Other services revenue	451.73	11.27	476.07	10.22	167.86	4.30
<b>Total installation service revenues</b>	<b>814.95</b>	<b>20.33</b>	<b>793.53</b>	<b>17.04</b>	<b>305.37</b>	<b>7.83</b>
Other income	155.37	3.88	14.87	0.32	9.21	0.24
<b>Total Revenues</b>	<b>4,009.52</b>	<b>100.00</b>	<b>4,657.78</b>	<b>100.00</b>	<b>3,899.29</b>	<b>100.00</b>

### 1.2.2 Characteristics of products and services

#### (1.1) Distribution business

The Company operates as a distributor of electrical wires and other types of electrical systems equipment, as well as passive fire protection materials and equipment from leading international manufacturers such as Phelps Dodge, Bangkok cable and Charoong Thai brand, Biticino, BELDEN, CommScope, ARROW, Kumwell, metacaulk. The Company orders products from both Thai and foreign manufacturers based in Thailand as well as importing special products from foreign manufacturers, mainly to sell to customers in the private sector such as general contractors and project developers, and through wholesale and retail outlets throughout the country. The Company has a sales team to contact and coordinate sales through various channels and 2 warehouse facilities which enable the rapid delivery of products to meet customer needs. In the last year, the Company was aware of the importance of safety issues and therefore took out product transportation insurance in order to deliver products quickly, safely and with maximum efficiency. In 2022 and 2023, revenues from the distribution operations made up 83% and 92% of total revenue respectively. Products which the Company distributes can be divided into 6 main types: Electrical wires, Electrical system control equipment, Conduits and installation equipment, Network Solution, Telecommunication products, Passive fire protection materials and equipment, with details as follows:

(1.1.1) Electrical wire



At present, the Company is a distributor for various types of electrical wires, most of which are sold under the Phelps Dodge brand, Bangkok cable, Charoong Thai(CTW) Prysmian, BELDEN etc. Which a group of the biggest manufacturers in Thailand. Electrical wires made up approximately 67.14% and 73.33% of total revenues in 2022 and 2023 respectively, with the 3 primary types by use being general cable for use in buildings and factories, special cable for use in factories, and cable for telecommunications engineering systems.

(1.1.2) Electrical system control equipment



The Company is the distributor of products under the Bticino brand which include switches, electrical plugs or sockets, television and telephone sockets, breakers and safety equipment. Bticino products are designed with a stylish modern look and safety in mind. They are quality products that meet customers' needs and comply with IEC and NEMA international quality standards, as well as TIS standards and UNI EN 29000-ISO 9000. Sales of electrical system control products made up approximately 6.73% and 8.58% of revenue in 2022 and 2023.

(1.1.3) Electrical conduit and installation equipment



In setting up electrical wiring systems, conduits help to prevent damage to wiring and allow it to be properly routed. At present, the Company distributes electrical coated steel and iron conduits and fittings from the Arrow pipe brand and white ARR pipes and fittings from the CLIPSAL brand which have been certified according to UL, IEC, TIS 770-2553 and TIS 2133-2545 standards. The Company also distributes polyethylene pipes for the TGG and TAP brands, which are used for their insulation properties and resistance to environmental conditions when buried. In addition, the Company distributes other fittings such as joints, white pvc and pipes from the ARR and CS Wire way brands. Electrical conduits and installation equipment that the company has sold accounted for approximately 2.86% and 2.32% of total revenues in 2022 and 2023.

(1.1.4) Network Solution Product



The company is an importer and distributor of products under Brand CommScope of the United States. is a manufacturer and distributor of telecommunication products, cabling systems, computer networks Under the trademarks CommScope SYSTIMAX®, CommScope-NETCONNECT, CommScope-RUCKUS. By comparing products in the same group, CommScope's sales are No. 1 in Thailand and No. 1 in Europe and many other countries in Asia Pacific. It is a product that has been accepted in Thailand for more than 35 years. also consulting and designing Consultation for installation work in the Network Cabaling system as well by the product group distributed. Covers many groups of users such as

Data Center, Bank, educational institute, Government, Industrial, Hospital, etc. The network products that the company sells account for approximately 2.14% and 3.12% of total revenue in 2022.and 2023.

(1.1.5) Telecommunication products



The company is a global distributor of telecommunications equipment under the CommScope (Andrew) brand. Mobile operator network group and a group of Digital Trunk Radio service providers, both government agencies and private sectors and providing design, installation, and support for hardware and software infrastructure intelligent technology that allows the digital society to grow without limits, and to develop enterprise broadband and wireless networks to drive progress and create sustainable connections and drive innovation to meet the needs of the future The telecommunication products that the company sells account for approximately 1.47% and 0.28% of total revenue in 2022 and 2023.

(1.1.6) Materials and equipment related to fire prevention systems Products



Group of products, materials and equipment related to fire prevention systems. The company has been appointed by EgisPro Co.,Ltd. (the only representative in Thailand which has a patent from the product owner Rectorseal, USA) to be a distributor and installer of fire and smoke protection products brand Metacaulk, USA Products for filling gaps in the floor Walls and perforations which in the event of a fire such, fireproof material will expand. (Intumescent) close - open, and penetrating them. The products have received standards ASTM, UL (Under Laboratories), FM Approved, INTERTEK Clean Air Gold and/or FBC, etc. Such products are available in many forms such as fireproof cement, fireproof paint, fireproof silicone, fireproof tape, etc. and can also provide fire protection for up to 4 hours, depending on usage according to customer needs. The company selects products to be comprehensive and accurate according to the certificate according to the product owner's standards. The product group related to fire spread prevention systems has a sales proportion of approximately 0.96% and 0.91% of total revenue in 2023, respectively.

(1.2) Design and installation business

In 2022 and 2023, installation services made up approximately 17% and 8% of the Company's total revenue respectively. The Company's installation services can be separated into 3 areas: (1) communication system design and installation (2) Fire protection systems and (3) Other installation System. Details are as follows;

(1.2.1) Communication System design and installation

Over the course of several years, the telecommunications industry has seen continuous growth, together with changes in technology and consumer behavior, and the Company first recognizing the opportunities for the installation of telecommunications towers in 1999. Currently, the Company provides design, purchasing and installation services for telecommunication systems, both mobile telephone signal systems and complete basic telephone systems, by a professional team of engineers with over 23 years 'experience. When taking on an installation project, the Company will study and design a steel-framed tower, using one of several designs through a computer program that allows changes to be made to the proportions, form, height and weight of the mast, in order meet the customer's requirements and for the efficient transmission of mobile signals, and also produces a design ready for the communication equipment such as the signal transmission systems of different mobile phone operators, power systems and electric wiring systems. Next, the Company will hire a contractor to prepare the construction area, lay the foundations, construct the steel frame and install the communication equipment, with the Company's engineers overseeing construction, connecting the signal and testing that the quality of the work meets the customer's specifications and is handed over as scheduled. In addition, the Company provides after-sales services with a 1 year warranty period to ensure customer satisfaction and confidence in the quality of



the work. The Company's main customers are mobile network operators from the private sector and contractors who have been hired directly by mobile network operators. (See additional details in the telecommunication installation business). In 2022 and 2023, design, purchasing and installation services for telecommunication systems accounted for 6% and 3% of the Company's total revenue respectively.

The characteristics of telecommunication towers are installed as follows:

1. Telecommunication tower Self-Supporting Tower
2. Guyed Mast Tower
3. Stub Tower Telecommunication Poles
4. Pole type telecommunication towers

#### Important works

In the past, the Company's telecommunication tower installation work was generally accepted by customers. Both in terms of product quality that meets the standards set and delivery of work on time. The important works for the past 3 years, the Company's important telecommunication tower installation works, including the construction of base stations (New Site) and installation of accessories (Upgrade) are as follows:

Project	Employer	Process by	Characteristics of Services	Value of Project	Process Time
Truemove 5G Project	Huawei Technologies (Thailand) Co.,Ltd	Company	New Site	102.02	Feb 2020 – Jun 2021
Truemove 5G_700Mhz. Phase_1	Wire & Wireless Co., Ltd.	Company	New Site	30.1	Sep 2020 – Jun 2021
Truemove 5G_700Mhz. Phase_2	Wire & Wireless Co., Ltd.	Company	New Site	99.5	Feb 2020 – Jun 2021
Truemove 5G_700Mhz. Phase_2	True Corporations PCL.	Company	New Site	53.6	Sep 2020 – Jun 2021
Truemove 5G_700Mhz. Phase_2	Huawei Technologies (Thailand) Co.,Ltd	Company	New Site	35.8	Sep 2020 – Jun 2021
Truemove 5G_2600Mhz. Phase_3	Wire & Wireless Co., Ltd.	Company	New Site	20.5	Nov2020 – Dec 2021
Truemove 4G_2100Mhz. Phase 24.1	Ericsson (Thailand) Co.,Ltd	Company	New Site	3.9	Nov2020 – Dec 2021
Truemove 5G_2600Mhz. Phase_4	Huawei Technologies (Thailand) Co.,Ltd	Company	New Site	35.3	May2021 – May2022
Truemove (Black Cell phase 25.1)	ZTE (Thailand) Co.,Ltd	Company	New Site	8.2	May2021 – May2022
Truemove (GEO 31-32 (Phase 1 )	Wire & Wireless Co., Ltd	Company	New Site	115.6	Feb 2022 – Jun 2023
PEAProcurement and installation of charging stations for electric vehicles	PEA	Company	New Site	77.8	Oct2022 – May2023
PJ. Procurement and installation of electric charging stations for electric vehicles Phase 2.2	PASmart	Company	New Site	14.1	Jul 2023 – Dec 2023
PJ. Procures and installs electric charging stations for electric vehicles (Rever Charge).	SHARGE Management	Company	New Site	60.00	Nov2023 - May2024
True Move Site Consolidated Project (Site preparation & Dismantle)	TMV-H & DTAC	Company	New Site	55.00	Nov2023 -Dec 2024
True Move Site Consolidated Project (Site preparation)	TMV-H & DTAC	Company	New Site	25.00	Feb 2024 - Dec 2024
PJ. Installs electric charging station for vehicles BCP Project 50 KW" (EV-AProject)	ENCOMSHARGE UTILITY SERVICES CO., LTD	Company	New Site	6.81	Jan2024 -Dec2024

#### (1.2.2) Fire Protection System design, purchasing and installation

The Company offers design, purchasing and installation services for fire stops to customers who purchase 3M and Metacaulk products supplied by the Company. Installation services can cover open spaces following electrical conduits and water or air conditioning systems that pass through walls or floors in offices and homes, using passive fire protection materials and equipment which provide protection from the effects of heat, flames and smoke for at least 3 hours and have a 1-year warranty period to ensure customer satisfaction and confidence in the quality of the work. The Company has a professional team of engineers with almost 24 years' experience who have been trained by the manufacturer to offer advice on the design of fire and smoke protection systems that comply with safety standards and consult on quality testing standards.

In addition, the company can also provide consulting services, design, equipment procurement, and product development. or providing services related to engineering work according to the nature of products or services that each customer requires (Special Projects). In 2022 and 2023, the company has revenue from the design service business. Procurement and installation of fire protection systems and others accounted for approximately 0.5% and 0.6% of total revenue, respectively.

#### (1.2.3) Other service installation

The company has bid for government work related to telecommunication systems, communication systems, and various electrical equipment installation systems with government agencies This is a continuation of the products that the company sells and increases the company's revenue generation. In this auction, the Company has auctioned itself or jointly invested with other companies, such as the Sub Station Project of the Provincial Electricity Authority, etc. In 2022 and 2023, the Company has revenue from other installation services accounted for approximately 10% and 4% of total revenue, respectively.

## (2) Marketing and Competition

Company operations have successfully built up customer confidence and satisfaction in terms of product quality and the provision of services that are fast and according to schedule. These are delivered with honesty and fairness and the Company has therefore always enjoyed the trust of its customers. The Company has set the following competitive strategies:

### (2.1) Marketing strategies

#### Products & Services

With the aim of responding to the variety of consumer needs, the Company is focusing on the distribution of electrical products through a one-stop service and quality that meets international standards through top level international brands. The Company also adheres to a policy of creating the greatest customer satisfaction by providing fast services. The Company has 2 warehouses in Pakkred, Nonthaburi and Sri Racha, Chonburi , which is the Head office and the big warehouse . This allows the Company to store a wide range of products in appropriate quantities at locations that are close to customers and convenient for transportation. The Company is therefore able to make fast deliveries to customers in all areas. The Company has also identified safety as an important area and taken out product transportation insurance to build customer confidence in the Company's products and best respond to customers' needs.

For the installation business, the Company has a team of engineers with over 24 years' expertise and experience in the design and installation of telecommunication systems, as new site construction or equipment upgrades, and over 24 years' experience in the design and installation of passive fire protection systems. These teams carry out on-site surveys to prepare a work plan and timetable before work begins and organize a regular progress and quality inspection system that ensures the Company is able to meet the deadline and the customers' specifications.

#### Price

For pricing in the distribution business, the Company takes several factors into consideration. Apart from the cost of the goods and the Company's desired profit margin, pricing also follows market supply and demand, the quantities ordered by customers and competitiveness against other suppliers in the same industry, with pricing strategies also revised in accordance with prevailing industry conditions.

For pricing in the installation business, the Company carries out a study to assess the initial cost of the project and offers a quotation. The assessment is based on the characteristics of the area of installation, the type of tower, the number of piles and the value of materials and equipment to be used in the project, the number of personnel supervising the project and other related costs, the time frame and other risks that may occur while carrying out the project, as well as the Company's profit margin, which will be set appropriately according to the extent of the work to be carried out.

#### Place

The Company sells its products on both a cash and trade credit basis almost entirely within the country through a network which includes large and small wholesale outlets and retail stores located throughout the country, with a sales team going out to meet the target group of customers including general contractors, project developers and customers from state agencies and enterprises. The Company's marketing policy considers good long-term customer relations to be of importance in order to retain the existing customer base and to attract new customers and gain a bigger market share. The Company has an experienced sales team that make contact and coordinate sales through various distribution channels that allow deliveries to be made quickly and efficiently, and also present accurate product information. The Company also employs a strategy of paying commissions for introducing new customers to the Company as an additional opportunity and method of finding new business. The Company has set clear rules and methods regarding the payment of such commissions, specifying that persons receiving the commission must be persons from outside the Company who introduce new customers and must not be directors, management, staff, major shareholders of customers or the Company and must not be related to any of these persons. A ceiling is applied to the commission referencing a percentage of the total sale and the minimum margin of return after sales costs and the commission are accounted for. Sales staff must request and receive Company approval before proceeding, with the commission paid by crossed cheque only after payment has been received from the customer. Records of commission payments must be presented quarterly to the audit committee and board of directors. If the audit committee finds that any payments were inappropriate, the Company will carry out a review and present its findings to the board of directors for further action.

For the telecommunication system installation business, the Company has 2 main channels for contacting potential customers to present its services: (1) the Company contacts the operators of mobile telephone networks directly and (2) contacts the main contractors who are hired by the mobile network operators. The Company has an advantage in the telecommunication installation service business because it is a private company that is independent and is not a group company of any one mobile network owner. As a result, the Company is able to provide services to all owners of the mobile phone network. In addition, the Company has used distribution channels for the business of providing services for the installation of the fire system through those who are interested in purchasing 3M branded products that are related to the fire protection system. Mainly directly in order to sell products and provide comprehensive services.

#### Promotion

It is Company policy to support sales to both wholesale and retail customers by considering discounts for major customers who place high volume orders or customers with a good financial status and payment record, organizing online promotions through the Company website ([www.cssthai.com](http://www.cssthai.com)), E-newsletters Line and Facebook, as well as setting up booths at shows, organizing customer relations activities, meeting target customers directly and producing product catalogues.

For the installation business, the Company places importance on good customer relations. The Company's telecommunications team stay in close contact with customers in order to understand their needs and to quickly be aware of their problems and limitations, and to assist in solving problems, thereby creating maximum customer satisfaction.

#### (2.2) Characteristics of target customers

##### 1) Customers in the distribution business

The Company distributes various products with almost all revenue coming from sales within the country. The Company's customers can be categorized into the following main groups:

### 1.1 Private sector customers

Private sector customers consist of customers who are general contractors who sell directly to construction contractors and distribution through dealers who act as coordination between contractors and customer groups. Project owners such as owners of commercial buildings / offices, shopping centers, hotels, owners of real estate development projects, industrial projects, etc.

### 1.2 Stores

Shop customers will buy the company's products for further distribution to their customers, such as general construction materials stores. Retailer or wholesaler The distribution channels through these customers contribute to the distribution of the company's products to cover all regions of the country.

### 1.3 State agencies

State agencies/ state enterprises are customers who require the Company's electrical equipment including the Provincial Electricity Authority, the Metropolitan Electricity Authority, the Mass Rapid Transit Authority of Thailand, Airports of Thailand and CAT Telecom. Sales to state agencies go through 2 channels, auctions or regular orders. The Company's current policy is for the subsidiary to deal with these transactions in future.

The Company has policies on extending credit that cover the amount, payment period and trading conditions with consideration given to the trade relationship, the history of contact with the Company and financial status.

### 2) Customers in the design, purchasing and system installation business

Customers in the design, purchasing and telecommunication system installation business consist of mobile telephone network operators and primary contractors that are hired by the mobile network operators directly. For the fire protection system installation business, customers are from state agencies, private sector commercial businesses, industry, construction and property development etc.

### (2.3) Industry conditions and competition

Since the Company's business is the distribution of electrical system products, especially electric wiring and providing purchasing and installation services for telecommunication towers, various market factors occur in related industries, namely the construction and real estate industry and telecommunications industry, that have a direct impact on the Company's business operations. For this reason, analysis of the impact that the overall state of the industry has on the Company's business largely depends on conditions in the related industries which can be outlined as follows:

#### Conditions in the construction and real estate industry

Trends in the construction and real estate industry in 2024 - 2027. The overall value of construction investment is likely to expand by 3.0-4.0%. The main driving factor comes from investment in large government projects. Especially projects related to the Eastern Special Development Zone (EEC) project, public construction investment is expected to expand by 3.5-4.0% per year, supported by the acceleration of large-scale infrastructure operations according to the action plan. 2023-2027. For example, accelerating the development of the double-track railway construction project (Phases 1 and 2) including new double-track railway lines. This will support connections with industrial estates and border trade. After the recent period, most EEC-related projects are still behind schedule, such as the Laem Chabang Port Project, Phase 3 (40% delayed, data as of April 2023), while the high-speed rail project connecting 3 airports is expected to start. Construction can begin in 2024, which is considered an opportunity for the company's distributor business (Source: Business and Thai industry trends 2024 - 2026 | Krungsri Research)

#### Conditions in the Telecommunication

In the business of providing telecommunications installation services. The company is a service provider design procurement and installation of telecommunication system. Which can adjust the type, proportion, form, size, height and weight of telecommunication towers including various telecommunication equipment to be in line with customer requirements. also, the type of service Consisting of the installation of a base station (New Site) to support the expansion of the service area of the signal network And



installation of accessories to enhance the features and capabilities of existing telecommunications towers (Upgrade), indoor equipment installation (Inbuilding Coverage) by receiving work from the network owners or mobile phone service providers such as True move, AIS and DTAC etc. or subcontracts from network owners such as Huawei, AWC and ZTE etc. The telecommunication system installation service business has expanded in line with the investment of mobile phone service providers. Which will consider investment according to economic conditions and changes in technology and consumer behavior are important. For the telecommunication industry in 2022, from changing economic conditions inside and outside the country. Including intense competition among telecommunication signal providers. As a result, investment in telecommunication network infrastructure of major service providers such as Dow has continuously decreased. This causes telecommunication system installation services to slow down. However, the company is looking for opportunities to expand the business to increase trade opportunities. by increasing government auctions for communication equipment alternative energy electronic equipment and computer equipment Including the construction business in which the company has expertise, resulting in the revenue from other installations of the company continually increasing.

#### (2.4) Competition

The distribution of products related to fire protection systems has a high market value and a wide range of products and services. The Company is currently the distributor of products for several companies, with various types of electrical wires as the core product. Domestic electrical wires production can be considered as a replacement for imported production since in the past all electrical wires used in the country was imported. Imports began to fall when the factory manufacturing electrical wires was opened. At present, there are manufacturers of electrical wires in the country:

- Thai Yazaki Electric Wire Co., Ltd
- Bangkok Cable Co.,Ltd
- Charoong Thai Wire & Cable Public Company Limited
- MCI-Draka Cable Co., Ltd. (Prysmian Group)

The electrical wires manufacturers in the country are able to produce and distribute products that are of a similar quality, with the result that the state of the industry and market for these products is a perfectly competitive market.

Competition in the installation of telecommunication towers depends primarily on the policies of the mobile telephone service providers towards investment and signal network development, which is in turn influenced by government policy. However, even though mobile service providers may assign companies from their own group to carry out installation and renovation of towers, the increasing volume of work and the need for speed and completion of the work on schedule means that mobile service providers have to subcontract outside companies to carry out this work. Opportunities of receiving work from the operators for design, purchasing or installation of telecommunication systems depends on the relationship with the owner of the network, experience and past results, the ability to provide a quality service and meet deadlines, and a strong financial status. In addition, since the Company is an independent operator, it is able to accept installation projects from every mobile service provider. It is normal practice for the employer to set a price for the work, leaving the contractor's profit up to their bargaining power when trying to purchase materials and telecommunications equipment at a favorable price and conditions. Therefore, taking into consideration the factors of experience, results, financial status and relatively weak bargaining position with the employer, it is unlikely that new operators will come into the business. Also at present, there are a large number of state and private sector telecommunications projects that require completion in a short period. Overall, therefore, there is relatively little competition in the business.

Moreover, because less supplier of fire protection system and equipment that make the services of fire protection must use products from major manufacturers of domestic distribution. So the competition in this business is not very serious.

### (3) Purchasing products and services

#### 1. Distribution business

The Company's operating policy recognizes the importance of product quality and meeting deadlines. Therefore, quality of products and reliability of suppliers is an important factor in the Company's purchasing decisions. The Company is the chosen distributor of electrical wires and other electrical system products from leading international manufacturers. The Company distributes and orders products from both Thai and foreign manufacturers based in Thailand, as well as importing special products from foreign manufacturers. The company procures products by purchasing domestic products through domestic manufacturers that are Thai companies and foreign companies located in Thailand and ordering special products by importing from foreign manufacturers. The details of the company's product procurement sources can be shown as follows.

Finished goods purchase	2021	2022	2023
● Domestic Manufacturing Company	92.59	95.61	96.50
● Foreign Manufacturing Company	7.41	4.39	3.50
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

At present, the company has been appointed as a distributor of electrical cables and other equipment related to the electrical system. Including materials and equipment to prevent fire spread from leading product manufacturers. The details are summarized as follows:

Brand	Product type	Partner company	Length of agreement	Important conditions
phelps dodge*	Electrical wires and signal cables	Phelps Dodge International (Thailand) Co., Ltd.	Not specified	- None
Bangkok cable		Bangkok Cable Co.,Ltd	Not specified	- None
CTW		Charoong Thai Wire & Cable PCL.	Not specified	- None
Prysmian		MCI-Draka Cable Co., Ltd	Not specified	- None
BELDEN		Belden Singapore Ple.Ltd	Not specified	- None
Metacaulk	Materials and equipment related to fire prevention systems Products	EgisPro Co.,Ltd.	Not specified	- None
Bticino	Electrical control equipment	Bticino Thailand Co.,Ltd.	1 year ending December 31, 2023 and can be automatically extended for 1 year continuously unless 3 months advance notice is given.	- Requires companies to sell products only within Thailand. - The company cannot sell other products that compete with Bticino products.
TGG	Polyethylene pipe	Thai Gow Gai Group Co., Ltd.	Not specified	- None
Arrow	Electrical conduit steel pipes and fittings	J.S.V. Hardware Company Limited (Currently, name changed to Arrow Syndicate Public Company Limited)	Not specified	- None

COMMSCOPE	Signal cable Devices related to wireless networks	CommScope Connectivity (Thailand) Limited.	Not specified	- None
Kumwell	Lightning rod and grounding system	Kumwell Corporation public company limited	Not specified	- None

## **2. Installation business**

Since the design and installation of passive fire protection and communication systems is a business that relies on engineering knowledge and specific expertise, the Company has recruited engineering teams with over 24 years' expertise and experience in the design and installation of telecommunication systems, and almost 31 years' experience in the design and installation of passive fire protection systems. The installation process is as follows:

- **Installation of telecommunication towers**

The process of installing a telecommunication tower begins when the Company is hired by a mobile service operator or a contractor commissioned by the network owner. The characteristics and specifications of the telecommunications towers of each operator will be different. The Company's engineering team will study the needs of the customer and carry out an on-site survey and network feasibility study. The Company will then design the system and offer advice on the process, as well as purchase materials and equipment that is suitable for the project including foundation piles, concrete, steel frames and communication equipment that will enable efficient connection with the mobile network. Following this, the Company will hire a contractor to prepare the construction area, lay the foundations, construct the steel frame and install the communication equipment, with the Company's engineering team overseeing construction, connecting the signal and conducting tests to ensure that the quality of the work meets the customer's specifications and is handed over as scheduled, with an average time for project construction of approximately 45 - 60 days. The Company also provides an after-sales service with a 1 year warranty period to ensure customer satisfaction and confidence in the quality of the work and over time the Company has built up confidence with customers who repeatedly use the Company's services. Since telecommunication technology is constantly changing and the deterioration of steel frames due to length of use, the Company has business opportunities from an increase in the installation of telecommunication towers and/or the replacement of existing towers with larger installations.

However, the company has no policy to order steel frames and equipment in advance due to nature Each project has different characteristics and specifications and/or product features. Therefore, the Company will place an order at the commencement of the project based on the price that the Company has agreed with its business partners before entering each auction.

- **Installation of fire protection systems**

For the installation of passive fire protection systems, the Company will inspect the site where the customer wishes to install the system and assess the types of materials and equipment needed to present for the customer's approval. Once approval is given, the Company hires a contractor to carry out the installation, under the supervision of the Company's engineering team to ensure the quality of the work and that the work is completed as scheduled. The design and installation will include safety and aesthetic considerations in order to ensure the highest level of customer satisfaction. The time taken for the installation of passive fire protection system depends on the area where the system is to be installed and the time period of the building's construction.

## **3. Raw materials and inventory policy**

Company policy is to store inventory for 30-45 days, which makes allowances for fluctuations in price, especially the price of electrical wires which is susceptible to fluctuations in copper prices, storage costs, inventory becoming obsolete, changes in

technology, the quantity and frequency of delivery to vendors, the time taken to make deliveries to customers, as well as increased and reduced demand in line with the country's economic conditions. The Company has warehouse facilities at 2 locations, the first is located in Pakkred, Nonthaburi, and the second is at Sri Racha, Chonburi. Being able to hold goods at the Company's own warehouses allows the Company to deliver products immediately and provide ongoing services to customers. It is not Company policy to purchase steel frames and equipment in advance since each project has will have characteristics and specifications that are different. The Company will order products once the project is underway.

**(4) Assets used in business**

- Details appear in Attachment 4-

**(5) Projects have not yet delivered.**

As of December 31, 2023, the company has jobs that have not yet been delivered for telecommunication installations. And other installation work Total value is approximately 209 million baht.

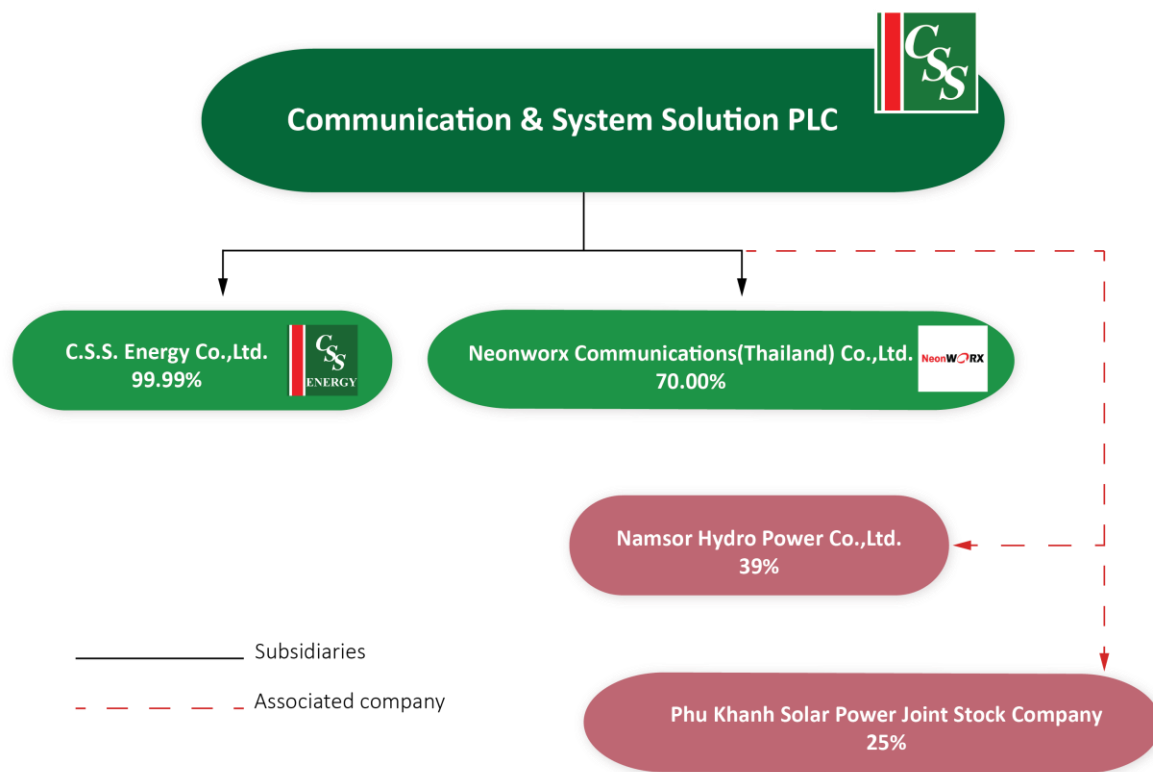
**(6) Environmental impacts**

The Company's distribution operations have no environmental impact, while installation operations are always carried out in strict accordance with agreements relating to the environment. The Company has never received a warning or been fined over environmental issues.

## 1.3 Overall business of the Company and subsidiaries

### (1.3.1) Shareholding structure

## Business Structure



#### C.S.S. Energy Co.,Ltd.

C.S.S. Energy Co. Ltd. originally named C.S.S. Cable and Accessories Co. Ltd., was established on 6 November 1997, with the original purpose of operating as a distributor of electrical wires and other electrical system equipment from leading international manufacturers. In 2011 C.S.S. Cable transferred these operations under the Company. In 2012, Company policy was for C.S.S. Cable to conduct business with government agencies and to act as representative for various products. These operations would mainly be conducted using Company personnel.

C.S.S. Cable and Accessories Co. Ltd. registered a change of name to C.S.S. Energy Co. Ltd. at the Ministry of Commerce on 24 October 2014, with its head office located at 329 Moo.3, Banmai, Pakkred, Nonthaburi, the same address as that of the Company by having a registered capital and paid-up capital amount of 150 million baht. In addition, C.S.S. Energy Co. Ltd. also has a branch located at 59 Moo.7, Bang Phra, Sri Racha, Chonburi.

#### Neonworx Communications (Thailand) Co. Ltd.

Neonworx Communications (Thailand) Co. Ltd. (NWC) was established on 13 July 2006 with purpose of operating as an agent installation and maintenance the telecommunication system by turnkey. Customers of the Company aren AIS, True, Dtac and TOT etc. by having a registered capital and paid-up capital amount of 10 million baht. The head office located at 10 Soi Nakhivas 47, Nakhivas Road, Ladprao, Bangkok.

#### Namsor Hydro Power Co.,Ltd.

Namsor Hydro Power Co.,Ltd is a company incorporated and registered under the laws of the Lao People's Democratic Republic was established on 25 August 2014, with the original purpose of operating for conducting hydropower business. The head office located at Ban Nam Ngom, Meuang Vien, Bolikhamsai, Laos.

#### Phu Khanh Solar Power Joint Stock Company

Phu Khanh Solar Power Joint Stock Company is a company incorporated and registered under the laws of Vietnam with the original purpose of operating for conducting Solar Power Plant in Fujian province, Socialist Republic of Vietnam. There are 2 projects with total capacity of 99.216 MW.

#### (1.3.2) Shareholder

The list of major shareholders as of 26 April 2023 is as follows:

No	Name - Surname			Shares	%
1. <u>Kangsawiwat Family</u> Total					
1.1	Mr.	Sompong	Kangsawiwat	208,148,836	17.70
1.2	Mrs.	Wandee	Kangsawiwat	578	0.00
1.3	Mr.	Sukij	Kangsawiwat	98	0.00
Total of Kangsawiwat				208,149,512	17.70
2	Mr.	Opas	Tiyawattanaroj	56,339,711	4.79
3. <u>Mekmanee Family</u>					
3.1	Mr.	Kittirat	Mekmanee	30,058,756	2.56
3.2	Mrs.	Waree	Mekmanee	10,000,000	0.85
Total of Mekmanee				40,058,756	3.41
4	UBS AG LONDON BRANC			26,044,465	2.22
5. <u>Sawatwannarat Family</u>					
5.1	Ms.	Kesorn	Sawatwannarat	21,863,596	1.86
5.2	Mrs.	Panida	Sawatwannarat	3,341,688	0.28
Total of Sawatwannarat				25,205,284	2.14
6	Mrs.	Pacharapan	Arunyingmongkol	20,076,880	1.71
7	Mr.	Sakol	Sanhachavee	17,201,528	1.46
8	Mr.	Preecha	Arunyingmongkol	17,062,240	1.45
9	Thai NVDR Company Limited			13,499,954	1.15
10	Mr.	Montri	Kangsawiwat	10,000,901	0.85
Top of top 10				433,639,231	36.88
Other Shareholders				742,099,858	63.12
Grand Total				1,175,739,089	100.00

#### 1.4 Company registered capital and Paid-up capital

At 31 December 2023, the Company has registered capital of THB 588,036,884.50, divided into 1,176,073,769 ordinary shares, at the par value of THB 0.50 per share. Paid-up capital value of THB 587,869,544.50, divided into 1,175,739,089 ordinary shares, at the par value of THB 0.50 per share. **Debenture –None–**

#### 1.5 Issuance of others assets

-None-



## 1.6 Dividend Policy of the Company and Subsidiaries

The Company's dividend policy is to pay dividends at a rate of no less than 40% of its net profit, after deduction of corporate income tax in consolidated financial statement and all reserves as required by law, and retained funds as required by the company. However, the dividend payment shall confirm the company's financial status, business operation, investment plans, including necessities and other future considerations as deemed appropriate by The Board of Directors and/or Shareholders.

The dividend policy of C.S.S. Energy Co.,Ltd. and Neon Worx Communication (Thailand) Co.,Ltd (Subsidiaries) are to pay dividends at a rate of no less than 40% of its net profit, after deduction of corporate income tax in consolidated financial statement of the subsidiary and all reserves as required by law, and retained funds as required by the subsidiary. However, the dividend payment shall confirm the Company's financial status, business operation, investment plans, including necessities and other future considerations as deemed appropriate by The Board of Directors and/or Shareholders of the subsidiary.

However, during year 2021-2023, the dividend payment of the Company is performed as following:

Year	Separate Financial Statements		
	2021	2022	2023
Earnings before per share (THB)	0.19	0.11	0.04
Dividend per share (THB)	0.13	0.09	0.02
Dividend payment rate per net profit (%)	69%	80%	46%

*Remark; Year 2023, at the Board of Directors' meeting No. 1/2024, the Board of Directors resolved to propose to the 2024 annual shareholder meeting to pay in cash at the rate of 0.02 baht per share. However, such dividend payment must be approved by the Annual General Meeting of Shareholders on April 25, 2024.*

## 2. Risk Factors

### 2.1 policy and Risk management plan

The Board of Directors is aware of the importance of risks that may affect the business operations resulting in failure to achieve the objectives and targets set. Therefore, the Risk Management Committee has been appointed to be responsible for formulating corporate risk management policies covering risk identification risk assessment defining a risk management plan as well as monitoring and managing the major risks. To ensure that the risk management can be done effectively. The risk management framework covers important risks which are divided into 3 follows:

1. Risk from Business Operation
2. Financial Risks
3. Other Risks

#### 1. Risk Factors from Business Operation

The Company leading business activity is divided into 2 categories which are: trading business or sale agent and provision of service and design and installation of infrastructure passive fire protection systems etc. Therefore, the risk analysis concerning the 2 aforesaid disciplines as follows:

##### 1.1 Trading business

- Risks from fluctuation of the copper price

As the company operates as a distributor of electric wires The main cost for electric cables is copper. The volatility of copper prices will have a direct impact on the purchase and distribution prices of the company's electrical wires and will have a continuous impact on the operating results and financial status of the Company In the event that the company is unable to adjust the selling price in accordance with the increased cost or manage the inventory to have an appropriate amount

However, the Company recognizes the importance in the management of such risks. The Company's strategy in managing the sales prices of its goods, in line with the cost varies depending on the price of copper. If there is good management. Such volatility will not affect the results of operations and financial position of the company. The company has set guidelines to prevent and reduce the risk of fluctuations in copper prices in the future as follows.

1. The Company monitors copper prices on a regular basis to follow proper inventory management of electrical wires, and to be consistent in line with changes. Normally, the fluctuation of copper prices takes 6-7 months (lapse time) to have effect on the selling price and cost of electrical wires.
2. The Company has always reviewed and followed up the changes in the inventory to planning, Control inventory management. Before having effect on the cost increase or decrease of goods.
3. Increasing efficiency in shipping by focusing on reducing the time of delivery.
4. The policy to deliver goods directly to the customer for the products is used in the project (Matching Order).
5. The Price Management effectively by The characteristics of the company's products are buy to sell. The pricing method plus the added (Cost Plus) if the price cost of goods has a change up or down.

The company can adjust the gains that added in the price to be appropriate. To continue to make the company can sell or release products inventory according to the situation at the moment.

Even though the price of copper is uncontrollable, policy on managing inventory and strategy of setting up the selling price would be the key factors to mitigate effect from fluctuation on the price of copper at some level. The sale period is averaged between 30-45 days which is consistent to the Company's policy what states that the products should be stored for not more than 30-45 days.

- **Risks from Dependency on Major Suppliers**

The company has measures to procure electrical wire products from Phelps Dodge International (Thailand) Company Limited and electrical wires from other manufacturers such as Bangkok Cable electrical wires, CTW electrical wires, MCI Draka electrical wires etc. Although the company is the largest domestic distributor of Phelps Dodge, when Stark Corporation Public Company Limited, the major shareholder in Phelps Dodge, has a problem with lack of transparency in management. As a result, the Phelps Dodge factory encountered problems in its operations. Resulting in some periods. There is a problem with production and delivery of products not keeping up with customer demand. From the above factors, it may affect the company's sales.

However, the company has assessed that. The Company will not be affected by such factors much. Because the company is not the only one selling Phelps Dodge electrical cables. In the case that the Phelps Dodge factory was unable to deliver products in time as required. The company is able to supply other brands of electrical wire products to customers as replacements to keep up with demand. As a result, the company still has the trust of customers and was able to maintain sales volumes similar to last year. Therefore, the company believes that it will not be affected by this risk very much.

- **Risks from competition and new players**

As the trading business does not require specialized techniques or complex skills, new entrepreneurs can manage to enter easily into this business. For this reason, it is estimated that in the future, the Company might experience the risks from numerous of new competitors. Such risk may affect the operation and financial status of the Company.

However, to run business smoothly, there are also crucial factors required such as a good relationship with suppliers; variety of product ranges and large stock enabling flexibility and ability to support customers' requirements in a timely manner; punctual delivery; marketing strategy to extend the customer base; and working capital allowing reserving large quantities of products. Taking into account the importance of management strategies implemented, the Company has diversified categories of products covering whole segment of electrical systems, including certain installation. The Company's sales scope covers all products related to electrical systems, which enables convenience to customers in purchasing and collecting products. Goods are stored in large 2 warehouses with location convenient for customers' and transportation. This allows the Company to have sufficient storage and distribution within scheduled time frame. Comparing entrepreneurs in the same business field, the Company has advantages over them in term of funds and quantity of products, which build reliability on quality of service to customers.

## **1.2 Service of design, procurement and installation of communication systems**

- **Risks from inconsistent revenue derived from Projects**

The Company's services of designing and installing of communication systems is to render activity in the form of short term projects, without covenanted of long term contract. Therefore, the income derived from such projects is inconsistent and considered as unstable income toward the future. Nonetheless, the Company is independent from the owners of telecommunication or mobile networks operators but has good relationship and working experience with the mobile phone services operators and their major contractors. Being accounted as trustworthy and reliable firm from all mobile phone networks operators, the Company has orders from them regularly and consistently.

In addition, the Company has a policy to expand its business as a distributor of materials and equipment related to electrical systems such as various types of electrical cables, lighting equipment fire protection materials and equipment, etc. This will help the company have a stable income from selling such products and reduce the impact of risk in income inconsistencies in the field of design services Procurement and installation of telecommunication systems in the future

- **Risks from delay in project completion**

The design, procurement and installation of fire protection systems and telecommunication systems is rendered under projects with duration between 3 months to 1 year. In some projects, the delay in project completion is subjected to indemnification. Late project completion may cause higher cost of production to the Company as well as exposure to the risk of being charged for such delays.

To prevent the risk of delay in project completion, the Company has imposed advanced plan by coordinating with related parties such as suppliers, sub-contractors, engineers from the customers; closely follow-up and monitor the product delivery and installation tasks, allocate proper labor force to handle quantity of work. Constant following up work procedures allows the Company to address the problems and execute quick solutions, deliver project and/or products within specified time frame. So far, the Company has no records of delays in project delivery or being subject to claims for damages of such delays.

- **Risks from dependency on engineers**

To undertake, proceed and complete the project within scheduled time frame, the Company requires personnel with experience and competent skills, especially an engineer's whose duties covers design, work control and management until the completion. Engineer duties and work performance have direct impact to the cost of production, duration and customers' requirement. Therefore, losing the team of these engineers may affect the availability to undertake work as well as capability of managing projects.

The Company is aware of the importance of personnel, which is a key factor in business. The company has a policy on risk prevention as follows:

1. Setting proper salary rates and compensation rate.
2. Provision of welfare and incentive to maintain employees' dedication to the organization in a long term.
3. Provides training courses and seminars to its employees on regular basis and develop technical knowledge and skills to be professional.
4. Decentralize the management authority to reduce dependency on individual personnel.

That's why the Company has major engineers with competent expertise and experience who have been working with the Company for more than 23 years, in design and installation of telecommunication systems.

## **2. Financial Risks**

- **Risks from debt collection**

The Company is exposed to credit risk from collection of trade accounts receivable. If considering the trade accounts receivable, it will be found that Most of the accounts receivable are from the dealer business. This is the normal nature of the business of buying and selling products or being a dealer for giving credit to customers. If the value of sales or sales revenue grows, it will result in the value of trade accounts receivable to grow accordingly. Therefore, the quality control of trade accounts receivable on a regular basis debt payment tracking and expediting debt collection. Therefore, it is an important factor in the operation of the company. The company therefore has a strict policy for selling products and considering giving credit to each customer. The company considers credit rating based on historical analysis of customers' financial statements and analysis of customers' financial, stability, and business growth and has a policy to regularly review credit limits. In addition, the company has a policy to regularly monitor the quality of trade accounts receivable. The company also has measures to prevent such risks by purchasing an insurance policy for default payment of trade accounts receivable. The company will receive insurance protection for debt repayment of the company with a guaranteed capital of 2,500 million baht in the event that the company's debtor is unable to pay trade debt to the company. The insurance company agrees to be responsible for compensation for such damages to the company as incurred according to the amount that the insurance company assigns to each company's customers in the total amount not exceeding 200 million baht. However, the

aforementioned debt guarantee value is sufficient to mitigate the risks in this respect because of the past The company has a low level of bad debt and/or debt that needs to be set aside for doubtful accounts. Which has a total amount of only about 133 million baht The company is of the opinion that The policy purchasing policy is beneficial and reduces the risk of being unable to bill customers to the company. The Company will consider purchasing such policies as appropriate in the future.

- **Risks from changes of interest rate**

Most of the interest bearing debt of the Company consisted of overdraft loan and loan from the financial institutions. The above interest bearing debt had been referred to the floating interest rate – Thai Overnight Repurchase Rate (THOR). Therefore, such interest rate tends to increase; the Company would have more interest expense according to the higher interest rate.

The Company managed such risk by maintaining proportion of the floating interest bearing debt at the level consistent with nature of operating business. As the Company received several loan facilities from several financial institutions, the Company could choose to use the loan facilities with the term of payment suitable to the situation at particular time. Moreover, after listing the security of the Company in the Stock Exchange of Thailand, the Company has set its objective to use some funding from IPO as working capital, which would mitigate burden from interest expense of the Company in the future.

- **Risks from working capital**

In the normal business operation regarding distribution of electrical wires and equipment and services of installation of telecommunication system, the Company requires working capital for purchasing products and maintaining inventory for sales. This should represent variety and adequate quantity to meet the customers' demand. In regard to service of installation of telecommunication systems, the Company also requires working capital for purchasing, hiring and preparing tasks prior to receiving the payment from the customers according to the agreement. To manage cash flow, the Company utilized the short term loan from the financial institutions which are bank overdraft, promissory note, and factoring service as a working capital. As a result, the liquidity ratio and the rapid ratio in 2021 – 2023 are as follows: 2021 approximately 1.63 and 1.17, and in 2022 approximately 1.67 and 1.34 and in 2023 approximately 1.82 and 1.37 respectively.

- **Risk from exchange rate fluctuations**

Therefore, the Company has set up risk management measures to reduce the impact on the cost of products and the Company's operating results. By entering into a forward contract, which is an agreement to buy or sell foreign currency with a bank on the date specified in the contract at the agreed rate and change. As a measure to hedge against foreign exchange risk, the Executive Committee will consider and decide on appropriate financial instruments according to the situation in order to be able to manage revenue and costs with the most efficiency

### 3. Other Risks

- **Risk from deadly epidemic**

From the situation of the spread of the COVID-19 virus that occurred in Thailand causing all sectors to be affected in their operations due to inability to travel or work in risky areas without the permission of the person concerned causing the company to adapt to the new way of working (Work Form Home) in case of not being able to come to work at work Because it may pose a risk of spreading in the company. If employees live in risky areas The company therefore arranges risk management by issuing measures to prevent and reduce risks, the company has established self-defense guidelines from the spread of the COVID-19 infectious disease (COVID-19) to take care of all stakeholders In addition, social distancing is in place and allows some employees to work from home (Work Form Home), including ATK testing to screen high-risk groups and outsiders before entering the inner area employees have resulted in the company being able to control the outbreak of COVID-19 in the company as well.

### 3. Driving business for Sustainability

#### Sustainability Management Policies and Goals

## Driving business for Sustainability

### Sustainability Management Policy

*"We are committed to becoming a role model  
in corporate governance and have excellent results  
in business operations.*

*Along with enhancing sustainable growth."*

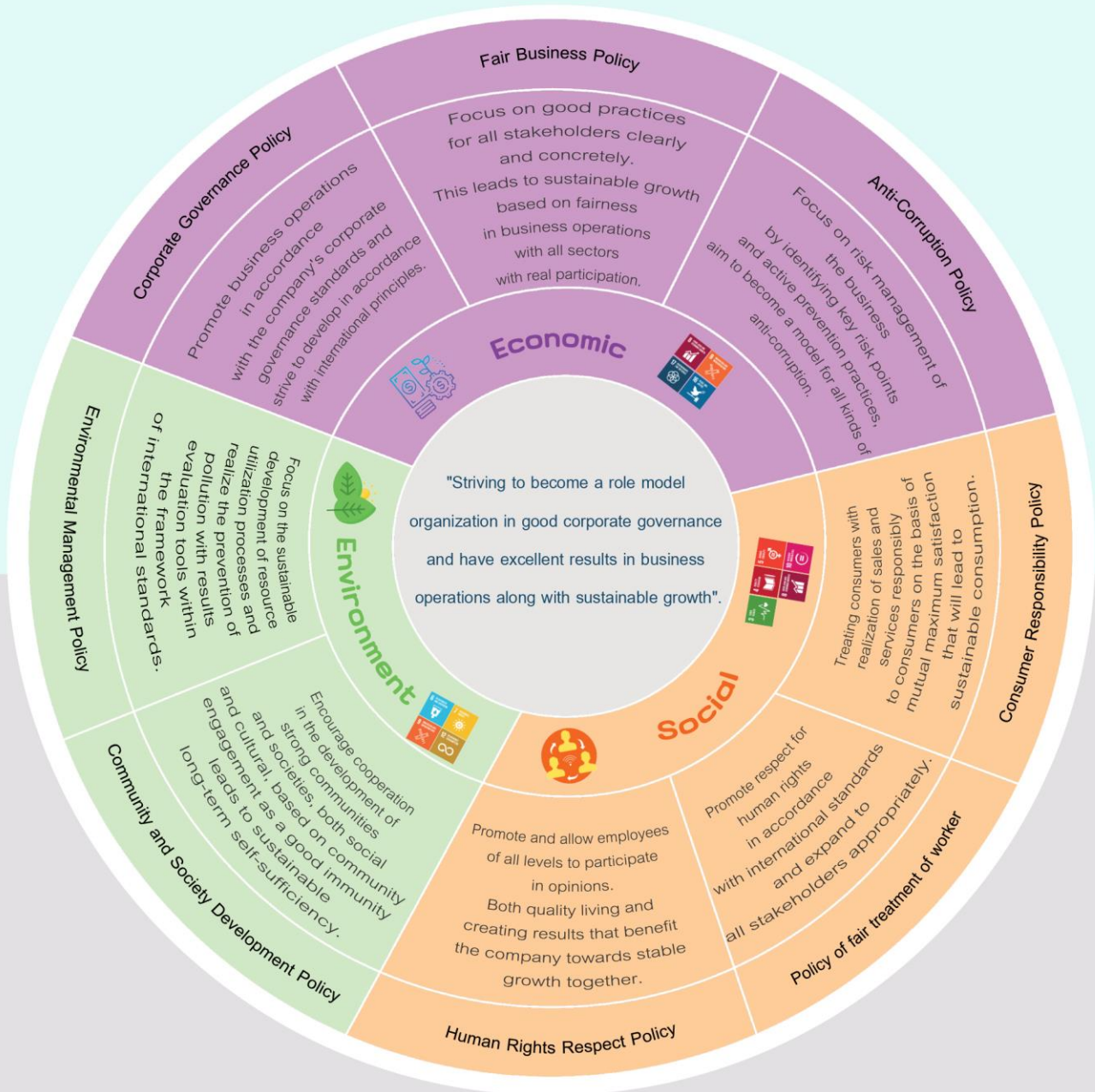
### Sustainability Management Goals

*"Covers all key dimensions, including economic,  
social and environmental dimensions.*

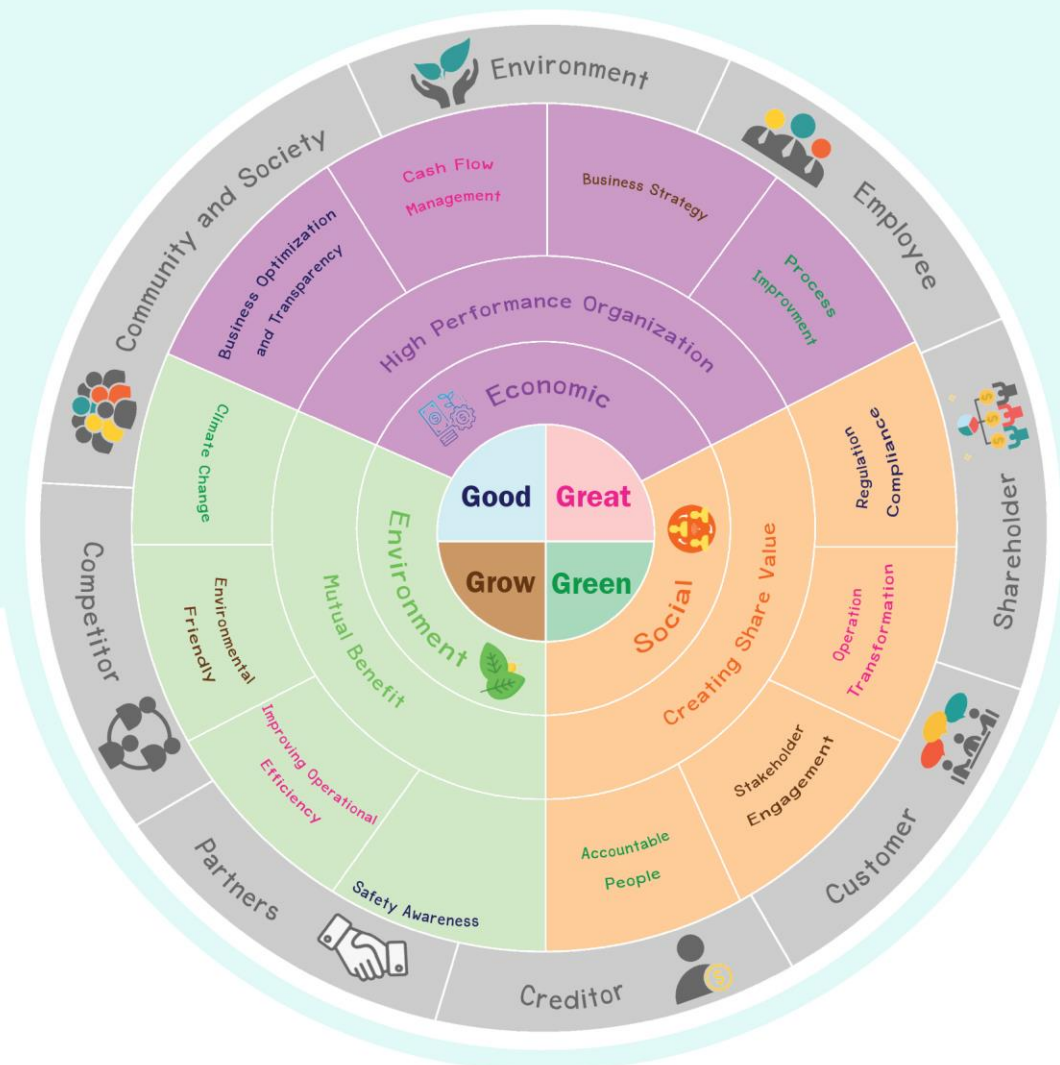
*Based on the strength of good corporate governance  
and comparable to international standards to t  
ruly reflect the success of the organization."*



## Key policies aimed at sustainable growth



## Sustainable development based on 4G potential

**Good Governance**

aims to be a good role model, adhere to laws and regulations under corporate governance with good governance principles in business operations.

**Great Value**

Creating value for value by seeking opportunities to grow and continuously develop processes to be efficient

**Grow Together**

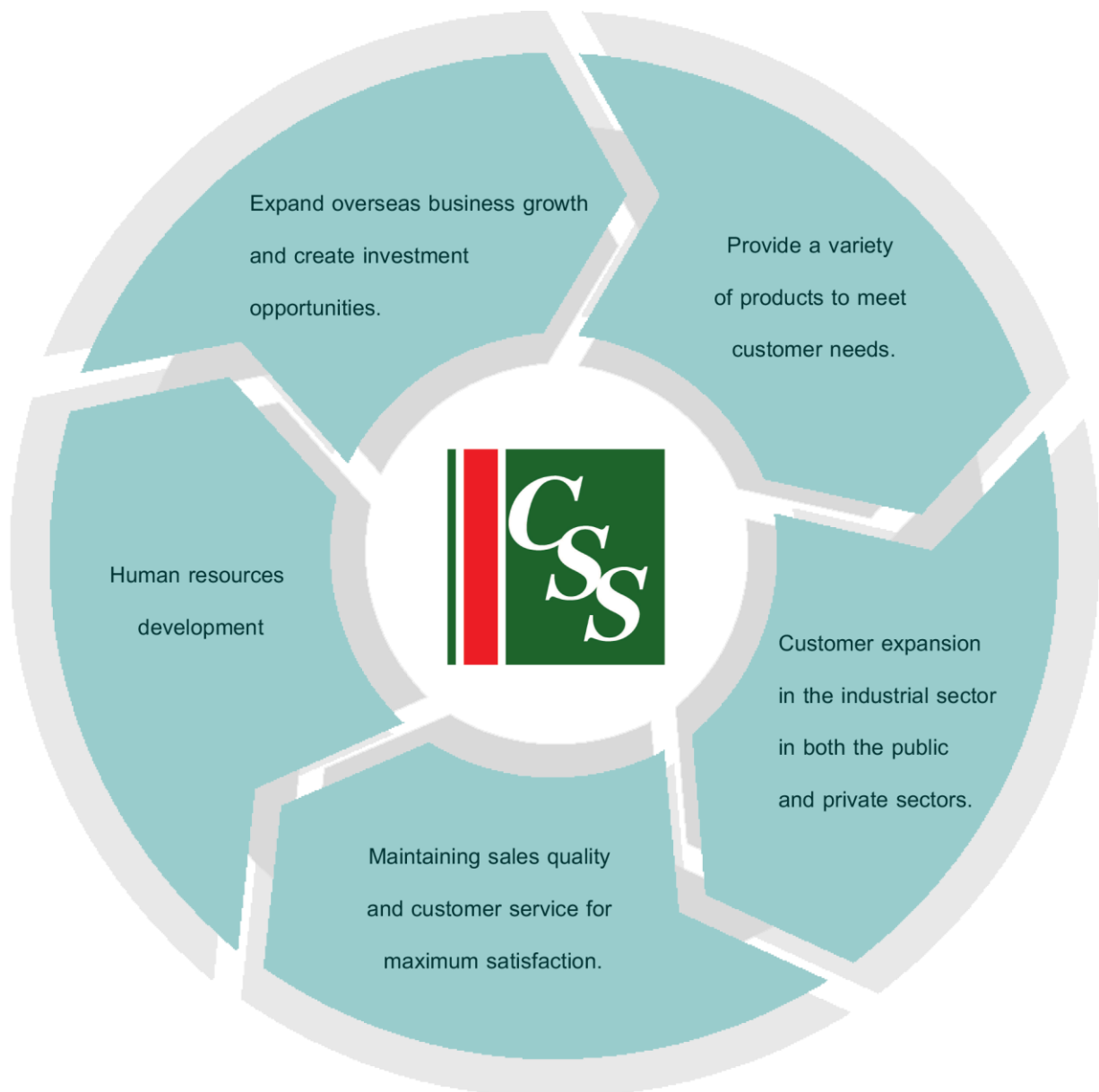
Growing together sustainably by maintaining and enhancing competitiveness, accelerating professional development in time.

**Green Environment**

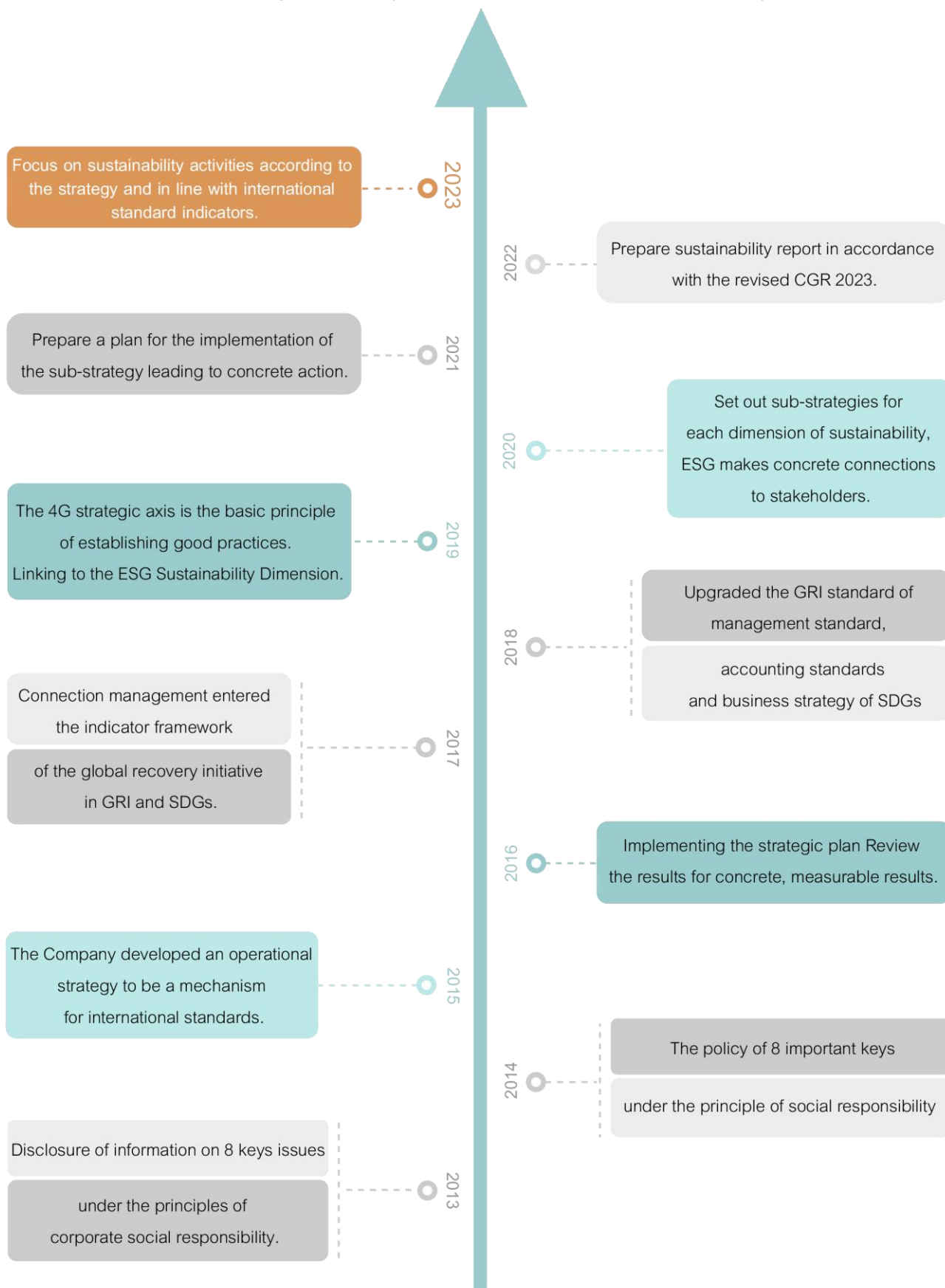
Environment Aim to create a positive society for Thai society. Create a safe working environment for all employees and stakeholders. Reduce unnecessary resource consumption and promote the use of resources knowingly and benefiting the most.

### Sustainable Business Strategy

Communications & Systems Solution PCL. Operate under the main strategy "*Building potential to compete and create value for stakeholders*" focus on balanced and sustainable growth by defining key capabilities as:

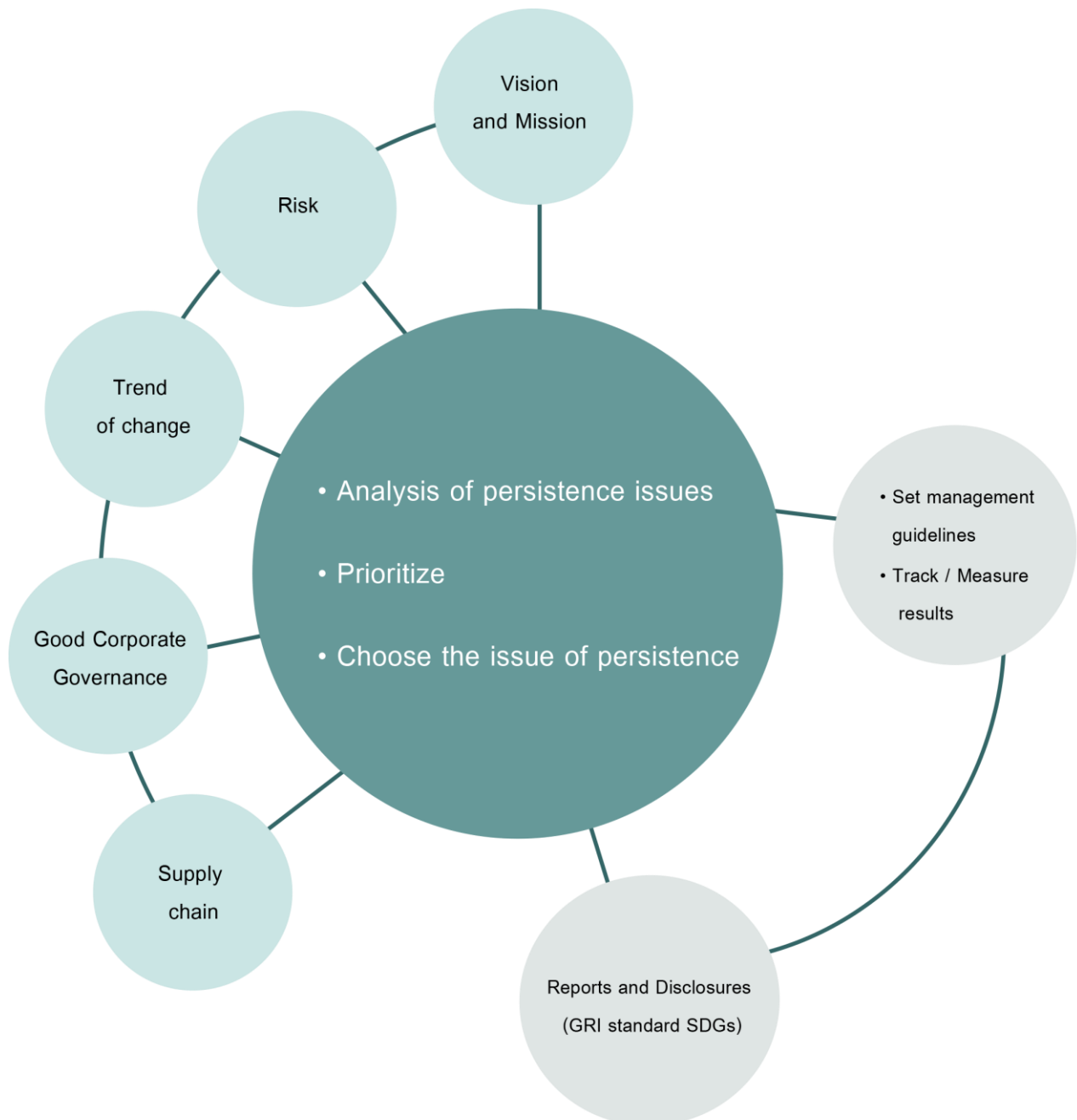


## Developing the continuity of business operations towards sustainability



### Key sustainable development issues

The Company has compiled sustainability issues related to the nature of its business operations using GRI Standard's international guidelines for examining the global sustainability context and trends from the United Nations (SDGs), as well as case studies in the same industry. To produce the most useful information. In addition, the working group screened and reviewed the data through an advisory group, and determined the priorities based on fair consideration of the impact on the profitability and growth of enterprises and the interests of all stakeholders.





**Economic**

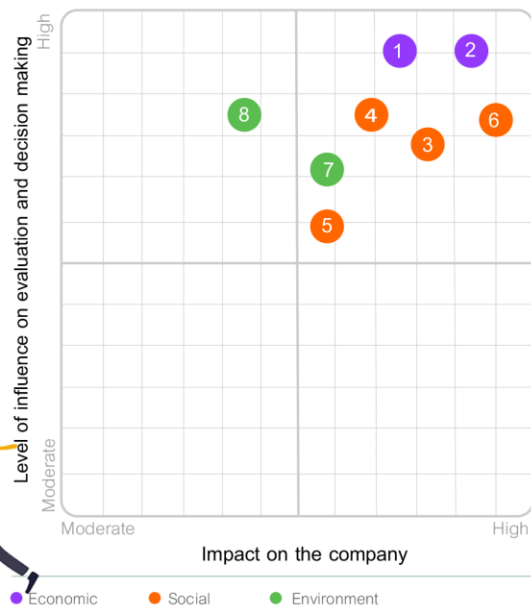
- 1 Business management according to good governance principles.
- 2 Organizational Management Effectiveness.

**Social**

- 3 HR Sustainable.
- 4 Management of occupational health and safety.
- 5 Creating social value.
- 6 Caring for and meeting customer needs.

**Environment**

- 7 Environmental Management of Company.
- 8 Operations that are environmentally friendly.

**Scope of issue**

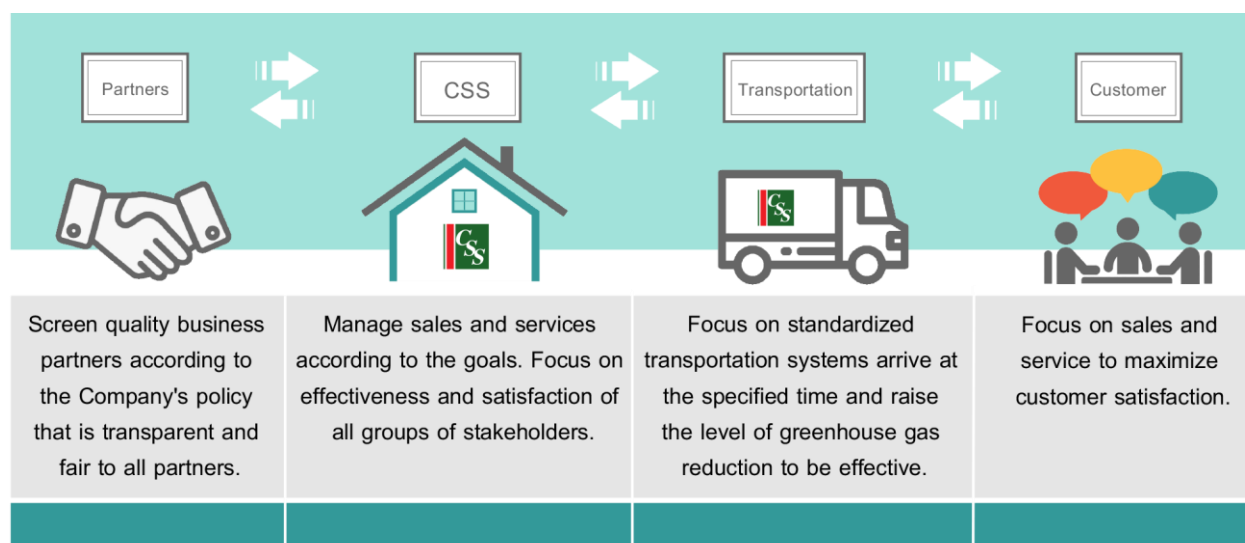
Sustainability issues	Factors affecting	
	Business	Stakeholders
• Business practices based on good governance principles.	• Gain confidence in the internal control system and mitigate potential risks in the future.	• Partners, customers feel safe and trust in the company's management process.
• Effectiveness of enterprise management.	• Create opportunities to expand investment and enhance business competitiveness	• Partners, customers, trust, and attracting new investors.
• Caring and satisfying customers' needs.	• Continuous development of products and services for greater benefits and efficiency.	• Meeting demand systematically helps to improve customer satisfaction and trust.
• Sustainable human resource management.	• Building a bond between employees and the organization is an important part of increasing effectiveness to meet goals in a short period.	• Employees feel valuable and secure, thus further improving their work skills.
• Occupational health and safety management.	• It is an important factor in reflecting responsibility for operating in a friendly manner to society and the environment.	• Community, employees feel safe and confident that they will not be affected by the company's business operations on the environment.



## Business Value Chain

The company recognizes the importance of promoting business towards sustainable development. Considering the core of the service industry business, especially the goods selection and inspection of partners. Establish business confidence with customers. Therefore, take care of all-important stakeholders from upstream to downstream. It reflects our commitment to creating value for the delivery of products and services.

Due to the nature of the company's operation as a trading type, there is no complexity in management; it is easy to raise the relationship in the supply chain from the original to sustainable supply chain management. Through the process of risk analysis under the principle of taking into account expectations and responding to the expectations of all groups of stakeholders appropriately. This is to reduce the risk that will affect the company's supply chain. Therefore, they can conduct business together in the end and grow together sustainably.



The Company focuses on key elements in business value chain as following

1. Manage core activities to align and appropriately with the business nature of companies without production factories. However, it still reflects the factors that lead to the company's revenue or costs. Therefore, we focus on practical processes related to services, covering all stakeholders as follows:
  - Effective communication is the process of building confidence in business operations, creating a positive attitude by presenting information and news that is true, accurate and sufficient to make decisions to complete all communication channels and taking into account listening to feedback from stakeholders for the benefit of further development of the organization.
  - Transportation of goods, distribution of goods and services is the process of building confidence in consumers to understand the company's operating principles under international standards and take into account the transportation system that benefits the most. By applying technology to suit the company's, warehouse management and logistics systems. This leads to real stakeholder satisfaction.
2. Support activities that affect the strengthening of the internal management system, such as technological development processes that enhance communication efficiency to be convenient and timely. Strategic HR management influences human resource capabilities, which is a key factor in driving a company's success. Objectives as specified In addition, there is an internal audit system and quality control system in accordance with international standards as a tool for monitoring work and an important mechanism for reviewing the company's goals on an annual basis.

### Stakeholders of the company

The company analyzes the relationship between the business value chain and its stakeholders, both internally and externally, on an annual basis, which may be related to both direct and indirect business operations with the aim of responding to the highest expectations and satisfaction as follow;



Stakeholder	Stakeholder Expectations	Fulfilling expectations of stakeholders
Internal stakeholder		
 <p>Employee</p>	<ul style="list-style-type: none"> <li>• Fair compensation and welfare.</li> <li>• Route planning and progression.</li> <li>• Occupational Health and Safety Care.</li> </ul>	<ul style="list-style-type: none"> <li>• Employee opinion surveys.</li> <li>• Listen to complaints and suggestions.</li> <li>• Create a platform for participation between employees and management.</li> </ul> <p><a href="#">Engagement channels</a></p> <p>surveys / questionnaires / internal relationship activities plan</p> <p><a href="#">Creating a sustainable shared value</a></p> <ul style="list-style-type: none"> <li>• Establish a fair compensation management system.</li> <li>• Establish a professional human resource management system.</li> <li>• Maintain an operating environment according to international standards.</li> <li>• Employee satisfaction survey annually.</li> </ul>
 <p>Shareholders</p>	<ul style="list-style-type: none"> <li>• Good return on investment and stable growth.</li> <li>• Operate in accordance with good governance principles.</li> </ul>	<ul style="list-style-type: none"> <li>• Operate in accordance with good governance principles and receive good assessment results.</li> <li>• Accurate, transparent and verifiable disclosure.</li> </ul> <p><a href="#">Engagement channels</a></p> <p>General Meeting and Extraordinary General Meeting of Shareholders / Company Website / Survey / Disclosure of Information via SET Portal of the Stock Exchange of Thailand</p> <p><a href="#">Creating sustainable shared values</a></p> <ul style="list-style-type: none"> <li>• Good and stable compensation management.</li> <li>• Elevate confidence with reliable institutional assessment results.</li> </ul>
External stakeholders		
 <p>Customer</p>	<ul style="list-style-type: none"> <li>• Quality products and services.</li> <li>• Convenient and easy access to decision-making information.</li> <li>• Maintain the privacy of customer data.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey / development of two-way communication channel</li> </ul> <p><a href="#">Engagement channels</a></p> <p>Customer Service System / Customer Visit Plan / All Modern Communication Channels / Customer Satisfaction Survey</p> <p><a href="#">Creating sustainable shared values</a></p> <ul style="list-style-type: none"> <li>• Quality delivery system and fair.</li> <li>• Quick response and problem solving system.</li> <li>• Striving to continuously improve service quality.</li> </ul>
 <p>Creditor</p>	<p>The accuracy and completeness of the financial information, Payment, completeness, fulfillment of contract / Disclosure of information is correct.</p>	<ul style="list-style-type: none"> <li>• Accurate financial information</li> <li>• Conduct business under good governance laws and principles.</li> <li>• Disclosure of accurate, transparent, verifiable financial information</li> </ul>

Stakeholder	Stakeholder Expectations	Fulfilling expectations of stakeholders
 <p>Creditor</p>		<p><a href="#">Engagement channels</a></p> <p>Provide meetings/ surveys and complaint channels.</p> <p><a href="#">Creating a sustainable shared value</a></p> <ul style="list-style-type: none"> <li>• The results of the survey will be used to develop the work in a concrete way.</li> <li>• Quick response system.</li> <li>• There is a mechanism to maintain financial conditions effectively.</li> </ul>
 <p>Partners</p>	<ul style="list-style-type: none"> <li>• Ethics, Ethics and Transparency in Business Operations.</li> <li>• Fair Trading.</li> </ul>	<ul style="list-style-type: none"> <li>• Effective disclosure and communication / Bonding activities</li> </ul> <p><a href="#">Engagement channels</a></p> <p>Provide meetings / surveys and complaint channels.</p> <p><a href="#">Creating a sustainable shared value</a></p> <ul style="list-style-type: none"> <li>• Fair treatment of trade partners according to the international framework.</li> <li>• Adhere to the commercial contract terms.</li> </ul>
 <p>Competitors</p>	<p>Conducting business and competing with transparency is fair according to good competition rules.</p>	<ul style="list-style-type: none"> <li>• Accurate disclosure and information via reliable communication channels.</li> </ul> <p><a href="#">Engagement channels</a></p> <p>Provide meetings</p> <p><a href="#">Creating a sustainable shared value</a></p> <ul style="list-style-type: none"> <li>• Commit to performing duties on the terms of fair competition.</li> </ul>
 <p>Community &amp; Society</p>	<ul style="list-style-type: none"> <li>• Promote good relations with each other.</li> <li>• Support community activities towards sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>• Plan activities with the community.</li> <li>• Listen to feedback and complaints.</li> </ul> <p><a href="#">Engagement channels</a></p> <p>Participate in community activities And listen to feedback.</p> <p><a href="#">Creating a sustainable shared value</a></p> <ul style="list-style-type: none"> <li>• Promote and inherit good traditions of the community.</li> <li>• Social responsibility alliance with other relevant institutions.</li> </ul>
 <p>Environment</p>	<ul style="list-style-type: none"> <li>• Environmental protection and pollution control.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously explore activities within the organization.</li> <li>• Keep up to date with environmental news.</li> </ul> <p><a href="#">Engagement channels</a></p> <p>Listening to suggestions / meetings / website</p> <p><a href="#">Creating a sustainable shared value</a></p> <ul style="list-style-type: none"> <li>• Strictly comply with the law.</li> <li>• Tracking / Control Pollution in the process of work.</li> </ul>

## Economics

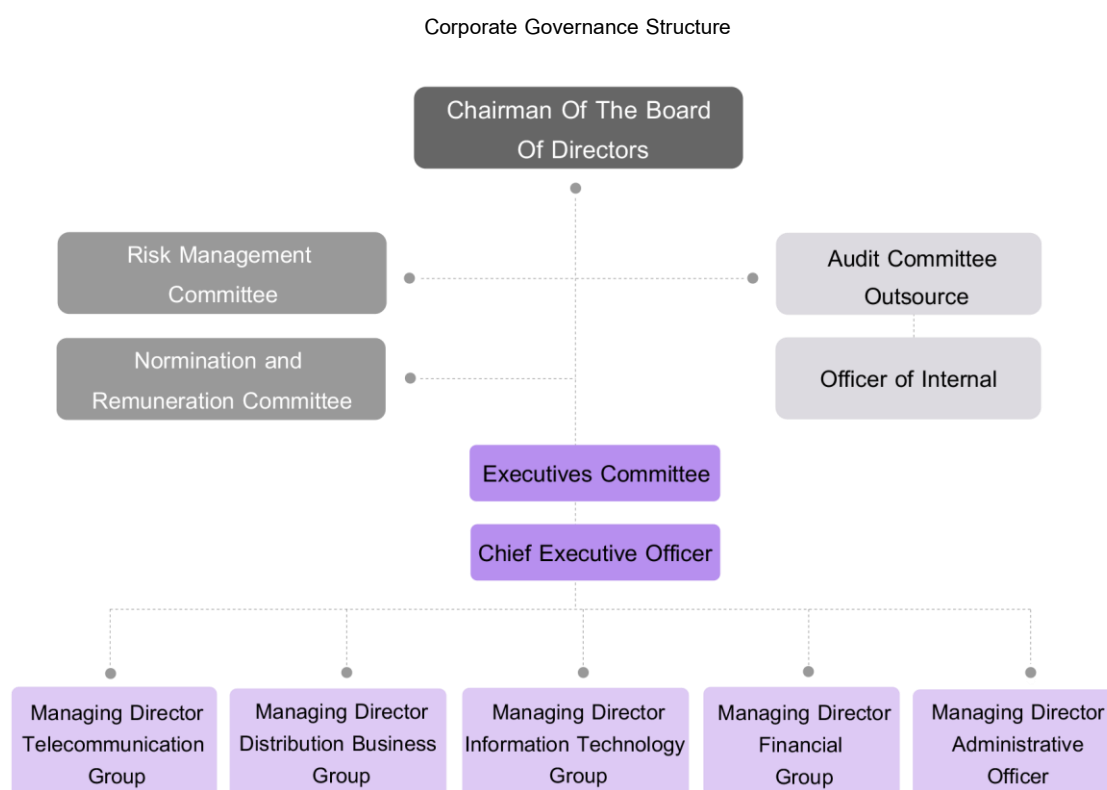
**Aiming to become a high-performance organization**, is the goal of economic operations, focusing on increasing business efficiency along with transparent operations, paying attention to efficient financial management processes, as well as growing under a strong strategy and moving forward with digital technologies that are suitable for business sustainability.

CSS continues to focus on reviewing and formulating key business policies and making them up to date. To be a practice for creating targeted results to achieve clarity, speed and timely situations. This will have a real impact on the economic growth of the organization.

## Good corporate Governance

The company believes that good corporate governance is a tool to increase value and promote corporate growth. Therefore, we realize that we can effectively achieve our goals under good corporate governance policies. Therefore, the company aims to comply with reviews and inspections of practices to be under the requirements of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). ) annually as follows:

- Disclosure of organizational structure and information of directors and senior executives to show shareholding ratio including key positions that affect investment decisions. It also takes into account the various knowledge, abilities and skills of directors and executives.
- Appoint a subcommittee with independent composition and disclose the constitution and obligations.
- Disclose the remuneration structure and payment standards of directors and senior executives in a transparent and verifiable manner.
- Annual performance evaluation of directors and senior executives.



For the results of success and reflecting the confidence of the company's business operations, are Corporate Governance Survey of Listed Companies by the Thai Institute of Director.

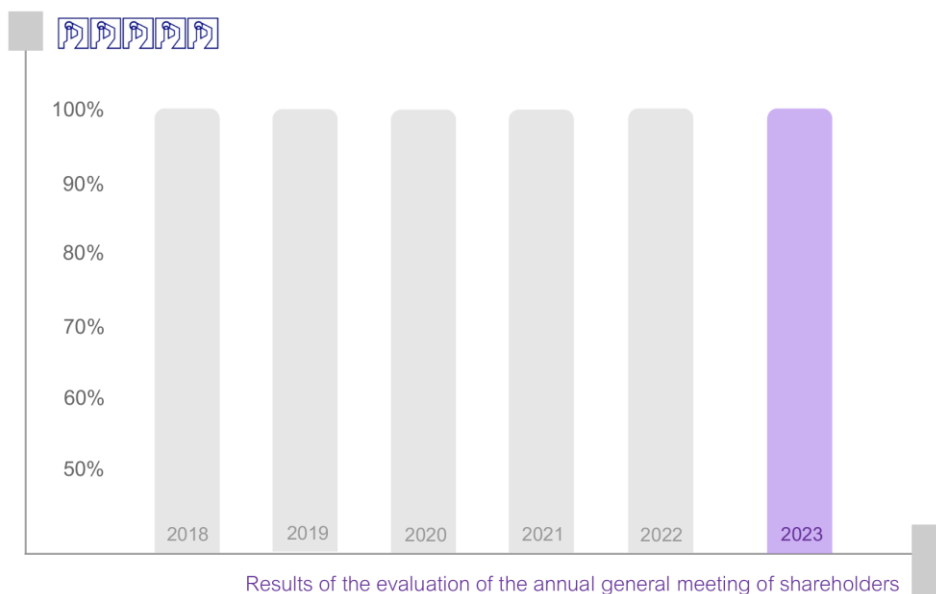
In 2023, The Company has maintained the best evaluation result for the sixth consecutive year, with a score of 85% . The average score higher than the overall listed company is 81% . This is the pride of the company and strengthens confidence in truly considering the operations of all stakeholder groups.

Yearly Score Comparison Chart



In addition, the company also received a five-star evaluation from the Thai Investor Association for the 2023 Annual Shareholders Meeting and for 6 consecutive years, the average score of 100 points means an excellent level, which is another award that reflects the confidence of all stakeholders involved. This meeting provides an effective platform for participation in financial performance reporting. Receiving independent feedback that is beneficial for future operational development and making decisions on important matters for mutual benefit.

Yearly Score Comparison Chart





## Business ethics

The Company is committed to conducting corporate governance under the good corporate governance framework based on transparency, equality and accountability to all stakeholders. By creating long-term business values, adhere to the code of conduct or code of conduct prescribed by the organization as follows:

1. Conduct business by adhering to the ideology of conducting business with quality business and having mechanisms to control ethical practices and reports.
2. Conduct business with transparency in mind, adhering to responsibility to all stakeholders equally and equitably.
3. Conduct business without unwanted employees receiving money or valuable items from all business related parties with the group. This may cause unfairness to those involved.
4. Conduct business under non-political affairs by being politically neutral not acting in favor of any political party or any person with political power.
5. Conduct business under fair and public interest. By not giving money or things to any person in order to induce or refrain from doing any wrong thing.
6. Conduct business under social and environmental responsibility in what is the impact of the Company by accepting the audit. In addition, be ready to be responsible for the results of the audit according to the facts.
7. Conduct business with respect to human rights internationally that can be applied in every country, every culture, and every situation. By adhering to the principle of respect for international practices.

In addition to the Code of Conduct, The Company also recognizes those involved in conducting business towards sustainability, thus establishing the code of conduct regarding the Code of Conduct of the Board of Directors and the code of conduct for stakeholders as well. This is for the benefit of using it as a truly effective practice. The company has introduced the aforementioned code of conduct to all stakeholders in every communication channel. With the expectation of all stakeholders to acknowledge and abide by with mutual understanding and to be disclosed on the Company's website as well.

The company has continuously promoted anti-corruption activities and recognized that integrity is the cornerstone of organizational development. Our goal is to build a strong corporate culture in good governance, which will lead to sustainable development in 2023. The company also compiled the statements of senior managers on anti-corruption and formulated the following five key principles: Realize that public interests outweigh personal interests, and create a transparent and honest corporate culture. Shame on corruption and self-sufficiency as part of the company's annual internal audit planning strategy. In addition, use it as the goal of planning the company's internal activities. It is an important communication mechanism to prevent corruption during operation. In 2023, in order to prevent misuse of important corporate information, the Company has focused on cybersecurity management and personal data protection. By establishing policies and guidelines to comply with the regulations of laws and international standards, and conducting training for all employees in the organization to be aware and strictly follow. This will lead to building confidence in the business continuously.

## Sustainability Awards

Due to the company's commitment to sustainable business operations and good development in reporting and disclosure from the beginning membership of The Stock Exchange of Thailand (SET) until present and on Thursday, 21 December 2023, The Company has won the honorary award of "Sustainability Disclosure Acknowledgement" issued by the Thai pat Institute. At the "2023 Sustainable Development Disclosure Award", the company proudly reflected its real intention in achieving its goals.



## Risk Management

The company is aware of the challenges of risk management in a volatile economic environment. In 2023, the Working Group under the supervision of the Risk Management Committee conducted a more effective review of its policies and business operations both inside and outside the organization. The Company is able to manage effectively in all three areas: corporate business risks, financial risks and other risks. Detailed information are disclosed in the annual report.

In addition, to ensure that the company's risk management is efficient. The company has linked the risk information to the internal audit plan as well. Targets are set appropriately every quarter and throughout the year 2023. The results of the internal audit showed satisfactory reporting that the employee's operational processes were in accordance with the regulations. The company's regulations are very good as follows:

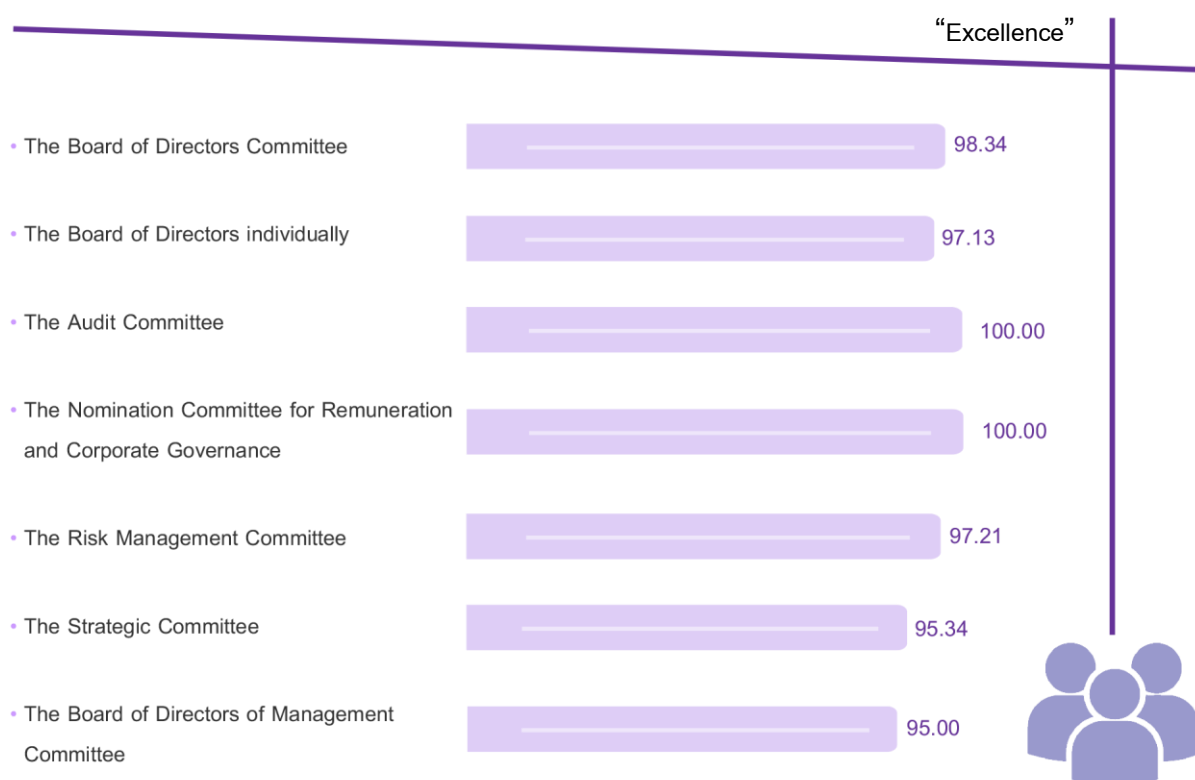
- **Quarter 1** Sales system audit debt collection Warehouse, safety, and operations according to the Personal Data Protection Act (PDPA) to ensure that the company has policies and guidelines for employees to strictly follow. Including ensuring that potential risks are managed according to the established guidelines.
- **Quarter 2** The procurement system audit, Ensure proper compliance with specified policies and regulations during procurement and payment processes. The latest record of important information, including evaluating work efficiency based on goals. In addition, the preparation for participating in the Thailand Private Sector Anti-Corruption Alliance program was also reviewed and examined

- **Quarter 3** Sales system audit Business and product customer groups until debt collection the internal control system has been properly put in place and strictly followed. Including improving the database system to be accurate and up to date.
- **Quarter 4** The Fire Barrier system audit, to ensure that the operation process complies with the prescribed policies and measures. This includes the process of correctly approving the sale of products based on the company's approved authority. In addition, the Company reviewed the adequacy assessment of the internal control system in accordance with the guidelines of the Securities and Exchange Commission (SEC). Using evaluation tools based on the concept of COSO (Committee of Sponsoring Organizations of the Tread way Commission), including: Control environment, risk assessment, operational control, information and communication including the tracking system to achieve the goal.

From the inspection, it was found that the company's internal control system was adequate in accordance with the guidelines of the Securities and Exchange Commission (SEC) and the company has a plan to review information in other control systems. To prepare to develop a risk management system in the future as well.

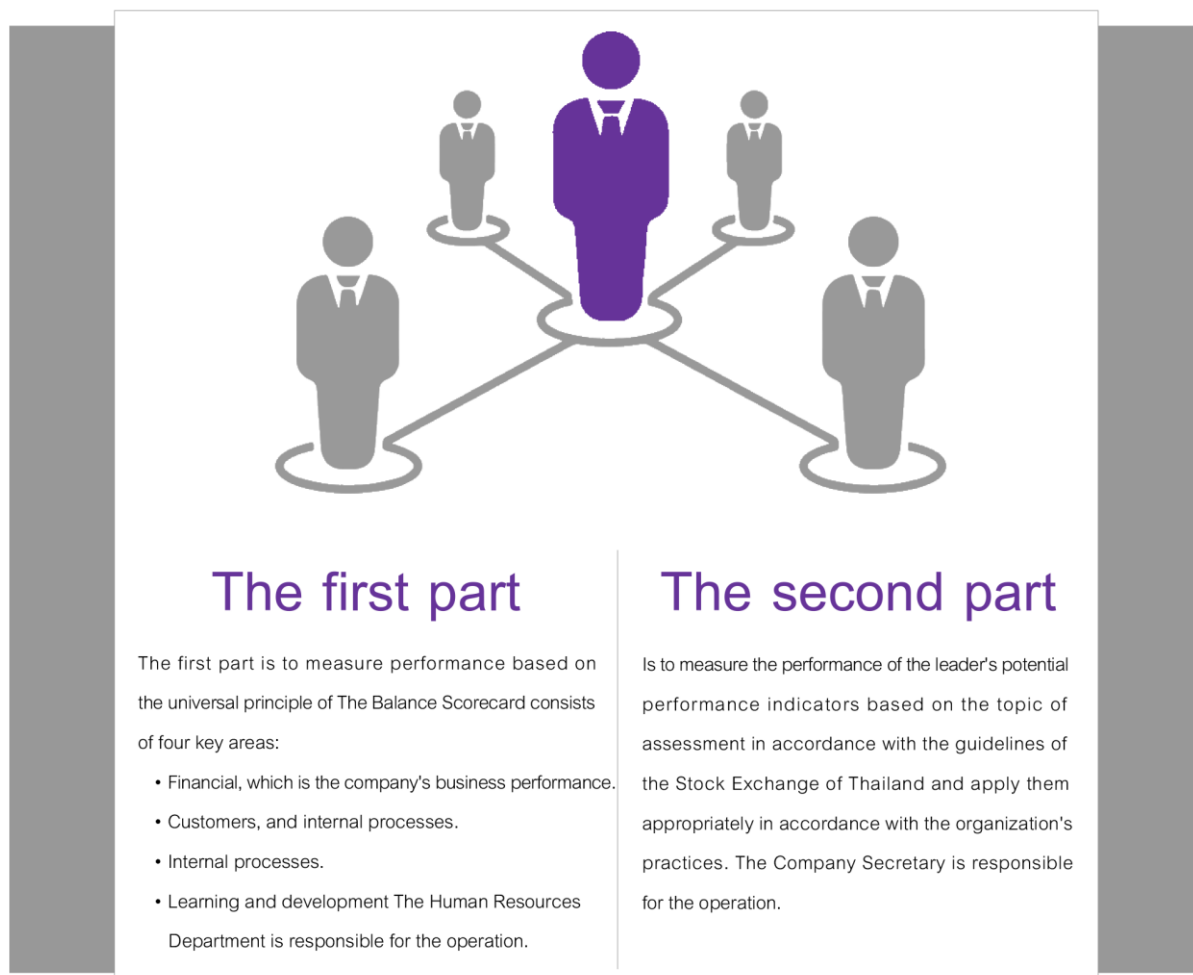
### Assessment of organizational management effectiveness

The Company strives to be a role model for organizations that are effective in managing excellence. Therefore, the Board of Directors and sub-committees have assessed in accordance with the framework of The Stock Exchange of Thailand as a tool to measure the effectiveness of management in order to achieve the company's profit goals in 2023, the results can be summarize as follows:



## Chief Executive Office Evaluation

Assessment of The Chief Executive Office Evaluation includes executives at all levels of the organization, The Company has established a performance evaluation guideline with a form of performance indicators that are consistent across the system. By categorizing the evaluation into two, important parts as follows:



In addition to establishing performance evaluation guidelines, the Company has focused on establishing fair and effective remuneration guidelines. By referring to the company's business, performance and comparing data related to the same industry group. Include consideration of short-term benefit planning as follows: Salary adjustments, annual bonuses, and other benefits and long-term benefits such as provident contributions, etc.

However, this is Summary of the Evaluation of the Performance Measurement of the Chief Executive Office, This leads to the proceedings by the Nomination, Remuneration and Corporate Governance Committee, who is responsible for the approval and presenting it to the Board of Directors for further approval.

The company arranges for the evaluation of the Chief Executive Office annually. To achieve the development of organizational management efficiency. In the past year, The economic situation is widely fluctuating, which affects the company's supply chain, resulting in a decrease in the results of the financial and internal process index assessments. As a result, the assessment of the effectiveness of management has decreased from the original, in 2022, with a score of 92% and in 2023, the score is 89%.





## Society Dimension

### Sustainable social value

The Company aims to promote the quality of life that occurs in Thai society as a society that treats each other with fairness. It offers the opportunity to listen to opinions as well as be healthy and ready to perform their duties effectively. Therefore, organizational management must take into account compliance with international standard human rights principles, starting with the highest stakeholders, executives and employees within the organization, and expanding into practices that cover external stakeholders in the context of the company in order to create mutually beneficial contributions. Leads to stable and sustainable growth.

### Human Rights Operations

The Company recognizes that the current business operation may affect or lead to human rights violations; and may affect the company's image. Therefore, the company attaches importance to developing appropriate preventive measures and management methods. Consider issues related to value chain business processes in the context of the organization, including important issues that report current trends. Changes are taking place globally. According to the value chain and appropriate practices, the initial actions divide key stakeholders as follows:

Group of key stakeholders According to the organizational context	Key Points	Guidelines / measures currently implemented
<b>Employee</b> 	Employment	<ul style="list-style-type: none"> <li>Employee Manual and Code of Conduct</li> <li>Establish a Welfare Committee</li> <li>Complaint Channel</li> </ul>
	Health and safety	<ul style="list-style-type: none"> <li>Occupational Health and Safety Policy.</li> <li>Occupational Health and Safety Committee.</li> <li>Employee Safety Training.</li> </ul>
<b>Shareholder</b> 	Shareholder Rights	<ul style="list-style-type: none"> <li>Comply with Good Corporate Governance Guidelines (CGR).</li> <li>Comply with the criteria for assessing the quality of the Annual General Meeting of Shareholders (AGM Checklist).</li> </ul>
<b>Customer</b> 	Sales / Fair Service	<ul style="list-style-type: none"> <li>Clear governance structure.</li> <li>Establish fair policies and regulations.</li> <li>Establish a Code of Conduct for Customers.</li> <li>Complaint Channel.</li> </ul>
<b>Partner</b> 	Maintain confidentiality / conflicts of interest	<ul style="list-style-type: none"> <li>Adhere to contracts and terms.</li> <li>Establish a Code of Conduct for Partners.</li> <li>Complaint Channel.</li> </ul>

Throughout 2023 Human rights, operations with stakeholders inside and outside the Company is consider to have good management capabilities: the Company has had no incidents of complaints or lawsuits for human rights violations in the past year.

## Human Resource Management

In the changing environment, the company's human resources management has become more challenging. However, the company must adapt and manage effectively. Therefore, the operation divide into the following three strategic frameworks.

### 1. HRM - Human Resource Management

Focus on compensation management and fair employment. Non-discrimination and equal opportunities, as well as providing appropriate welfare and changing lifestyles with the times.

- **Employees** and workers throughout the operations in 2023, CSS is aware of the annual review of human resource management policies. In particular, increasing preventive measures to accommodate risks in accordance with changing circumstances. The company currently has 100% of Thai employee nationality, no racist and cultural problems. Therefore, it is easy to manage and act on the basis of human rights as a priority. This includes employment based on the appropriate type of employment for men and women and people with disabilities, as well as fair pay according to the principles of analyzing the value of the work and based on comparable data in the same industry group. Training and potential development for employees to take care of occupational safety and environment. This leads to the development of good bonds with the organization.
- **Employment** The Company places importance on the management under the employment policy that is fair and appropriate to the situation. The company is open and provides opportunities to people of various characteristics, both genders. Educational level, religion, ethnicity are not considered limitations. Have always come to be a part of the organization's success. The Company has focused on the development of international performance evaluation tools to ensure fairness to employees at all levels appropriately and equitably. This includes strict observance of labor law procedures.

#### Short-term return considerations

- Determination of the salary structure of employees according to qualifications, knowledge, Comparable work capabilities and experience to companies in the same industry
- Adjustment of wages and bonuses once a year in accordance with the Company's operating results by considering the profitability in each year and has criteria to measure the performance of all employees according to international principles (KPI) to be appropriate.
- Proper care and welfare arrangements for employees in accordance with Thai labor standards, including incidence insurance, life insurance, health insurance, as well as health and safety care by administering one annual health check-up, as well as providing additional necessary additional benefits such as funeral funds, granting special leave rights for gender-free meditation, seminars, shuttle buses, uniforms, etc.

#### Long-term return considerations

- Define the criteria for regular adjustment of the employee class once a year by using the Balanced Scorecard with views on 4 key factors finance, customer perspective, internal process perspective, and learning and growth perspective. They use in determining the performance and competence of employees to determine appropriate compensation and incentive.
- The Company provides employees with a provident fund to support and motivate employees to have good savings discipline. The company allows employees to set the cumulative rate from 3% to 15%. The company will pay contributions to the fund according to the age of employment in the company according to the regulations. However, not more than 5% of basic salary up to the age and willingness of the employee, which will, paid back to employees upon retirement or resign

Although in the past year, The Company faces difficult situations but continues to review necessary and appropriate policies on an annual basis. Company maintains credibility and morale among all employees by taking into account the payment of wages on time and keep basic welfare intact.

- **Employment of persons with disabilities** The Company takes into account equal opportunities. Indiscriminately covers people with disabilities and disadvantaged groups too. Currently, the Company has implemented the Promotion and Improvement of Quality of Life act for people with disabilities. In addition, must oversee the employment of 3 employees with such disabilities 1 person and send money to the Fund to promote and improve the quality of life of 2 people with disabilities on time on time on a scheduled basis annually.

- **Labor Relations Management Employees** are an important factor in the growth of the organization that leads to sustainability. The Company recognizes the promotion and morale of all employees to have a sense of stability and safety in their work, as well as being able to live happily together that will lead to improving the quality of life for their families.

In 2023, the Company is able to carry out the work plan in accordance with the goals and in accordance with the core values and smooth corporate strategy.

1. Improve & Increase communication efficiency. The company attaches importance to communication in all channels. Prepare information to cover all stakeholder groups and pay attention to feedback that is useful for evaluation and analysis for organizational improvement and development.

1.1 Support more communication or relationship building activities via online channels. causing a response and Targeted results quickly

1.2 Applying technology can help reduce the response time of the information. As a result, the data collection process is fast for analysis and processing. Bring benefits to managing employee relationships more targeted and faster.

1.3 Plan formal and informal activities related to the company's sustainable development strategy. It is used as a mechanism to create continuous communication to obtain results that are more specific and to regularly emphasize important information. Leading to faster achievement of goals.

1.4 Update important information of the company to keep it up-to-date for the benefit of employees, customers, partners, and investors as well as all groups of stakeholders on a regular basis.

2. The Company attaches importance to the appointment of welfare working groups under the law. Aiming to become an independent space of employees who can express useful opinions or suggestions to the Company through the Welfare Working Group. As an intermediary to gather information and present it to the management team to acknowledge their concerns or concerns. This leads to resolving doubts and improving them further. The development of various management tools, as well as the appointment of welfare working groups, are considered as success factors for effective labor relations management. As a result, the employee-company engagement survey in 2022 and 2023 score 88% and 87.95%.

## 2. Human Resource Development HRD:

The focus is to promote learning ability, improve work skills and influence the future development of employees, including establish good relationships and support talents of stakeholders responsible for social sustainable development.

➤ **Developing potential for advancement**, this is an important factor to retain employees and grow together with the company. Therefore, the company has formulated human resources development guidelines according to its annual strategy. In consideration of the participation of all management levels, the work department put forward suggestions on developing the potential of each operation team to realize benefits employees and organizations. The Human Resource Management Department will conduct a survey of training requirements. As well as analyzing and preparing personnel development plans Presented to the Executive Committee for approval annually.

In 2023, despite facing difficulties, the company will still strictly comply with government laws and regulations. The Human Resources Department is responsible for changing the method of knowledge development to achieve results consistent with the company's goals and vision. Train all employees to have professionalism in work and provide quality services the company promotes knowledge development for employees to be more convenient according to the situation. By increasing the adoption of technology.

### Measurement of success

according to the annual  
training plan

139.00 %



### Measuring employee satisfaction

in training

85.45%



### Budget management

training expenses  
Compared to last year  
accounted for

118.97%



Average number of training

hours / person / year

12.54 %





Internal training Accordance with the company's core policy continues to focus on supporting the training of knowledge and skills in accordance with the core competencies of the organization. It expects to help build competitiveness and support the company's future growth. For courses that the Company must focus on and practice continuously even if it faces restrictions, it is basic knowledge training for new employees, since it is important information to start work, consisting of ethics and corporate ethics. The implementation of the Company's regulations and preventive practices of anti-corruption in various forms, hygiene and safety principles, as well as appropriate behavior in accordance with the culture of the organization. This includes training courses that are important for the security of personal data usage of relevant departments within the company to ensure security and compliance with the law, etc.

In 2023, the Company has also placed importance on rigorous training on product and service details to take into account the benefits of customers and business partners, and ready to show sincere responsibility to consumers, such as:

- Product Knowledge course with the objective of strengthening the potential and increasing knowledge of sales staff at the CSS meeting room, head office.
- Product Kumwell course with the objective of training knowledge and understanding about products. In addition, present to customers correctly and completely at the css meeting room, Chonburi branch

In addition, the company also organizes other training for support team that will affect the success of the company, such as:

- Crane operator course Signaler to crane operator Crane material retainer Crane type Other types of mobile cranes (legal) to logistics personnel In order to be able to use it correctly and safely according to legal standards, with RTN Safety and Environment Consultant Co., Ltd. as a speaker at the css warehouse meeting room, head office
- Course how to use FORKLIFT correctly. The company has organized training for logistics staff. To review the use of FORKLIFT forklifts to ensure that they are used correctly and safely.
- PDPA training course (For employee representatives) The company takes responsibility for personal information. Therefore, training is scheduled for May 22, 2023 at the css conference room for executives and employee representatives to have knowledge and understanding about the "Personal Protection Act (PDPA)" in order to further communicate correctly.

And push for strict compliance the main content is about the Personal Act and other related topics: Protection against the use of inside information includes additional protection against conflicts of interest.

- PDPA training course (for the working group) The company has scheduled PDPA training for the working group on June 21, 2023 at the CSS meeting room by Dr. Supoj Nakasawat, HR Center Company Limited, who has come to provide knowledge in order to prepare the working group to be able to work on personal data protection, including the correct and appropriate use of internal information,.

**External training** The Company's core policies encourages external training in specialized courses as needed by various departments, as well as focusing on promoting knowledge under laws and regulations that support the goal of becoming a listed company on the Stock Exchange of Thailand that adheres to excellent governance management. The Human Resources Department is responsible for developing plans and dispatching employees to attend external training courses. Summarize the survey results of training needs from various departments and submit them to the Executive Committee for approval in 2023. In the past, the human resources department organized various training and activities based on the situation to promote employee knowledge, including training and seminars. Including meetings with various partners.

- Belden Partners Day, led by Mr. Kittirat Mekmanee, position of Managing Director of Business and Product Division Brought sales staff to study product details at the Belden Partner Day event held at Radisson Blu Plaza Hotel, Bangkok.
- Seminar on underground electrical and communication cable systems The company's sales team attended to listen to product details at the IEEE Power & Energy Series seminar: Power Engineering & Infrastructure, electrical systems and underground cable communications for development projects in capital cities and large cities: infrastructure, technology, Design, install, test, operate and maintain at Arnoma Grand Hotel, Bangkok.
- Kick Off meeting CSS&Furukawa led by Mr. Kittirat Mekmanee, position of Managing Director of Business and Products Brought sales staff to a meeting to learn about working methods and push for common goals at Furukawa (Thailand) Company.
- Sino-Thai Learning Center SLC, led by Ms. Kittirat Mekmanee, position of Managing Director of Business and Products Division. Lead sales staff to attend the opening and support engineering education and training. Especially the new generation of engineers.

## Statistics overview

## Human resource management

Information	Unit	number of employees	%		
All employees	Person	285			
Thai employees	Person	285	100.00%		
Foreign employees	Person	0	0.00%		
Disabled employees	Person	1	0.35%		
Details of employees in each business line					
Sale and Telecommunication	Person	33	11.58%		
Sale and Marketing	Person	172	60.35%		
Business Information and Technology	Person	8	2.81%		
General Management	Person	72	25.26%		
Total		285	100.00%		
Information separated by dimension	Female	%	Male	%	Total
Number of employees, classified by gender	159	55.79%	126	44.21%	285
Number of employees, classified by age					
Less than 30 years	9	37.50%	15	62.50%	24
30 – 50 years	133	61.29%	84	38.71%	217
More than 50 years	17	38.64%	27	61.36%	44
Total	159	55.79%	126	44.21%	285
Job Levels of employees in the male and female dimensions					
Operational level	148	56.27%	115	43.73%	263
Executive level	9	52.94%	8	47.06%	17
Senior executives	2	40.00%	3	60.00%	5
Total	159	55.79%	126	44.21%	285
Information of employee resignation					
Employees of voluntarily resign	10	50.00%	10	50.00%	20
The ratio of employees voluntarily resigned compared to all employees was 7.02%					
Employee turnover rate in 2023 is 9%					
Information about provident funds					
Members of the provident fund for employees are 255 peoples					
the ratio of employees joining the provident fund is 89%					
The company contributes money to the provident fund in the amount 5,968,888.00 baht					
Important labor disputes - None -					

### 3. Quality and safety management (SQM)

The company has an important goal aimed at creating a good quality of life. Safety for employees by promoting safety in operating systems under international standards amid the COVID-19 pandemic crisis. In 2021, the company continues to work hard, either in the field of issuing emergency policies or imposing new measures to protect employees and related individuals from the risk of infection with the epidemic.

Knowledge of safety The Company has a policy of educating about quality management and safety defined as an annual personnel development plan, as well as the use of details that are useful for learning such as: Security policies regulations, security manuals, and security manuals in workspaces are compiled on the Company's website to facilitate further implementation.

In addition, quality and safety management to prevent work accidents by dividing into 4 sides as follows:

- **System**
  - The company has increased the intensity of the quality system operation (ISO 9001:2015) to ensure that the quality system and the safety of the organization are truly effective.
  - The company supports and promotes the establishment of a safety committee. Occupational Health and Work Environment Complete at all levels, including Administrative Officers, Administrative Officers, Supervisors, Technical Officers, and Professional Officers. This is in accordance with the law. Including management, making new work plans every year and holding meetings every month to closely monitor and report on work results.
- **Tools & Equipment**
  - The Company has created a safety manual from using written equipment tools and put them on an internal website to allow employees to study and be aware of potential hazards of operations such as heavy lifting safety, crane safety, forklift driving safety, as well as personal protective equipment when in hazardous areas.
  - The Company provides a systematic pre-use equipment inspection plan so that employees performing relevant duties, including subcontractors, are safe in their operations.
- **Employees**
  - The company requires employees who use tools and equipment to undergo training according to both the development plan and courses that are necessary according to the situation and has a certificate from a reliable institute.
  - More than 40 percent of employees have passed basic firefighting training, which is in accordance with the law.
  - The company's employees receive fire evacuation drills every year
- **Organizational/Environmental**
  - The Company arranges to inspect the working environment both in terms of the intensity of light in the working area heat level and particulate matter measurement including the concentration of chemicals in the working environment. To eliminate the causes of insecurity that will occur to employees and related parties.
  - Provide publicity to all employees to be informed of the current situation in all communication channels. Such as intranet system, public relations boards and through various meeting systems both inside and outside the organization.
  - The company provides suitable and convenient working space to reduce accidents from the use of the area.

Information	2021	2022	2023
Number of employee work injuries leading to employee absence (times)	0	1	0
Number of employees who were injured at work to the point of being unable to work (Person)	0	1	0
Number of employees who died from work (people)	0	0	0

### Preventive measures and guidelines in the situation of COVID-19

Throughout 2023, although the World Health Organization has lowered the status of COVID-19 in 2019 from a state of emergency. However, the company still does not trust this situation, therefore, according to emergency response plans at various stages. The safety care has provided and the same preventive measures are maintains and communicate it in writing to all employees on the company website.

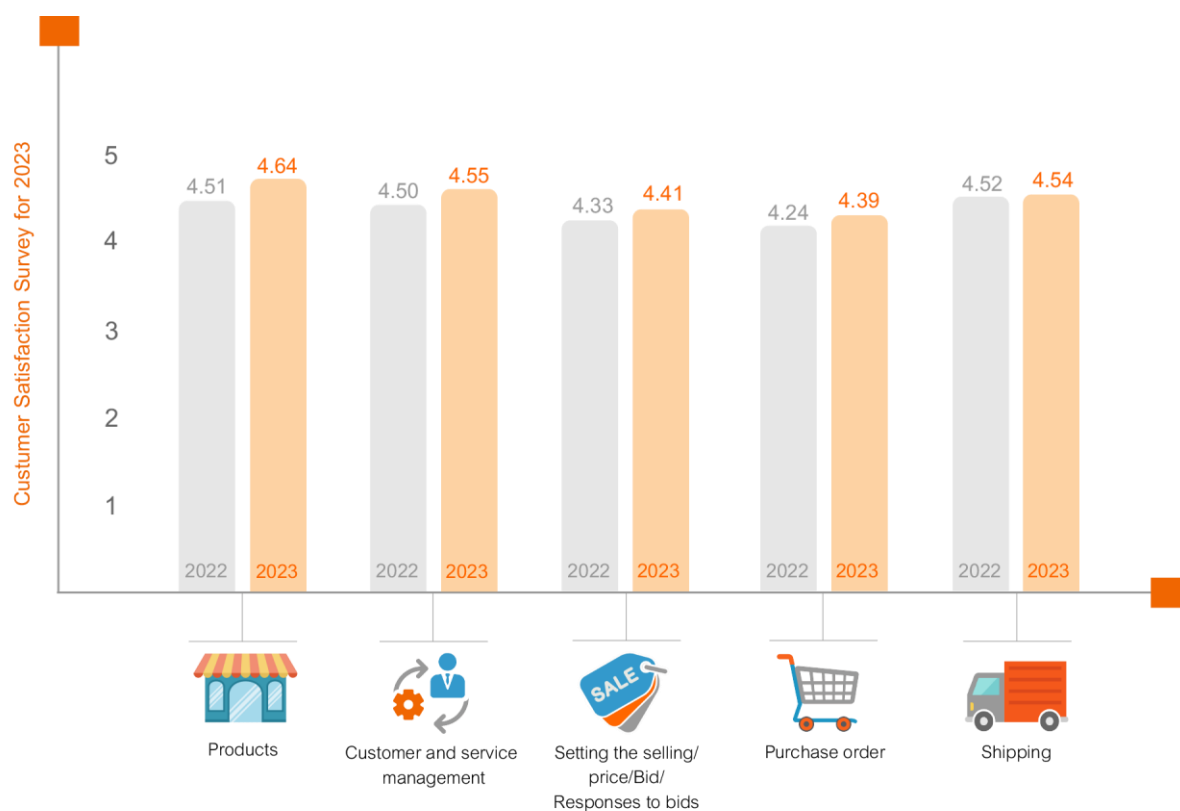
Preventive measures	Summary
<b>Issue 1 :</b> Measures to prevent the spread of the coronavirus (COVID-19)	<ul style="list-style-type: none"> <li>Focus on those returning from overseas, both for work or personal travel. Must notify the supervisor and work at home for a period of 14 days, if no symptoms are found to return to work as usual</li> <li>Those who need to travel abroad must obtain approval from the supervisor in all cases (including Travel, vacation)</li> <li>For general employees with fever See the company nurse immediately for a detailed examination and suggestion properly</li> </ul>
<b>Issue 2 :</b> Measures to prevent the spread of the coronavirus (COVID-19)	<ul style="list-style-type: none"> <li>Refrain from traveling to and from or through vulnerable countries in all cases.</li> <li>Refrain from contacting customers or individuals from vulnerable countries and use alternative coordination channels such as VDO Call, etc.</li> <li>Request cooperation, all employees strictly observe measures to take care of themselves and avoid vulnerable areas according to government announcements.</li> </ul>
<b>Issue 3 :</b> Measures to prevent the spread of the coronavirus (COVID-19)	<ul style="list-style-type: none"> <li>The situation is likely to increase as announced by the Ministry of Public Health, so it has punished employees who violate regulations by issuing written warnings and suspending operations for at least 14 days by disqualifying them from vacation or leave and not receiving pay on the day of the work stoppage.</li> <li>Strictly increased screening measures for employees before work and third parties, including unnecessary entrance and exit closures to make it easier to control the situation.</li> </ul>
<b>Issue 4 :</b> Measures to prevent the spread of the coronavirus (COVID-19) (Announcement of the Prime Minister's Office and the Ministry of Public Health informs that there is an epidemic and the number of infected people increases)	<ul style="list-style-type: none"> <li>Internal announcements remind employees to keep personal items neatly on the table and clean them after daily use.</li> <li>Avoid entering crowded areas and try to keep at least 1 meter away from others, including daily activities. Such as using stairs instead of elevators / refraining from eating together / refraining from chatting or gathering in groups.</li> <li>Wear a face mask every time when leaving the area.</li> <li>Refrain from going up on the building. If it is necessary to get permission from management before each line only</li> <li>Make the line informs the employees informed in a timely manner.</li> </ul>
<b>Issue 5 :</b> Measures to prevent the spread of the coronavirus (COVID-19)	<ul style="list-style-type: none"> <li>Set policies for all lines of work to properly arrange employee working hours according to the situation and job description. This is based on the situation of notification from the Epidemic Care Working Group.</li> <li>In the event of urgent emergency measures and employees must work at home full-time or announce from the government to stop carrying out all activities to reduce the spread of the pandemic. The Company may consider reducing wages under labor law and reducing all operational-related benefits. To avoid affecting employees and companies in the future.</li> </ul>

Preventive measures	Summary
<p><b>Special announcement</b> of guidelines for all employees working at home.</p>	<p>Refer to the full notice at HR 056/2020 with the following brief essence:</p> <ul style="list-style-type: none"> <li>• Consideration of work from home Must be approved by the management according to the line of work/ submission of journals/ In case of traveling, coordination outside the premises must be reported and authorized every time before.</li> <li>• Employees at home refer to normal working hours, avoid going out to the gathering place unnecessarily, distancing themselves from others within 1-2 meters/ wearing a face mask every time they talk to outsiders. If you have any risk-taking symptoms, seek medical notice and notify your supervisor.</li> </ul>
<p><b>Issue 6 :</b> Relaxation and Cancellation of Guidelines, Measures to Prevent the Coronavirus (COVID-19)</p>	<p>The government's assessment of the situation in accordance with the WHO criteria has deemed it appropriate to relax the enforcement of some measures, therefore CSS companies have the following guidelines:</p> <ul style="list-style-type: none"> <li>• Stop work from home and work as usual.</li> <li>• Employees can travel to other provinces. And consider practices in the areas of the province that all the time</li> <li>• if employees are random events risk / need to close / touching an infected person has to seek medical attention and inform the HR urgent</li> <li>• Follow news and strictly comply with government announcements.</li> </ul>

### Professional customer management

Although throughout 2023 the company encountered difficult situations. Including facing obstacles from various changes such as economic fluctuations. Changing behavior of partners and customers including the rapid development of technology, etc. Such changes are an inevitable challenge. However, the company is still committed to maintaining the standard of being a "One stop service" distributor for maximum efficiency. This is reflected in the annual customer satisfaction survey.

In 2023, the company focuses on every important detail that brings maximum benefits to customers, including: Become a distributor of high-quality products, effectively control management systems, and fairly manage sales prices. Improve order convenience and ensure delivery quality meets contract requirements. Based on these indicators, the company conducted a customer satisfaction survey for 2023 and the results were satisfactory. It received an average evaluation score of 4.54 from the year 2022 which received an average evaluation score of 4.42 out of a full score of 5 from the customer satisfaction quality policy plan for 2023. Customer satisfaction survey results target is not less than 4.



### Innovation and technology development

The company has guidelines for innovation development. By developing personnel to have knowledge and abilities and be creative to encourage the development of innovations related to products and services, including the pursuit of innovations Technology comes in to help in the work process. To help increase potential and increase competitiveness. To meet the needs and highest customer satisfaction. The company has therefore developed a new transportation system to be more efficient. With the transition into Digital Transformation is considered an innovation The company's processes by implementing a transportation management system (Transportation Management System) comes in to help operations achieve the goals set by the company. This system can deliver and respond to customer needs quickly and accurately. This reflects the efficiency of the customer

satisfaction assessment results, which has increased compared to the previous year, which is 2022 received a satisfaction score equal to 86.81% and in 2023 received a satisfaction score equal to 88.76%.

### Corporate social

The basic factor to support the sustainable development of non-profit organizations is the comprehensive operation of society. All stakeholders, both inside and outside the organizational context, benefits employees through supporting activities. Therefore, the company's business strategy should focus on growing with the company. Building good relationships and supporting the establishment of a platform lead to long-term self-reliance.

#### CSS inherits Thai culture

- New Year's Eve Merit Making Event, CSS Company has a policy to hold an annual New Year's alms-giving ceremony every year, in 2023, the head office has scheduled the event on January 6, 2023, and the Chonburi branch will hold the event on January 9, 2023, led by Mr. Sompong. Kangsawiwat, position of Managing Director including all executives and employees everyone prepares rice and dry food to give alms to monks, make merit and receive blessings from monks to enhance good fortune and build morale in work and personal life.
- National Children's Day: In 2023, the company organizes Children's Day activities for employees' children every year. This year, children will draw color picture, and participate in competitions with the theme of reducing greenhouse gas emissions. This is to raise awareness of environmental protection and make children aware of the importance of receiving high attention.
- Songkran Day, The Company has arranged a corner for bathing Buddha images and a corner for pouring water to ask for blessings from elders for employees to join in continuing the Songkran tradition. Leads to the creation of a warm atmosphere and mutual respect.
- Company's annual merit-making event, The Company plans to hold a merit-making event every year and is considered the anniversary of the company's founding on July 13, 2023 by Mr. Sompong Kangsawiwat, Managing Director. Take the lead in showing respect to the workplace by paying respects to the royal palace and the grandparent's shrine. Brings good luck in running your business smoothly throughout the year.
- National Mother's Day, The Company has placed importance on organizing National Mother's Day events every year. To encourage employees to express their love Gratitude to mothers and continuing to instill good values. In 2023, the company's employees jointly created jasmine flowers as a symbol. "Mother's Flowers" and set up a board showing loyalty and honoring Her Majesty Queen Sirikit, the Queen Mother.
- The Father's Day event company emphasizes organizing Father's Day activities every year to commemorate the grace of fathers. In addition, praised the father's role in the family and Thai society. In 2023, the company organized an event. "Like father and son" has attracted great attention from the staff by asking them to send photos like father and son in a lottery. Thai Family Research Institute.

#### CSS promotes opportunities for community development

- National Children's Day on January 10, 2023, the company supported Children's Day activities for Wat Salak Nuea School. The secretarial and shareholder departments represented the company in donating 60 sets of environmentally friendly rice straw drinking glasses as prizes for organizing Children's Day activities at Wat Salak Nuea School.
- As of August 2, 2023, CSS has donated 200 light bulbs worth 70040 baht to Wat Pho Thong in Chom Thong, Bangkok. Assistant Finance Manager Khun Yatima Thongthambot represents the temple for its purpose.



## Activities

### New Year's Eve Merit Making Event



### National Children's Day



### Songkran Day





### Company's annual merit-making event



### National Mother's Day



### National Father's Day





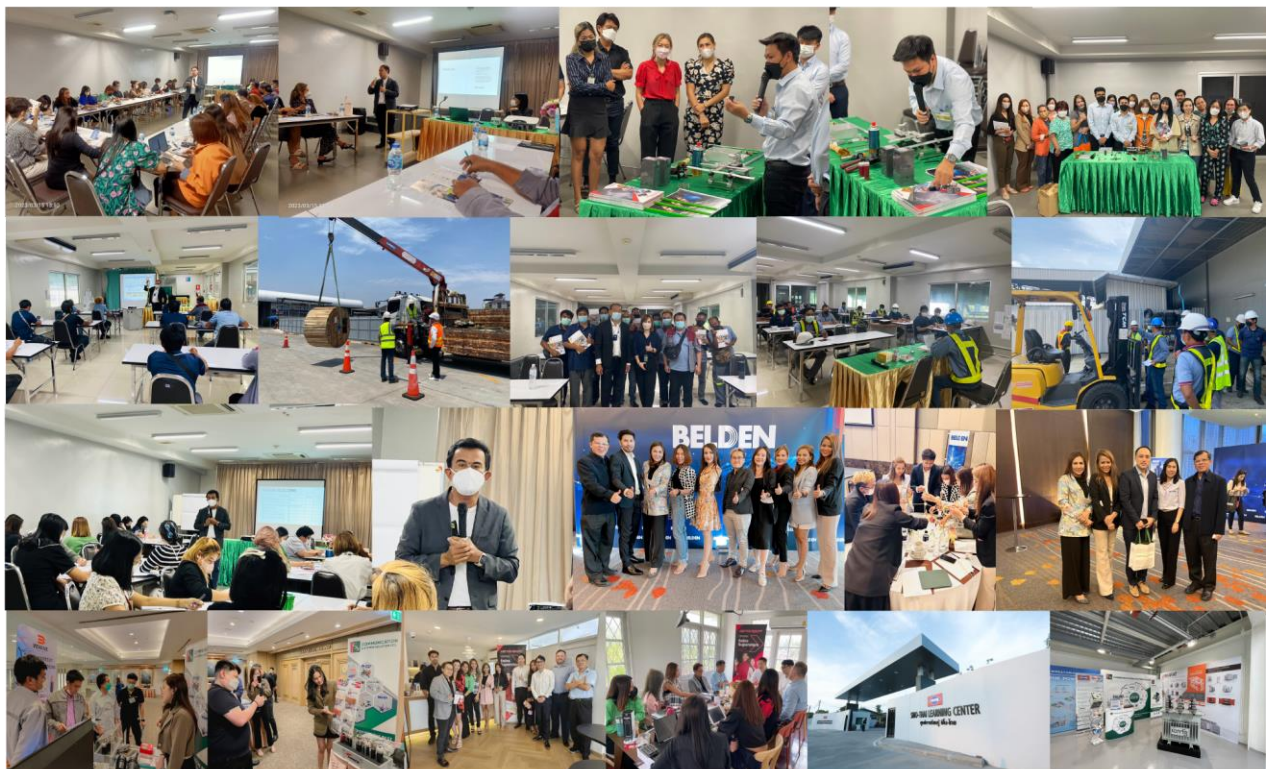
## CSS promotes opportunities for community development



The company provided glasses made from wheat straw and light bulbs.



## Other training















## Environmental

### Environmental Management, Development Lead to sustainable mutual benefit

#### Company environmental management

Communications & Systems Solutions PCL. is aware of reducing environmental impacts or managing greenhouse gas emissions. Therefore, the focus is on managing the quality of the product in conjunction with maintaining the environment. The Company has established measures to monitor environmental quality annually by hiring VCARE Environmental Services Co., Ltd. This is a company that has certified for its ability to perform tests by the Ministry of Industry. Office of Industrial Product Standards to conduct an environmental impact review to lead to a correction. Improve safety in accordance with international standards, including minimizing the impact on employee health.



Environmental quality	Result 2023	Result 2022
 <b>Work area air quality</b> - Total dust - Dust smaller than 10 microns	In standard (Warehouse building) 	In standard (Warehouse building) 
 <b>Sound pressure level</b> (8 hours average)	In standard (Warehouse building / in office building, 1-4 FL.) 	In standard (Warehouse building / in office building, 1-4 FL.) 
 <b>Light intensity level</b>	In standard (Warehouse building / in office building, 1-4 FL.) 	In standard (Warehouse building / in office building, 1-4 FL.) 
 <b>Heat level</b>	In standard (Warehouse building) 	In standard (Warehouse building) 

### Company water management

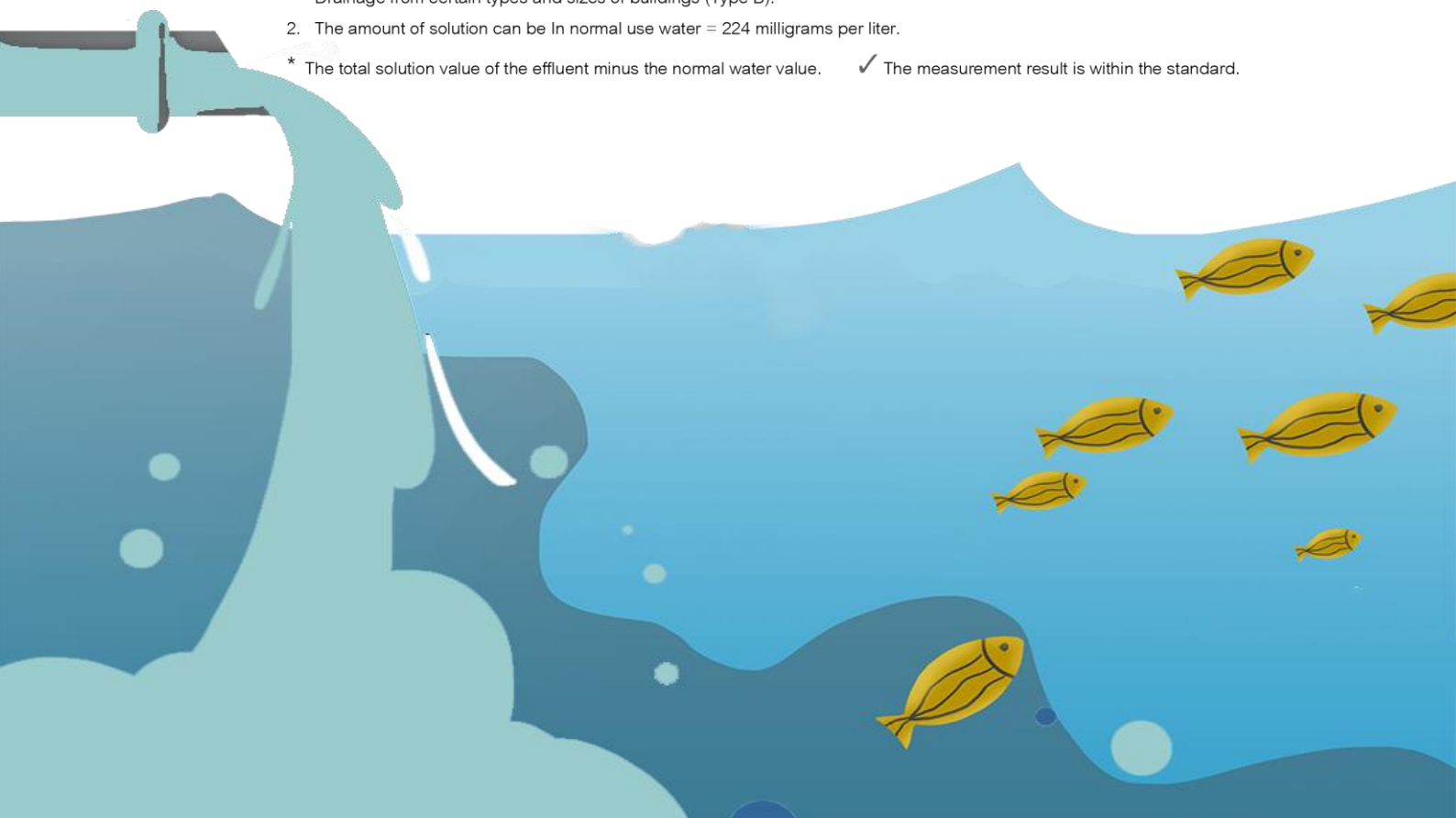
The company has been attentive to the company's wastewater disposal process. The effluent system shall be inspected correctly in accordance with the Ministry of Natural Resources and Environment (2005) announcement.

Measurement Check list	Unit	Measurement	Measurement results	Standard <sup>[1]</sup>	Compare standards
pH	-	Electrometric Method	7.1 (2.5°C)	5.0-9.0	✓
Total Dissolved Solids	mg/L	Total Dissolved Solids dried at 180°C	288	-	-
			64*	500	✓
Total Suspended Solids	mg/L	Total Suspended Solids dried at 103-105°C	<10	40.0	✓
Biochemical Oxygen Demand	mg/L	5-Day BOD Test ,Azide Modification	23.2	30.0	✓
Sulfide	mg/L	Zns Precipitation Iodometric Method	<1.0	1.0	✓
Oil&Greases	mg/L	Liquid-Liquid, Partition-Gravimetric Method	<3.0	20.0	✓
Total Kjeldahl Nitrogen	mg/L	Semi-Macro Kjeldahl Method	<4.0	35.0	✓
Settleble Solids	mg/L	Settleble Solids	<0.1	0.5	✓
Water feature :			clear yellow, black sediment	-	-

Remark : 1.<sup>[1]</sup>Notification of the Ministry of Natural Resources and Environment (2005) regarding the determination of control standards  
Drainage from certain types and sizes of buildings (Type B).




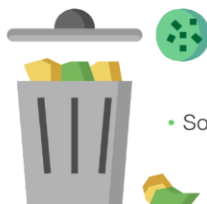

2. The amount of solution can be In normal use water = 224 milligrams per liter.

\* The total solution value of the effluent minus the normal water value. ✓ The measurement result is within the standard.



### Management of control systems with pollution impacts

In addition, the company also considered the operation safety and inspected the equipment control system that affected the pollution. Therefore, the company has formulated a plan to regular inspect various systems stipulated by law, including:

System monitoring under the law	Quality method/criteria	Auditor / Administrator
<b>Service &amp; Facilities</b>		
 <ul style="list-style-type: none"> <li>• Office Elevator</li> <li>• Transport elevator</li> </ul>	- 1 time/month	- ECG Corporation Co., Ltd.
	- 1 time/year	- Asia Service Express Co., Ltd
<b>Electrical System</b>		
 <ul style="list-style-type: none"> <li>• Generator</li> <li>• MDB Cabinet</li> <li>• Emergency Power Supply</li> </ul>	- 1 time/week	- Maintenance Department
	- 1 time/year	- Aiyara Engineering Co., Ltd.
	- 1 time/year	- Metropolitan Skylights
	- 1 time/month	- Maintenance Department
<b>Air conditioning system</b>		
	- 2 months/time	- Air Consultants & Service Co., Ltd.
<b>Hygiene &amp; Environment System</b>		
 <ul style="list-style-type: none"> <li>• Solid Waste Disposal System</li> </ul>	- 2 time/week	- Pakkret Municipality
<b>Fire Protection &amp; Suspension System</b>		
 <ul style="list-style-type: none"> <li>• Fire alarm system</li> <li>• Fire Extinguisher</li> <li>• Fire pump system</li> <li>• Fire Hose</li> <li>• Fire Prevention and Suspension Plan</li> <li>• Initial firefighting training and</li> <li>• fire evacuation drills</li> </ul>	- 1 time/year	- JP Tech Engineering Co., Ltd.
	- 1 time/month	- Maintenance Department
	- 1 time/week	- Maintenance Department
	- 1 time/year	- NNT Engineering Co., Ltd.
	- 1 time/month	- Maintenance Department
	- 1 time/year	- Developed by Profession
	- 1 time/year	- Companies certified by the Office of Labor Protection and Welfare



## Enhance management with environmental friendliness

### Management to increase the proportion of renewable energy

Global warming has affected the business chain immensely. CSS considers the company's direct or indirect support for activities to reduce greenhouse gas emissions. Energy Management Department by increasing the proportion of renewable energy, including monitoring the use of resources and energy, to achieve maximum efficiency.

- The short-term goals of environmentally friendly management are divided into 2 main parts: The First part reviewing operating policies to suit the situation on an annual basis; The second part is to communicate knowledge and understanding to create awareness among employees and related parties to change their positive behavior to preserve the environment even more.
- The long-term goal of the company's environmentally friendly management is to create results for environmental conservation along with concrete work processes in accordance with international standard frameworks.

The company started using renewable energy from solar roof systems in June 2021. In addition, continuously and systematically record electricity consumption statistics to analyze greenhouse gas emissions. In 2022, the company is able to reduce greenhouse gas emissions by 101.76 tons of carbon dioxide. In 2023 the company is able to reduce greenhouse gas emissions by 190.26 tons of carbon dioxide.

In addition, in 2023, the company has expanded the installation of additional solar roof at the Chonburi branch, which reflects the determination and intention to control the release of greenhouse gases as well.



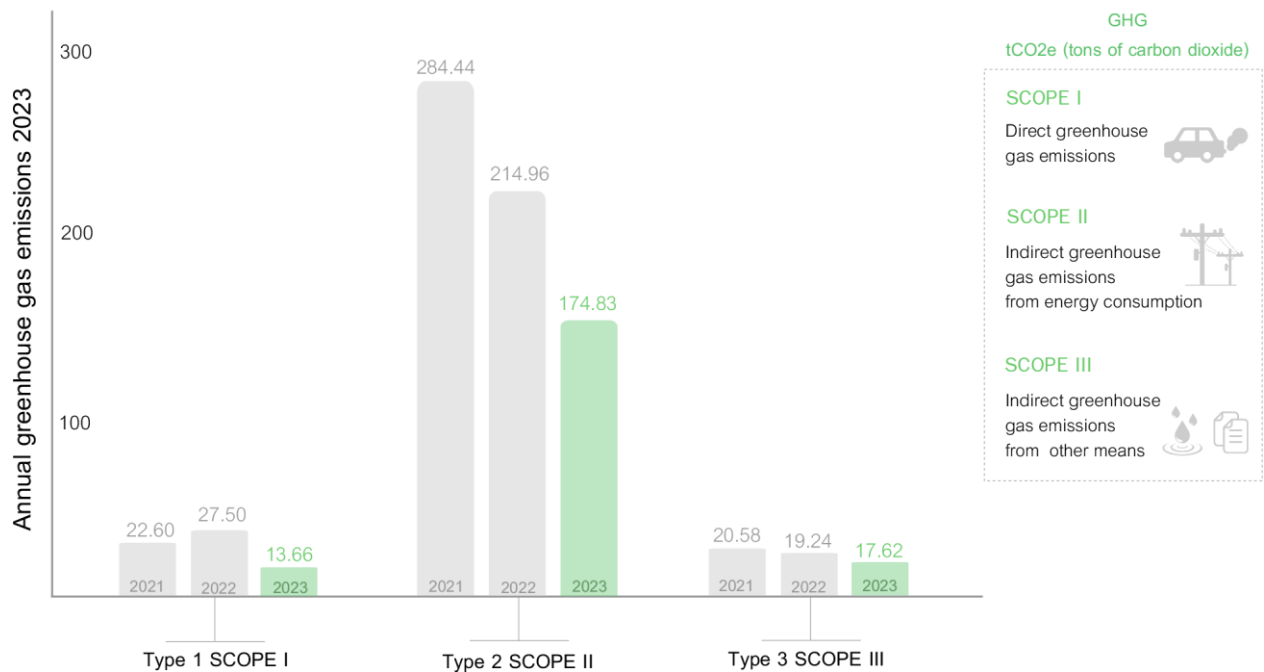
The figure shows the installation of solar cells.



## Greenhouse gas management

The company recognizes the importance of addressing the climate change problem caused by the increase of greenhouse gas emissions. The working group investigated various operation and management activities in 3 key areas such as Type 1: Direct greenhouse gas emissions Type 2: Energy consumption Indirect greenhouse gas emissions Type 3 Other indirect greenhouse gas emissions.

In 2023, in addition to controlling the amount of greenhouse gases generated by the company's central vehicles. The company will also expand the scope of collecting more information to include its transportation vehicles. In this regard, the company has taken measures and summarized its greenhouse gas emissions profile. By the end of 2023, it was found that the company had reduced its emissions as below.



## Sustainable development reporting framework based on international standards

## Economic Dimension

SDGs guidelines



Subject	Importance	GRI guidelines
<ul style="list-style-type: none"> <li>Operations and Growth</li> <li>Value Chain Management</li> <li>Customer management</li> </ul>	<ul style="list-style-type: none"> <li>Operate within the framework of good governance along with economic growth.</li> <li>Create participation and develop shared values. Fair purchasing according to ESG criteria.</li> <li>Listening, improving, developing good relationships and meet the highest satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>GRI302</li> <li>GRI303</li> <li>GRI305</li> </ul>

## Social Dimension

SDGs guidelines



Subject	Importance	GRI guidelines
<ul style="list-style-type: none"> <li>Community participation</li> <li>Environment and safety</li> <li>Fair Labor Practices</li> <li>Personnel development</li> </ul>	<ul style="list-style-type: none"> <li>Create decent jobs and employ local workers. / support community development together.</li> <li>Build environment Occupational health and safety to facilitate work.</li> <li>operate in accordance with the requirements International law and practice.</li> <li>Promote and develop human resources to grow and have potential.</li> </ul>	<ul style="list-style-type: none"> <li>GRI102-40-44/ GRI413</li> <li>GRI403</li> <li>GRI401/GRI402/ GRI405/GRI406/ GRI407/GRI409/ GRI414/GRI419</li> <li>GRI404</li> </ul>

## Environmental Dimension

SDGs guidelines



Subject	Importance	GRI guidelines
<ul style="list-style-type: none"> <li>Energy Management</li> <li>Water Management</li> <li>Greenhouse Gas Management</li> </ul>	<ul style="list-style-type: none"> <li>Improving energy management / increasing the proportion of using renewable energy</li> <li>Examine / improve, develop quality water use according to international standards</li> <li>operate in a direction consistent with international standards goals.</li> </ul>	<ul style="list-style-type: none"> <li>GRI302</li> <li>GRI303</li> <li>GRI305</li> </ul>

## 4. Management Discussion and Analysis

### Audit Report.

2021-2023

Audited by Mr.Preecha Arunnaral

A Certified Public Accountant - registration no. 5800 EY Office Limited

#### **For financial statement of year end 2021 as of 31 December 2021**

According to the auditor's report for consolidated financial statement of the Company and subsidiaries of year 2021, the auditor expressed his unqualified opinion that the financial statement presented operation result and cash flow for the same year end of the Company and subsidiaries and jointly-controlled entities and entities under sole control of the Company accurately, in all material respect in accordance with financial report standard according to report dated 28 February 2022.

And has address key audit matters about revenue recognition, allowance for the expected credit loss of the trade receivables, allowance for decline in inventory value Goodwill and other information.

#### **For financial statement of year end 2022 as of 31 December 2022**

According to the auditor's report for consolidated financial statement of the Company and subsidiaries of year 2022, the auditor expressed his unqualified opinion that the financial statement presented operation result and cash flow for the same year end of the Company and subsidiaries and jointly-controlled entities and entities under sole control of the Company accurately, in all material respect in accordance with financial report standard according to report dated 27 February 2023.

And has address key audit matters about goodwill, allowance for the expected credit loss of the trade receivables, allowance for decline in inventory value revenue recognition and other information.

#### **For financial statement of year end 2023 as of 31 December 2023**

The auditor's report for the consolidated financial statements of the Company and its subsidiaries for 2023 expresses an unqualified opinion and add remarks I would like to note Note 29.3 to the consolidated financial statements regarding the approval and certification of the Commercial Operation Date of the solar energy production plant in Vietnam.

The financial statements show the financial position as of 31 December 2023, operating results and cash flows for the year ended on the same date of the Company and its subsidiaries and only the Company. It is correct according to financial reporting standards according to the report dated 29 February 2024.

## Analysis and explanation of the Management

### Business Overview

Communication and System Solutions Public Company Limited (the "Company"). The Company earns revenue from selling electrical wires, communication cables, and various types of electrical equipment products. Used in construction and real estate businesses such as housing projects, condominiums, industrial factories and other basic utilities. The nature of the business is Order products from manufacturers come for distribution This eliminates the need to invest in a large amount of fixed assets like businesses that produce and sell products. But the company relies heavily on working capital. For ordering products to prepare for distribution and has space to store products for sale including delivery on time. Which must be diverse and sufficient to customer needs The success factor in this business therefore depends on the marketing strategy. Efficient management of inventory and billing The Company is a distributor of leading international manufacturers such as the Phelps Dodge brand, the Biticino brand, the CommScope brand and the Arrow pipe brand, the Kumwell brand, etc. The business distributes electrical cables and products related to various types of electrical equipment. The setting of gross profit is not very high. Like other types of distribution businesses, it focuses on selling in large quantities in order to increase net profits. The business of distributing electrical wires and various types of electrical equipment products has expanded in line with the growth of the economy and construction and real estate businesses are important.

In addition, the company has income from providing installation services. Which consists of income from providing telecommunications installation services. Revenue from providing fire prevention equipment installation services and income from other installation services (Other installation services. That is, the company accepts work for various government and private projects, such as providing services related to electrical systems. The computer system security system Telecommunications system including various alternative energy groups, including solar panel installation services. Providing installation services for electric vehicle charging systems (EV Charger).

The company has also invested in the electrical cable installation business and electrical equipment Telecommunications systems and other installation services (subsidiaries) as well as businesses related to electricity generation abroad (associates).

Preparation of the company's consolidated financial statements Consists of financial statements of Communication and Systems Solutions Public Company Limited (the Company) and its subsidiaries (subsidiaries) according to the controlling power

#### Subsidiary company

C.S.S. Energy Co., Ltd. operates the business of selling and installing electrical wires, pipes, and electrical equipment and holding companies at the rate of 100%

Neonworks Communications (Thailand) Co., Ltd. conducting business selling and installing equipment related to telecommunications systems and the company holds shares at the rate of 70%

#### Associate company

Namsor Hydro Power Company Limited engages in the business of producing and distributing electricity from hydropower. Located in the Lao People's Democratic Republic. The company holds shares at the rate of 39%.

Phu Khanh Solar Power Joint Stock Company Limited operates a production and distribution business solar electricity Located in the Socialist Republic of Vietnam. The company holds shares at the rate of 25%.

The company records investments in associated companies. According to the equity method and recognize the share of profits (losses) from investments in associated companies in the consolidated financial statements and recognize dividends received from associated companies in the company's financial statements.

In analyzing the financial position and operating results of the company in 2021-2023, it will be analyzed from the consolidated financial statements. Which is mainly the operating results of the Company and its subsidiaries

## Performance Overview

For 2023, the company has total income of 3,899 Million Baht, consisting of: The Company has income from product sales of 3,585 Million Baht, accounting for 92% of total income. Revenue from installation services is 305 Million Baht, accounting for 8% of total income, and other income is 9 Million Baht.

Revenue from product sales decreased from the previous year by 265 Million Baht, or 7%, due to manufacturers of electrical wire products. Which the company is a distributor Facing a problem of not being able to produce products for sale, causing sales of electrical wire products to be the main group of the company. of the company decreased. The management department of the company, Has proceeded to find a new manufacturer of electrical wire products to replace the old manufacturer of electrical wire products. In order to prevent the sale of electrical wire products from having problems and being unable to deliver them to customers. And the company also procures additional types of products by selecting related product groups or is in the same group that the company sells come to sell in order to increase income from selling more of the company's products.

Revenue from installation services in 2023 decreased from the previous year by 488 Million Baht, representing a rate of 62%, coming from a decrease in telecommunications work. Due to the merger of telecommunications signal providers. Resulting in a decrease in workload. Because there is still no clarity on the number of signal towers and other installation services decreased because they are government and private sector projects. The work that comes out in each year is uncertain. It depends on the budget in each time period. As a result, this year the income in this section has decreased significantly. Then the work that comes out in each year is uncertain. It depends on the budget in each time period. As a result, this year the income in this section has decreased significantly.

The total income of the company decreased, causing the gross profit from sales of products and installation services to decrease in the amount of 104 Million Baht and due to the current economic situation, the company has sales expenses And administrative expenses increased by 53 Million Baht. During the year, the company received profit sharing from associated companies in the amount of 13 Million Baht. Net profit from operations was 8 Million Baht, of which 20 Million Baht was attributable to the company.

## Operating Results

### Total incomes

Main incomes of the Company into 3 main parts consisting of

1. Income from product sales which is the main income of the company The proportion of income is 76-92 percent of total income. Products distributed by the company include products such as electrical wires, communication cables and telecommunications equipment, electrical equipment, electrical conduits, telecommunications cables and other products related to electrical systems, computers, and electronic equipment, etc.
2. Revenue from installation services The income proportion is 8-20% of total income, with income from installation services consisting of revenue from telecommunications installation services Providing installation services for fire prevention equipment and providing other installation services.
3. Other income is income that is not directly generated from business operations, such as marketing promotion fees of distributors, transportation income. Profit from selling assets and profits from foreign exchange rates, etc.

Group is summarized as follows

Revenue Structure	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Income	3,039.20	75.79	3,849.38	82.64	3,584.71	91.93
Revenue from installation services	814.95	20.33	793.53	17.04	305.37	7.83
Other income*	155.37	3.88	14.87	0.32	9.21	0.24
<b>Total Income</b>	<b>4,009.52</b>	<b>100.00</b>	<b>4,657.78</b>	<b>100.00</b>	<b>3,899.29</b>	<b>100.00</b>

During 2021-2023, the Company's total incomes were 4,010 Million Baht, 4,658 Million Baht and 3,899 Million Baht respectively. Main income was from sales of electrical wires and equipment which accounted 76 - 92% of total incomes. Other sources of incomes were from installation service which accounted 8-20% of total incomes.

In 2022, the company had total income of approximately 4,658 Million Baht, an increase from 2021 of 648 Million Baht, representing 16%. Revenue from product sales increased by 810 Million Baht, representing a rate of 27%. Revenue from installation services Decreased by 21 Million Baht, representing a rate of 3% compared to 2021 and the sales revenue ratio and installation services accounted for 83% and 17% of total revenue.

In 2023, the company had total income of approximately 3,899 Million Baht, a decrease of 758 Million Baht from the previous year, representing a rate of 16%. Revenue from product sales decreased by 265 Million Baht, representing a rate of 7%. Revenue from installation services decreased 489 Million Baht representing a rate of 62% compared to 2022 and the sales revenue ratio and installation services accounted for 92% and 8% of total revenue.

## Incomes from sales and services

- **Total sales income**

Revenue from product sales The Company recognizes revenue when the product is delivered to the customer. The sales revenue will be shown according to the value received. Not including VAT.

The main products of the company It is a product of electrical wire type. The company is a distributor for major manufacturers in Thailand. The proportion of income from the sale of electrical wires is 80-83% of the total sales income. Income from the electrical cable product group in 2021-2023 has sales income of 2,518 Million Baht, 3,127 Million Baht and 2,859 Million Baht, respectively. As for other product groups Including electrical system control equipment electrical conduit Network cable Telecommunications equipment Fire prevention system equipment and other products there is a combined sales income of 20-17%.

Sale income during year 2021-2023 is classified by products types as follows:

Sales Revenue	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Electrical wire	2,518.39	82.86	3,127.20	81.24	2,859.23	79.76
Electrical system control equipment	202.80	6.67	313.47	8.14	334.57	9.33
Electrical conduits and installation accessories	109.73	3.61	133.02	3.46	90.31	2.52
Network Solution	83.18	2.74	99.53	2.59	121.79	3.40
Telecommunication equipment	52.50	1.73	68.60	1.78	10.87	0.30
Fire protection materials and equipment	39.46	1.30	44.92	1.17	35.41	0.99
Other	33.14	1.09	62.64	1.62	132.53	3.70
<b>Total Sales Revenues</b>	<b>3,039.20</b>	<b>100.00</b>	<b>3,849.38</b>	<b>100.00</b>	<b>3,584.71</b>	<b>100.00</b>

Total product sales revenue in 2022 compared to 2021 increased by 810 Million Baht, representing 27%. Income from the sale of electrical wires increased by 609 Million Baht, representing 24%. Revenue from sales of electrical equipment increased by 111 Million Baht, representing 55%, while revenue from conduit increased by 23 Million Baht, representing 21%, network cable products increased by 16 Million Baht, representing 16%, and communications products Telecommunications increased by 16 Million Baht, representing 31%.

Sales income in 2023 compared to 2022 decreased by 265 Million Baht, accounting for 7% compared to 2022. Revenue from sales of electrical wires decreased by 265 Million Baht, representing 9%. Revenue from sales of electrical system control equipment increased by 21 Million Baht, representing 7%. Revenue from conduit pipes decreased by 43. Million Baht, representing 32%. Network cable products increased by 23 Million Baht, representing 23%. Telecommunications products decreased by 58 Million Baht, representing a rate of 84%.

Revenue from sales of products, including electrical wires and other types of electrical equipment, is derived entirely from sales to domestic customers. Most of them are private sector customers, totaling approximately 2,400 customers. The company has a policy that will focus on marketing in the government sector more state enterprises by assigning a subsidiary company to carry out work related to government work. With such aggressive marketing policy The Company is confident that It will help promote the company's income from product sales to increase continuously.

The company has a policy to acquire customers by contacting directly with target customers. Both direct visits and/or contacts through various communication devices such as telephone, fax, and the internet, etc, and contact through recommendations from various business partners such as the board of directors, executives, customers, and product manufacturers, etc. The company has established a policy to regularly analyze the financial status and payment history of customers. To determine and improve the credit limit policy. and the period of credit given to customers This will help the company control the amount of sales to each customer.



- **Income from installation service**

Installation services of the Company are classified into 3 main types: (1) Service of Design, procure and contractor for installation of communication system including maintenance service thereof (2) Service of design, procurement and installation of Fire Protection System (3) Service of installation of electrical equipment (subsidiary). The Company's income derived from installation service were 815 Million Baht and 794 Million Baht and 305 Million Baht, in 2021-2023 or 20% and 17% and 8% respectively

Incomes received from installation service during year 2021-2023 are as follows:

installation service Revenues	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Telecommunication system installation revenue	339.93	41.71	295.20	37.20	115.20	37.73
Passive fire protection system installation revenue	23.29	2.86	22.26	2.81	22.30	7.30
Other service revenue	451.73	55.43	476.07	59.99	167.86	54.97
<b>Total installation service revenues</b>	<b>814.95</b>	<b>100.00</b>	<b>793.53</b>	<b>100.00</b>	<b>305.36</b>	<b>100.00</b>

During the year 2021-2023 the Company's income from installation of communication system amounted of 340 Million Baht, and 295 Million Baht and 115 Million Baht respectively, and compared to a percentage of total installation service revenue, accounting for 42%, 37% and 38%, The revenue from telecommunication installation services There is a tendency to decrease compared to the previous year due to the changing economic conditions inside and outside the country. As well as intense competition among telecommunication signal providers. As a result, the investment in telecommunication network infrastructure of the main operators has decreased continuously.

Income from installation of Fire Protection System totaled of 23 Million Baht, 22 Million Baht and 22 Million Baht between years 2021-2023 consecutively.

Incomes from other installations in 2020-2022 of 452 Million Baht, 476 Million Baht and 168 Million Baht, respectively which income from other installations It will be the income that the company seeks opportunities to bring experience and the expertise that the company has to increase the company's income Most of which are auctions of government agencies state enterprises and private about communication equipment alternative energy electronic equipment and computer equipment.

In 2021, other installation revenues consist of the project to increase the capacity of IT security systems, National Telecommunications Public Company Limited, and the project of installing and testing the 115 KV Monitoring Receiver switchgear system with equipment of the PEA.

In 2022, other installation revenues consist of the Project for contracting and installing the signaling system of State Railway of Thailand National Environmental Information Center Project (PM 2.5) and a project to supply, inspect and find radio directions The Telecommunications Company of Thailand Plc.

In 2023, other installation revenues consist of the procurement and installation of electric charging stations. For electric cars (EV Charger), installing solar panels to produce electricity.

- **Other incomes**

Other incomes of the Company are administrative income, commission, transportation fees, income from marketing promotion of manufacturers, interest received, rent, profit from assets disposal and profit from exchange rate etc. In 2021-2023 other income of the Company amounted at approximately 155 Million Baht, 15 Million Baht and 9 Million Baht consecutively, representing 1% compared to total revenues, except in 2021, which accounted for 4% because the company had a profit from the sale of land in the amount of 146 Million Baht.

Details of other incomes of the Company during year 2021 - 2023 are as follows:

Other incomes	2020		2021		2022	
	Million Baht	%	Million Baht	%	Million Baht	%
Income from marketing promotion of manufacturers	1.49	0.96	7.30	49.09	3.04	33.01
Profit from exchange rate	2.71	1.75	2.70	18.16	1.31	14.22
profit from assets disposal and profit from exchange rate	146.27	94.14	2.24	15.06	1.41	15.31
transportation fees	1.68	1.08	-	-	1.53	16.61
Other*	3.22	2.07	2.63	17.69	1.92	20.85
<b>Other income</b>	<b>155.37</b>	<b>100.00</b>	<b>14.87</b>	<b>100.00</b>	<b>9.21</b>	<b>100.00</b>

Remarks:\* Others consist of rental income and various improvement items, etc.

In 2021, the company sold some of its assets (land), causing the company to have a profit from selling assets of 146 Million Baht.

### Cost of sales and service and coordination

Cost Structure and Gross Profit	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Sales Income	3,039	100.00	3,849	100.00	3,585	100.00
Cost of Sales	2,648	87.13	3,434	89.22	3,270	91.23
<b>Gross profit from sales</b>	<b>391</b>	<b>12.87</b>	<b>415</b>	<b>10.78</b>	<b>315</b>	<b>8.77</b>
Revenue from installation services	815	100.00	794	100.00	305	100
Installation service cost	663	81.35	679	85.52	193	63.35
<b>Gross profit from Installation Service</b>	<b>152</b>	<b>18.65</b>	<b>115</b>	<b>14.48</b>	<b>112</b>	<b>36.65</b>
<b>Gross Profit</b>	<b>543</b>	<b>14.09</b>	<b>530</b>	<b>11.42</b>	<b>427</b>	<b>10.96</b>

- **Cost of sales**

The company's cost of sales comes mainly from the cost of purchasing products for sale. The cost of products sold, especially the electrical cable product group, will vary with the price of copper in the world market when the price fluctuates. And in 2023, electrical cable manufacturing companies The Company is the main distributor experiencing problems in producing products. As a result, the company does not receive products as required. The company must procure products from other manufacturers to sell instead. In order not to affect the business operations of the company. This causes the cost of the company's products to be higher than before and the company has a policy to set the selling price by adding additional profit (Margin) from the purchase cost. to sell to customers further. In 2021-2023, the company had cost of sales of 2,648 Million Baht, 3,434 Million Baht, and 3,270 Million Baht, respectively, or 87%, 89%, and 91%, respectively, when compared to sales revenue.

- **Cost of installation**

Service costs are costs incurred from providing telecommunications system installation services. Fire prevention system and other installation services, for which the Company will recognize costs related to the obligation to perform under completed contracts that have already occurred. In 2021 - 2023, installation service costs amounted to 663 Million Baht, 679 Million Baht, and 193 Million Baht, respectively, or 81%, 86%, and 63%, respectively, compared to revenue from installation services. However, the cost of installation services consists of main expenses, including the cost of products and equipment used for installation. Labor wages Maintenance costs, training costs, and other expenses any questions related to installation.

## Gross Profit

In 2021 - 2023, the company had total gross profits from product sales and installation services of 543 Million Baht, 530 Million Baht, and 426 Million Baht, respectively, representing 14%, 11%, and 11%. Respectively, compared to the total revenue from product sales and installation services in 2023, the total gross profit decreased from 2022 in the amount of 104 Million Baht, accounting for 20%.

- **Gross profit-sale.**

The company has gross profit from product sales in 2021-2023 in the amount of 391 Million Baht, 415 Million Baht, and 315 Million Baht, respectively, and if compared to the gross profit ratio to sales revenue, it is equal to 13%, 11%, and 9. % respectively. Gross profit margin from sales in 2023 (9%) decreased from 2022 (11%), coming from electrical wire products. which is the main product of the company accounting for approximately 80% of sales revenue. The manufacturer of electrical wires for which the company is a distributor encountered problems. Unable to produce products according to demand The company therefore has to procure products from other manufacturers to sell instead. Which has a higher cost than before As a result, gross profit from sales of goods decreased.

- **Gross Profit - Installation Service** (telecommunications, installation of fire protection system and others)

The company has gross profit from the installation service business in 2021-2023 in the amount of 152 Million Baht, 115 Million Baht, and 112 Million Baht, respectively, and if compared to the gross profit ratio to revenue from installation services, it is equal to 19%, 14 % and 37% respectively, gross profit margin of installation services in the year 2023 (37%) increased from 2022 (14%) because the company has improved costs from closing projects in the telecommunications division.

## Expenses

Important expenses of the company include selling expenses. Administrative expenses and financial expenses. In the past, sales expenses and administrative expenses and financial expenses have a combined ratio of approximately 8%-11% when compared to total income.

Expense	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Sale expense	67.42	17.05	80.15	21.29	83.72	19.54
Administrative expenses	322.75	81.65	292.54	77.70	341.61	79.72
Financial cost	5.11	1.30	3.82	1.01	3.16	0.74
<b>Total Expenses</b>	<b>395.28</b>	<b>100.00</b>	<b>376.51</b>	<b>100.00</b>	<b>428.49</b>	<b>100.00</b>

- **Sale expense**

The company's selling expenses consist of Promotional expenses such as advertising and public relations expenses Salesperson Salary Commissions, brokerage fees, shipping costs, etc., annual sales expenses 2021-2023, the total amount is 67 Million Baht, 80 Million Baht and 84 Million Baht, respectively, or equivalent to 2% of total revenue.

- **Administrative expenses**

Administrative expenses in 2021 - 2023 amount to 323 Million Baht, 293 Million Baht and 342 Million Baht, respectively, or 8% in 2021, 6% in 2022 and 9% in 2023 of total revenue.

The company's administrative expenses consist of employee expenses, which are the main expenses of the company. If calculated as a percentage, it will be approximately 52% - 62% of administrative expenses. As for other administrative expenses, they include: Utilities costs, which include Water bill, electricity bill, telephone bill, internet bill Office supplies, consulting fees, asset depreciation, various insurance premiums, allowance for doubtful accounts, etc.

Administrative expenses in 2023 increased from 2022 in the amount of 49 Million Baht, with increased expenses. It comes from the allowance for doubtful debts, depreciation.

### Financial costs

The Company's financial costs in 2021-2023 are 5 Million Baht, 4 Million Baht, and 3 Million Baht, respectively. The company's financial costs consist of Interest on short-term loans from financial institutions Interest from financial hire purchase agreements.

### Share of profit (loss) from investments in Joint Venture Company

The company records the share of profits (losses) from joint ventures. According to the ratio that the company holds by holding shares in the company Namsor Hydro Power Company Limited holds 39% of the investment and holds 25% of the shares in PhuKhan Solar Power Joint Stock Company Limited.

Joint Venture Company	2021 value	2022 value	2023 value
Namsor Hydro Power Company Limited	(16,112)	(24,396)	-
Phu Khanh Solar Power Joint Stock Co.,Ltd	21,815	7,922	12,950
<b>Total</b>	<b>5,703</b>	<b>(16,474)</b>	<b>12,950</b>

During 2023, the Company received profit sharing from investments in associates in the consolidated financial statements in the amount of 13 Million Baht and the Company received dividends from associates in the amount of 19 Million Baht in the separate financial statements.

### Financial income

Financial income of the Company were from interest of money at financial institutions and short-term loans to associates. In 2021-2023, the Company has interest income of 2 Million Baht, 5 Million Baht and 4 Million Baht, respectively accounted for 0.10% of total income.

### Net profit

Net profits of the Company in year 2020-2022 were 248 Million Baht, 116 Million Baht and 8 Million Baht, representing net profit margin of 6% of total revenue for the year 2021, net profit margin of 2.5% of total revenue for the year 2022 and net profit margin of 0.21% of total revenue for the year 2022.

The Company's shareholders' equity in 2021 - 2023 is 246 Million Baht, 115 Million Baht, and 20 Million Baht, respectively.

### Dividend

During year 2021-2023, the Company's returns on equity were 14%, 6% and 1% respectively. The Company's dividend payment policy is to pay dividends at a rate of approximately 40% of its consolidated net income, after deduction of all reserves as required by law and the Company (see more details in Clause 2, Article 1.6 Dividend Payment Policy). During the year 2021 - 2023, the Company has a net profit from the Company's financial statements. Total amount of approximately 222 Million Baht, 133 Million Baht and 52 Million Baht, respectively, and paid dividends for such operating results to shareholders amounting to 153 Million Baht, 106 Million Baht and 24 Million Baht, respectively. Approximately 69% , 80% and 46% of net profit from the Company's separate financial statements, respectively. Details are summarized as follows:

Dividend	Dividend per share (THB)	Total dividend paid (Million Baht)
<b>Dividend of year 2021 comprises:</b>		
Interim dividend paid in cash to shareholders totaling 1,175 Million shares.	0.03	35
Dividend for operation result during year 2021 - net after deduction of interim dividend, paid in cash to shareholders*	0.10	118
<b>Totals dividend of the year 2021</b>	<b>0.13</b>	<b>153</b>
<b>Dividend of year 2022 comprises:</b>		
Interim dividend paid in cash to shareholders totaling 1,175 Million shares.	0.04	47
Dividend for operation result during year 2022 - net after deduction of 1st interim dividend, paid in cash to shareholders*	0.05	59
<b>Totals dividend of the year 2022</b>	<b>0.09</b>	<b>106</b>
<b>Dividend of year 2023 comprises:</b>		
Interim dividend paid in cash to shareholders totaling 1,175 Million shares.	0.02	24
<b>Totals dividend of the year 2023</b>	<b>0.02</b>	<b>24</b>

Remark: As for the dividend payment from operations in 2023, at the rate of 0.02 Baht per share, totaling 24 Million Baht. However, it must be approved by the Annual General Meeting of Shareholders for the year 2024 with the said dividend payment date within May 2024

## Financial Analysis

### Total Assets

The company's total assets as of December 31, 2021- 2023 amounted to approximately 3,661 Million Baht, 3,532 Million Baht, and 3,135 Million Baht, respectively, with the majority of assets being current assets. Accounting for approximately 70%-80% of total assets consists of cash and bank deposits. Trade and other receivables Inventories and work in progress. As for the company's non-current assets, it consists of investments in associated companies, land, buildings and equipment and goodwill

Total assets at the end of 2022 decreased by approximately 128 Million Baht, representing 4 percent compared to 2021, with assets that increased including: Cash and cash equivalents increased by 157 Million Baht. Trade receivables and assets arising from contracts increased by 30 Million Baht, property, plant and equipment increased by 8 Million Baht. Deferred tax assets increased by 2 Million Baht and other non-current assets increased by 14 Million Baht from the use of money to guarantee the sale of electricity for the Provincial Electricity Authority's renewable energy production project. The assets that decreased included a decrease in inventories of 86 Million Baht and assets recognized from costs to complete contracts with customers. (Work in process) decreased by 160 Million Baht because in 2022 the company has delivered the outstanding work, resulting in increased revenue from other installation work. Investments in associated companies decreased by 50 Million Baht and the company released the burden of bank deposits in the amount of 44 Million Baht.

Total assets at the end of 2023 decreased by approximately 397 Million Baht, representing 11% compared to 2022, with assets that increased including: Cash and cash equivalents increased by 135 Million Baht. Inventories and work in progress increased by 35 Million Baht, property, plant and equipment increased by 11 Million Baht. Assets that decreased included: Trade receivables and assets arising from contracts decreased by 549 Million Baht. The company received debt payments from accrued income (assets arising from contracts). Investments in associates decreased by 20 Million Baht and other non-current assets decreased by 6 Million Baht.

## Trade receivables and other receivables

As of 31 December 2021-2023 the Company's trade receivables, other and Contract asset receivables were approximately at 1,664 Million Baht and 1,694 Million Baht and 1,145 Million Baht respectively, which represented 45%, 48% and 37% of total assets. Details of the Company's assets are as follows:

- **Trade receivables**

As of 31 December 2021-2023, the Company's trade receivables-net were approximately at 1,322 Million Baht, 1,225 Million Baht and 1,082 Million Baht respectively, represented 36%, 35% and 34% of total assets. The decrease in trade receivables is line with the sale volume of the Company. In addition, the Company has set clear policy on sale of products and approval of credit for customers based on credit rating, analysis on previous financial statements, financial status and business operation. The financial amount of credit approved is reviewed on regular basis. Averagely, the Company allows payment duration around 30-90 days. Details of trade receivables of the Company as of 31 December 2021-2023 are summarized as follows;

**Table showing age of trade receivables**

Items	2021		2022		2023	
	Value	Proportions	Value	Proportions	Value	Proportions
Not yet Due	901.00	61.71%	636	46.56%	635	52.00%
Trade Receivables past due						
Up to 3 Months	379.00	25.96%	310	22.69%	325	26.62%
3 - 6 Months	6.00	0.41%	101	7.39%	20	1.64%
6 - 12 Months	14.00	0.96%	167	12.23%	30	2.46%
Over 12 Months	160.00	10.96%	152	11.13%	211	17.28%
Total Trade Receivables	1,460.00	100.00%	1,366	100.00%	1,221	100.00%
Less: Allowance for expected credit losses	(138.00)	(9.45%)	(141)	(10.32%)	(140)	(11.47%)
Total Trade Receivables Net	1,322.00	90.55%	1,225	89.68%	1,081	88.53%

The Company has a policy to estimate allowance for expected credit losses of debtors. By considering past money collection experiences. Debt aging analysis and economic conditions at that time. In analyzing the aging of outstanding debt, the Company's management is of the opinion that The Company's policy for setting aside expected credit losses has been adjusted to use the policy in accordance with Financial Reporting Standards No. 9, Financial Instruments and the system for controlling and monitoring debt repayment of debtors that has been established. Appropriate and sufficient for the Company's business. However, the Company may consider improving the debtor policy to be appropriate according to the situation. Taking into account the risks and benefits that the company will receive.

As of 31 December 2021 the ratio of receivables which are not yet due and receivables which have outstanding payment less than 6 months amounted of 88% of total trade receivables while and the ratio of receivables that have been overdue since 6 months but not more than 12 months, approximately 1% and The ratio of overdue receivables for 12 months or more is approximately 11% of total trade receivables, respectively, and has set up an allowance for doubtful accounts of 138 Million Baht or approximately 9% of total trade receivables. As a result, the remaining trade accounts receivable - net approximately 1,322 Million Baht.

As of 31 December 2022 the ratio of receivables which are not yet due and receivables which have outstanding payment less than 6 months amounted of 77% of total trade receivables while and the ratio of receivables that have been overdue since 6 months but not more than 12 months, approximately 12% and The ratio of overdue receivables for 12 months or more is approximately 11% of total trade receivables, respectively, and has set up an allowance for doubtful accounts of 141 Million Baht or approximately 10% of total trade receivables. As a result, the remaining trade accounts receivable - net approximately 1,225 Million Baht

As of 31 December 2023 the ratio of receivables which are not yet due and receivables which have outstanding payment less than 6 months amounted of 80% of total trade receivables while and the ratio of receivables that have been overdue since 6 months but not more than 12 months, approximately 3% and The ratio of overdue receivables for 12 months or more is approximately 17% of total trade receivables, respectively, and has set up an allowance for doubtful accounts of 140 Million Baht or approximately 11% of total trade receivables. As a result, the remaining trade accounts receivable - net approximately 1,081 Million Baht

During year 2021-2023 the Company's financial ration on collection period of sales were approximately 97 days, 86 days and 91 days respectively. Such duration was similar to credit loan policy for trade receivables of the Company.

- **Other receivables**

Others receivables consists of consists of other receivables, other accrued income, Upfront cost, advance costs and accrued interest which totaled of approximately 57 Million Baht and 39 Million Baht and 20 Million Baht, as of 31 December 2021-2023 respectively.

## Contract assets

The company has contract assets. It comes from the revenue from the installation service that the company has already recognized. But not yet due for payment under the contract shown as "contract assets" and will be converted to trade accounts receivable when the Company has the right to receive payment without conditions, such as when the Company has completed the service. And customers take delivery of the work.

(Unit:Thousand Baht)

Items	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Accrued installation service income	38,308	13.44%	213,212	49.54%	5,203	11.79%
Unbilled revenue	243,512	85.40%	208,344	48.40%	29,491	66.83%
Performance insurance	3,313	1.16%	8,882	2.06%	9,432	21.38%
Assets resulting from the contract	285,133	100.00%	430,438	100.00%	44,126	100.00%

- **Assets recognized by the cost of completing a contract with a customer**

Assets recognized by the cost of completing the work in accordance with a contract with the customer. It is work during installation resulting from installation service income. Revenue recognition policy for installation services The Company will recognize the income when the assignment has been completed. By being able to measure the value and success of the event reasonably But for revenue from telecommunication installation services, the company It is recognized upon completion of 95% of the value of work and the other 5% is realized when there is a document confirming 100% of the success and 95% of the unfinished tasks the company is recognized as work in progress. Therefore recorded work value Unfinished work is work in progress in asset accounts recognized for the cost of completing a contract with the customer. Follow as;

(Unit:Thousand Baht)

Items	2021		2022		2023	
	Value	%	Value	%	Value	%
Telecommunication	8,083	3.36%	13,393	16.61%	5,722	7.41
Other Installation	232,775	96.64%	67,253	83.39%	71,455	92.59
Total	240,858	100.00%	80,646	100.00%	77,177	100.00%

In 2022, there were 13 Million Baht in telecommunication work-in-progress, compared with increase of 5 Million Baht in the previous year. Other in-installation work consisted of 2 Million Baht of fire protection equipment and 65 Million Baht of other installations and other installation works decreased from the previous year by 166 Million Baht because such works had already been delivered and the revenue was recognized within the year.

In 2023, there were 6 Million Baht in telecommunication work-in-progress, compared with decrease of 7 Million Baht in the previous year. Fire prevention equipment work 5 Million Baht and other in-installation work consisted of 66 Million Baht.

## Inventories

The Company has set policy on recording value of finished goods and on-going project based on cost (First in-First out) or the net value expected to receive depended on the lower value. Finished product (cables) recorded value as cost (specific) or the net value expected to receive depended on the lower value.

However, the Company records loss incurred from reduction of product value in income statement in case where the cost of inventory in any accounting period is higher than net profit expected to receive. Upon the circumstance that it is not necessary or less necessary to reduce of product value to be lower than product cost, the Company will reverse the loss recognized in the previous accounting period in income statement of the particular accounting period.

As of 31 December 2021-2023 the Company's inventory valued of approximately 521 Million Baht, 435 Million Baht, and 474 Million Baht respectively, which represented 14%, 12% and 15% of total assets respectively. Details of inventory of the Company as of 31 December 2021-2023 are concluded as follows:

(Unit:Thousand Baht)			
Items	2021	2022	2023
Finished goods	540.54	455.38	494.62
<u>Less:</u> Reduce cost to net realizable value	(20.02)	(20.63)	(21.08)
Finished goods – net	520.52	434.75	473.54

Most of the Company's inventories are in the form of finished products. Which consists of electrical cables, electrical equipment, etc.

The Company has set its policy on storage of finished goods at around 30-60 days of sale volume forecast in order to be sufficient for customers' requirement.

Incidentally, the company has a policy to set aside an allowance for diminution in value of finished goods at a rate of 25% for electrical wire products stored for more than 2 years. But if it is other electrical equipment products If storing for 1-2 years, set an allowance of 25% and increase it to 50%–100% according to the length of storage and damaged goods (Bad) allowance is set at the rate of 100%. At the end of 2023, there is a reserve for allowance for diminution in the value of finished goods in the amount of 21 Million Baht.

## Investments in joint venture companies

The company has investments in 2 associated companies,

1. Namsor Hydro Power Company Limited (NHP), which engages in the business of production and distribution of electric power plus hydro power. Which is located in Laos. Investment ratio: 39%. Current investment in NHP presents the book value using the equity method and according to the cost method, there is no value.
2. PhuKhan Solar Power Joint Stock Company Limited.,(PKS) Which operates in the production and distribution of electric power from solar energy, Which is located in the Socialist Republic of Vietnam investment ratio of 25%. Investments in PKS Showing value according to the equity method, which is 312 Million Baht and according to the cost method, 272 Million Baht.



## Property, plant and equipment

The company shows the land value at cost. Buildings and equipment It is stated at cost less accumulated depreciation and allowance for impairment (if any), depreciation of buildings and equipment. Calculated from the cost on the straight-line method over the estimated useful life of 5-20 years, depending on the type of property, building, useful life of 20 years, other assets. 5 years useful life

As of 31 December 2021-2023 the Company's property, building and equipment valued of approximately 284 Million Baht, 291 Million Baht and 302 Million Baht respectively, mainly are building and vehicles which represented 86%-90% of property, building and equipment consecutively. Other assets are vehicles represented 5%-6% of property, The rest will be equipment and office supplies tools and equipment building decoration

As of 2022 the Company's property, building and equipment decreased to 291 Million Baht. During the year, the company has land worth 9 Million Baht to be used as a delivery location. And there was a solar cell panel worth 4 Million Baht used to generate electricity for use in the company including the purchase of vehicles and other assets of 17 Million Baht, totaling 30 Million Baht, and selling and writing off assets in the amount of 10 Million Baht. Depreciation for the year 23 Million Baht.

In 2023, the company purchased additional assets of 36 Million Baht, consisting of land next to the company worth 13 Million Baht and used it to construct a building to use as a warehouse to replace the old warehouse whose lease had expired (at the end of the year). In 2023, the warehouse is still under construction. ) Vehicles (cars), office equipment (computers) and other property and during the year The company transferred ownership of equipment installed under the contract to Kasetsart University in the amount of 23 Million Baht and amortized other assets in the amount of 9 Million Baht and depreciation for 2023 is 25 Million Baht, net land, buildings and equipment. Its book value at the end of 2023 is equal to 302 Million Baht.

### Asset of deferred income tax

In 2016 the Company has implemented Accounting Standard Edition 12 subject: Income Tax to the regulation which determine that the Company shall specify temporary differences incurred out of differences of asset value and liability between accounting and taxation in order to recognize impact of tax as asset or liability of deferred income tax as stipulated in accounting standard. After implementation of such accounting standard, the Company's asset of deferred income tax as of 31 December 2021 – 2023 were 43 Million Baht, 45 Million Baht and 47 Million Baht respectively.

### Source of fund

- **Structure of fund**

The ratio of debt per shareholders' equity (D/E) as of 31 December 2021-2023 was at 0.92 times, 0.91 time and 0.76 times, respectively, The debt to equity ratio is similar.

### Liabilities

Total liabilities of the Company as of 31 December 2021-2023 were 1,758 Million Baht, 1,683 Million Baht and 1,350 Million Baht, respectively. Main liabilities were trade and other payables; the second part is short-term loans from financial institutions and contract liabilities.

Total liabilities of the Company as of 31 December 2021 were 1,758 Million Baht, which consist of current liabilities at the amount of 1,674 Million Baht, representing 95% of total liabilities. Main current liabilities are trade and other payables at approximately 1,335 Million Baht, Liabilities arising from the contract of 154 Million Baht and Short-term loans from financial institutions 105 Million Baht which repayment due within 1 year at the amount of 4 Million Baht and corporate income tax accrued amount 43 Million Baht ,The Company's non-current assets was 84 Million Baht, representing 5% of total liabilities. Main non-current liabilities consist of reserves for employees' benefit at 75 Million Baht and liabilities under hire-purchase contract-net from payment due within 1 year at the amount of 9 Million Baht.

Total liabilities of the Company as of 31 December 2022 were 1,683 Million Baht, which consist of current liabilities at the amount of 1,598 Million Baht, representing 95% of total liabilities. Main current liabilities are trade and other payables at approximately 1,355 Million Baht, Liabilities arising from the contract of 41 Million Baht and Short-term loans from financial institutions 152 Million Baht which repayment due within 1 year at the amount of 5 Million Baht and corporate income tax accrued amount 13 Million Baht , The Company's non-current assets was 85 Million Baht, representing 5% of total liabilities. Main non-current liabilities consist of reserves for employees' benefit at 80 Million Baht and liabilities under hire-purchase contract-net from payment due within 1 year at the amount of 6 Million Baht.

Total liabilities of the Company as of 31 December 2023 were 1,350 Million Baht, which consist of current liabilities at the amount of 1,262 Million Baht, representing 93% of total liabilities. Main current liabilities are trade and other payables at approximately 1,137 Million Baht, Liabilities arising from the contract of 66 Million Baht and Short-term loans from financial institutions 31 Million Baht which repayment due within 1 year at the amount of 5 Million Baht and Main non-current liabilities consist of reserves for employees' benefit at 83 Million Baht and liabilities under hire-purchase contract-net from payment due within 1 year at the amount of 5 Million Baht.

- **Loans from financial institutions**

The Company's source of fund was mainly from short-term loans which the Company is exposing to the risk of financial liquidity. However, main financial credit the Company was granted were bank overdraft, short-term loan in form of promissory note, factoring service. The financial institutions grant the loan to enable the Company use as working capital in business operation to ensure that the Company will be able to repay the loan within the due course.

Liabilities incurred out of loan from financial institution as of 31 December 2023 are as follows:

- **Short-term loan: total of 3,026 Million Baht divided into**

- Bank overdraft at financial amount of 106 Million Baht.
- Short-term promissory notes, trade on demand which is similar to promissory note but with option to withdraw cash from financial institution as of balance of receivables and/or payables of reference, financial credit total of 2,956 Million Baht.

As of December 31, 2023, the subsidiary has short-term credit line from financial institutions in the amount of 590 Million Baht.

- **Liabilities under the financial lease**

The Company has entered into financial lease and hire-purchase contract with leasing company in order to lease and hire-purchase vehicles for use in business operation of the Company. The duration of contract is averagely between 2-5 years. The repayment is set on monthly basis, average interest rate at 1.99-9.33% per year during 2021-2023.

As of 31 December, 2021-2023 the Company had obligation to pay the minimum rent as per financial lease contract and hire-purchase contract at the amount of 14 Million Baht, 12 Million Baht and 11 Million Baht consecutively. The details of payment are as follows:

(Unit: Million Baht)

	31 December 2021			31 December 2022			31 December 2023		
	Less than a year	1 - 5 years	Total	Less than a year	1 - 5 years	Total	Less than a year	1 - 5 years	Total
Future minimum lease payments	4.40	9.80	14.20	5.57	6.12	11.69	5.40	5.14	10.54
Deferred interest expenses	(0.70)	(0.89)	(1.59)	(0.70)	(0.53)	(1.23)	(0.63)	(0.54)	(1.17)
Present value of future minimum lease payments	3.70	8.91	12.61	4.87	5.59	10.46	4.77	4.60	9.37

- **Trade payables and other payables**

Trade payable and other creditors The company has a repayment policy of 30-120 days depending on the type of creditors and in 2021-2023, the repayment rate is 127 days, 118 days and 130 days, respectively.

(Unit: Thousand Baht)

	2021		2022		2023	
	Value	%	Value	Value	%	Value
Account payable	1,111,833	83.27	1,121,238	83.27	991,811	87.26
Accrued costs	101,658	7.61	105,417	7.68	28,094	2.47
other payable	24,089	1.80	25,826	1.73	24,760	2.18
Accrued expenses	97,702	7.32	102,890	7.32	91,910	8.09
Total	1,335,282	100.00	1,355,371	100.00	1,136,575	100.00

Trade Account payable and other payable as of December 31, 2021-2023 amounted to 1,335 Million Baht, 1,355 Million Baht and 1,137 Million Baht, respectively, accrued costs it is the estimated cost of installation services caused by product sellers or service providers Billing and payment documents were not sent from the company but the company has already recognized income from installation services.

- **Reserve for long-term employee benefits**

The Company has reserved money for severance payments to employees upon retirement. according to the Labor Protection Act The key assumptions used in the actuarial estimation at the valuation date consisted of discount rate, salary increase rate, And the turnover rate in the number of employees in the calculation of the amount of the long-term benefit reserve of employees, which are severance payments for employees upon retirement, in the amount of 75 Million Baht, 80 Million Baht, and 84 Million Baht in the year 2021-2023 respectively.

### Shareholders' equity

Shareholder's equity as of 31 December 2021-2023 were 1,902 Million Baht, 1,849 Million Baht, and 1,785 Million Baht respectively. The increase was in consistent with the net profit at 248 Million Baht, 116 Million Baht and 8 Million Baht respectively.

As of December 31, 2022, the company had shareholders' equity of 1,849 Million Baht, consisting of company shareholders' equity of 1,780 Million Baht, other components of shareholders' equity of 9 Million Baht, and the equity of stakeholders who do not have control over the company. Subsidiary in the amount of 69 Million Baht, total shareholders' equity decreased from the previous year by 53 Million Baht. In 2022, the company operated with an annual net profit of 116 Million Baht, deducting its share of other comprehensive income (4) Million Baht and paying dividends to Shareholders 165 Million Baht.

As of December 31, 2023, the company had shareholders' equity of 1,785 Million Baht, consisting of company shareholders' equity of 1,728 Million Baht, other components of shareholders' equity (4) Million Baht, and the equity of stakeholders who do not have control over. of the subsidiary in the amount of 57 Million Baht, including shareholders' equity, decreased from the previous year by 52 Million Baht. In 2023, the company operates with an annual net profit of 8 Million Baht, deducting its share of other comprehensive income (13) Million Baht and paying dividends. to shareholders 59 Million Baht.

### The ratio shows operating efficiency

	2021	2022	2023
Return On Fixed Assets (%)*	78%	40%	3%
Return On Assets (%)	7%	3%	0.2%
Total assets turnover (times)	1.19	1.30	1.17

During year 2021-2023 the Company was managed to operate business and generated income from asset constantly. Trend of utilization of the asset to business operation is likely to be better. Rate of return from fixed asset was approximately 78%, 40% and 3% respectively. Rate of return from asset were 7%, 3% and 0.2% respectively while the asset turnover were 1.19 times, 1.30 times and 1.17 times respectively.

## Liquidity

(Unit: MillionTHB)

	2021	2022	2023
Net cash from operating activities	(174.21)	234.28	345.85
Net cash in investing activities	311.05	49.76	(23.97)
Net cash in financing activities	(172.17)	(127.47)	(186.87)
Net increase (decrease) in cash	(35.33)	156.57	135.01

From the company's business policy that wants to increase revenue from product sales and installation service including paying returns to shareholders every year, so most of the cash flow is used as working capital. In the form of inventories and trade accounts receivable which has resulted in each year The Company uses cash flows for operating activities and investment activities.

In 2021, the company had a profit before tax of 310 Million Baht. There were adjustments that did not affect cash, resulting in the company's profit of 190 Million Baht. The company had trade accounts receivable and other receivables increased by 438 Million Baht. Assets under contract increased by 55 Million Baht. Inventories and work in process increased by 248 Million Baht, trade and other payables increased by 335 Million Baht. Liabilities arising from contracts increased by 72 Million Baht, causing the company to have net cash used in operating activities of 174 Million Baht. Cash from investing activities of 311 Million Baht came from the sale of assets of 202 Million Baht and deposits pledged as collateral from financial institutions of 115 Million Baht and received dividends from associates of 16 Million Baht. Cash flows used in financing activities amounted to 172 Million Baht came from repayment of short-term loans of 95 Million Baht and payment of liabilities under financial lease agreements of about 7 Million Baht and the company paid dividends to shareholders of 71 Million Baht. As a result, the Company's net cash flow in 2021 decreased by approximately 35 Million Baht and cash and cash equivalents at the end of 2021 were equal to 293 Million Baht.

In 2022, the company had a profit before tax of 157 Million Baht. There were adjustments that did not affect cash, resulting in the company's profit of 204 Million Baht. The company had trade accounts receivable and other receivables decreased by 113 Million Baht. Assets under contract increased by 145 Million Baht. Inventories and work in process decreased by 245 Million Baht, trade and other payables increased by 22 Million Baht. Liabilities arising from contracts decreased by 113 Million Baht, causing the company to have net cash used in operating activities of 234 Million Baht. Cash from investing activities of 49 Million Baht came from the sale of assets of 2 Million Baht and deposits pledged as collateral from financial institutions of 44 Million Baht and received dividends from associates of 29 Million Baht. Cash flows used in financing activities amounted to 127 Million Baht came from repayment of short-term loans of 46 Million Baht and payment of liabilities under financial lease agreements of about 10 Million Baht and the company paid dividends to shareholders of 165 Million Baht. As a result, the Company's net cash flow in 2022 increased by approximately 157 Million Baht and cash and cash equivalents at the end of 2022 were equal to 450 Million Baht.

In 2023, the company had a profit before tax of 24 Million Baht. There were adjustments that did not affect cash, resulting in the company's profit of 56 Million Baht. The company had trade accounts receivable and other receivables decreased by 164 Million Baht. Assets under contract decreased by 386 Million Baht. Inventories and work in process increased by 39 Million Baht, trade and other payables decreased by 220 Million Baht. Liabilities arising from contracts increased by 25 Million Baht, causing the company to have net cash used in operating activities of 346 Million Baht. Cash from investing activities of 24 Million Baht. As a result, the company had a net cash flow from operating activities of 346 Million Baht. The company had cash flow used in investing activities in the amount of 24 Million Baht. During the year, the company purchased additional assets of 30 Million Baht and provided additional loans to associate companies. 15 Million Baht The Company received dividends from associates in the amount of 19 Million Baht. Cash flow used in financing activities in the amount of 187 Million Baht came from repaying short-term loans in the amount of 121 Million Baht and repaying debts under road lease agreements. The financial amount was 7 Million Baht and during the year the company paid dividends to shareholders in the amount of 59 Million Baht, causing the company to have net cash flow in 2023 increasing by approximately 135 Million Baht and having cash and cash equivalents at the end of 2023. Equal to 585 Million Baht

The company has a current ratio in 2021–2023, calculated as 1.63 times, 1.67 times, and 1.82 times, respectively, and a quick ratio calculated as 1.17 times, 1.34 times, and 1.39 times, respectively, which the said ratios are not very high. Because the company's business requires working capital to operate the business. In the past, the company mainly used short-term loans to finance purchases and expenses for telecommunications installation and other installation work.

## 5. General and other important information

### 5.1 General information

Name of Company	: Communication & System Solution Public Limited Company
Stock Symbol	: CSS
Nature of business	: Distribution of electric cables and other electric devices, provision of telecommunication systems, passive fire protection products etc.
Head office	: 329 Moo.3, Banmai Sub-district, Parkred District, Nonthaburi
Chonburi branch office:	: 59 Moo 7, Bang Phra sub-district, Sriracha district, Chonburi
Company Registration No	: 0107548000561
Tel.	: 02-018-1111
Fax	: 02-018-1142
Website	: <a href="http://www.cssthai.com">www.cssthai.com</a>
Company Secretary	: Ms. Nongnuch Temeesrisuk Tel. : 02-018-1111 / E-mail : <a href="mailto:secretary@cssthai.com">secretary@cssthai.com</a>
Investor Relations	: Mrs. Prapussorn Lakwuthiwong Tel. : 02-018-1111 ext.5501 / E-mail : <a href="mailto:prapussorn@cssthai.com">prapussorn@cssthai.com</a>
Registered Capital	: THB 588,036,884.50, divided into 1,176,073,769 shares at the par value of THB 0.50 per share
Paid-up capital	: THB 587,869,544.50, divided into 1,175,739,089 shares at the par value of THB 0.50 per share

#### 5.1.1 General information of the subsidiary

Name of subsidiary (1)	: C.S.S. Energy Co., Ltd.
Nature of business	: Engage in the business relevant to the government authorities and energy business
Head office	: No.329 Moo.3, Banmai Sub-district, Parkred District, Nonthaburi
Chonburi branch office:	: No.59 Moo.7, Bang Phra sub-district, Sriracha district, Chonburi
Company Registration No	: 0125540007891
Tel.	: 02-018-1111 Fax: 02-018-1142
Registered Capital	: THB 150 million, divided into 1,500,000 shares, at the par value of THB 100 per share
Paid-up capital	: THB 150 million, divided into 1,500,000 shares, at the par value of THB 100 per share
Portion of shares hold	: 99.99% of the registered and paid-up capital

Name of subsidiary (2)	: Neonworx Communications (Thailand) Co., Ltd.
Nature of business	: Provision of telecommunication systems and turnkey maintenance
Head office	: 10 soi Naknivas 47, Naknivas Road, Ladprao Sub-district, Ladprao District, Bangkok.
Company Registration No	: 0105549083701
Tel.	: 02-539-6693 Fax: 02-539-6795
Registered Capital	: THB 10 million, divided into 100,000 shares, at the par value of 100 per share
Paid-up capital	: THB 10 million, divided into 100,000 shares, at the par value of 100 per share
Portion of shares hold	: 70% of the registered and paid-up capital

### 5.1.2 Reference

Securities registrar	:	Thailand Securities Depository Co., Ltd The Stock Exchange of Thailand Building, 93, Rachadapisek Road, Din Daeng sub-district, Din Daeng district, Bangkok 10400 Tel.: 02-009-9386 Fax: 02-009-9476
Auditors	:	Mr.Preecha Arunnaral and/or Mr. Vatcharin Pasarapongkul and/or Mrs.Chonlaros Suntiasvaraporn EY Office Limited. 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137, New Rajadapisek Road, Klongtoey, Bangkok 10110 Tel.: 02-264-0777 Fax : 02-264-0789-90
Internal Audit	:	Riskless Solution Co., Ltd. 43 Soi Udomsuk 30 yaek 1 , Bangna, Bangkok, 10260 Thailand. Tel.: 086-379-8600

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### 5.2 Other information

-None-

### 5.3 Legal conflicts

-None-

# Part 2

## Corporate Governance



## Part 2 Corporate Governance

### 6. Corporate Governance

#### 6.1 Corporate Governance Policy

The Company determined driven for business growth to be stable and sustainable with the goal of achieving success in the business of communications engineering and distribution services for systems engineering to be accepted and trusted by quality management at international standards. By adhering to responsibility to all stakeholders for business operations by managing business with fairness Transparent and verifiable According to the principles of good corporate governance principles. The Board of Directors intends to continuously develop and enhance the level of corporate governance, with scheduled for revision every year and always updated. To consistent with regulations and changing circumstances, to make the operation in these matters have been continuously developed. The Board of Directors is confident that good corporate governance practices to be successful, must be cooperated and practiced together in the organization. Therefore defined as policy for the executives and employees of The Company to comply with the policy Ethics and guidelines for corporate governance policies including communication create understanding and constantly monitor the performance of the corporate governance, Therefore has established a policy for corporate governance and business ethics In order to be a pattern for various operations as follows:

1. The Board of Directors, executives and all employees must adhere to the principles of corporate governance and business ethics. In order to be a guideline for behavior and perform duties as a motto in the operation
2. The Board of Directors have an important role with the management in determining the vision, strategy and goals of business operations By considering efficiency and effectiveness, transparency by adhering to responsibility to all stakeholders.
3. The Board of Directors and executives must be leaders in ethics and set good role model for performing duties with integrity. In accordance with the business ethics of The Company.

The Company has a Code of Best practice policy for enhance transparency and is beneficial to The Company's business operations, This will give confidence in the group of shareholders, investors and all relevant parties. Therefore, The Board of Directors has established the principles of corporate governance, which is a practice in accordance with good corporate governance guidelines. which is determined by the Stock Exchange of Thailand. The principles of corporate governance of The Company cover the following 5 principles:

1. Rights of Shareholders.
2. Equitable Treatment of Shareholders.
3. Roles of Stakeholders.
4. Disclosure and Transparency.
5. Board Responsibilities.

Which The Board of Directors has determined to regularly monitor performance in accordance with corporate governance policies and good practices. It has also created ethics and business ethics to serve as a practice guideline for directors, executives, and employees of the company and there is public relations to all employees about the corporate governance policy. Guidelines, ethics and business ethics through the internal information system (Intranet) and have been displayed to the public through the Company's website. [www.cssthai.com](http://www.cssthai.com) the topic of investor relations and Corporate Governance. In 2023, the company operated under the corporate governance policy mentioned above in each category with the following as:



## Category 1      The Rights of Shareholders

The Board of Directors places importance on the basic rights of shareholders both as owners of The Company and as investors in stocks such as the right to trade or transfer stocks, the right to receive adequate information about The Company, the right to receive a share of the profits from The Company, rights in shareholder's meetings, the right to express an opinion, the right to take part in making decisions on important Company issues such as issuing dividends, appointing or removing directors, appointing auditors, and approving important business transactions that affect the running of the business. As well as having clear intention to not take any action that deprives the basic rights of shareholders which deprives the basic rights of shareholders and facilitates shareholders to exercise the rights that the shareholders deserve.

### 1.1. Protecting the rights of shareholders.

The Board of Directors recognizes and values the duty of overseeing and protecting the rights of shareholders. As well as protecting and promoting all shareholders to receive and exercise their basic rights in accordance with the laws and regulations of The Company appropriately, equitably and fairly according to The Company's restrictions and regulations of the office, The Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) including other related laws and consider matters that affect The Company, such as the allocation of dividends determination or amendment of company regulations and memorandum of association Capital reduction or increase of capital And approval of special items etc. The Company does not have a policy in a way that prevents shareholders from communicating with each other and there is no policy to make agreements between shareholders that have a significant impact on The Company or other shareholders.

### 1.2. Shareholders' Meeting

The Company organizes an Annual General Meeting within 4 months of the end of the fiscal year, for other shareholders' meetings, it will be an extraordinary meeting of shareholders. The Board of Directors will arrange a meeting as it deems appropriate, with policies to support and provide various processes to help facilitate meetings to support and encourage all shareholders including institutional investors attending the meeting and exercising the right to vote. In addition, The Company places importance on the date, time and venue of the meeting to be appropriate and convenient to attend the meeting of all shareholders, it allows the shareholders to propose the meeting agenda in advance before the meeting date according to the rules and relevant laws. Including the takedown public of the details of the securities, channels, time periods and results of the proposals to the shareholders via the website of the Stock Exchange of Thailand (SET). In the shareholders' meeting The Company has prepared a meeting invitation letter. Which specifies the meeting agenda, objectives, reasons, opinions and recommendations of The Board of Directors, along with relevant documents and information for each agenda in Thai, English, for publication on The Company's website and sent to shareholders in advance by post and if any shareholders have any queries can send questions that need to be answered in the shareholders' meeting in advance in accordance with the channels and criteria specified by The Company or able to make inquiries, suggestions or comments on relevant matters on the date of the shareholders' meeting after the meeting, The Company has recorded and prepared minutes of shareholders' meetings that are accurate, complete and can be inspected.

In the year 2023, The Company held a general meeting of shareholders. On Wednesday 26 April 2023 at 10:00 am via electronic media (E-AGM) only by conducting live broadcasts from the company meeting room, No. 329 Moo 3, Ban Mai Subdistrict, Pak Kret District Nonthaburi Province, The Company did not add any meeting agendas or change important information without notifying shareholders in advance. In the 2023 Annual General Meeting of Shareholders, The Company proceeded as follows:

**Before the shareholders' meeting**

1. The Company gives shareholders the opportunity to participate by proposing the agenda of the general meeting of shareholders. and nominating a person to be a director Including sending questions in advance before the general meeting of shareholders for the 2023 Annual General Meeting of Shareholders, The Company requires the shareholders to propose the agenda and names of the persons to be appointed as directors for the 2023 Annual General Meeting of Shareholders, The Company requires the shareholders to propose the agenda and names of the persons to be appointed as directors in advance from 1 September 2022 until 30 November 2022 with The Company notifying shareholders Through the news system of The Stock Exchange of Thailand. Along with announcement of rules and specify clear procedures on The Company's website at [www.cssthai.com](http://www.cssthai.com) under the menu "Investor Information" under the heading "Shareholders' Meeting". At that time period no one proposed an agenda or propose a list of names that is suitable for Serve as a director.
2. The Company has announced the schedule of the annual general meeting of shareholders in advance, So that shareholders can allocate time to attend the meeting appropriately.
3. The Company disseminated the invitation letter and meeting documents in both Thai and English for foreign shareholders via The Company's website 30 days before the meeting date. In the year 2023, The Company disclosed the invitation letter and meeting documents on the website on 27 March 2023.
4. Presentation and delivery of information to shareholders The Company assigned Thailand Securities Depository Co., Ltd., which is the registrar of securities of The Company, to deliver the meeting invitation and meeting documents stating the agenda, objectives, rationale and opinions of The Board of directors and information Important to consideration Including The Company prepared in English for foreign shareholders and delivered to the shareholders no less than 21 days in advance of the meeting for the shareholders have sufficient time to study the information and make decisions In addition, The Company also posted in newspapers To specify the date, time, place and agenda for 3 consecutive days before the meeting.
5. The Company delivers the proxies in the form specified by law. As well as advice on proxies Along with the meeting invitation letter to facilitate the shareholders who are unable to attend the meeting by themselves and appoint a proxy to others or appoint any independent director as specified in the proxy to be a proxy to attend the meeting and vote as specified by the shareholders and providing stamp duty to the proxies free of charge.
6. The election of directors there is information specified educational background, work history, The number of companies that hold directorship positions, despite being in SET and not in SET, number of years in the position and type of committee proposed and attendance in the past year. Including showing policies criteria and guidelines for the selection of directors in the invitation letter to be the information for consideration of the shareholders' decision.
7. Agenda for determining remuneration for directors for the year. The Board of Directors has established a transparent remuneration determination process and approved by shareholders. By considering the remuneration of that director The Company has proposed to the shareholders to consider and approve all forms of compensation, both monthly compensation, the remuneration is a meeting allowance and remuneration in the form of gratuity. By dividing the presentation into groups and positions Including disclosure of policies and guidelines for determining compensation in the meeting invitation letter In order to be the information for consideration of the shareholders' decision.
8. The Company gives shareholders the opportunity to submit questions that need to be clarified on issues relating to the meeting agenda in advance of the meeting day via the email address of The Board secretary. [secretary@cssthai.com](mailto:secretary@cssthai.com) or send question documents by post by addressed to the secretariat and to the shareholders (Investor Relations) Communication and Systems Solution Public Company Limited No. 329 Moo 3, Ban Mai Sub district, Pak Kred District Nonthaburi 11120.

#### The date of the shareholders' meeting

The Company supports and encourages all shareholders. Including all institutional investors exercising the right to attend the meeting and vote. In the shareholders' meeting, which facilitates and arranges the meeting transparently and can be examined and do not do anything That is depriving the rights of shareholders As well as allowing shareholders to ask questions and express their opinions appropriately. In addition, in the 2023 Annual General Meeting of Shareholders, The Company conducted the following activities on the meeting date as follows:

1. In order to facilitate registration for meeting attendees appropriately, sufficiently, conveniently, and quickly, the Company has prepared an electronic meeting technology system (E-AGM) by using the electronic meeting management system (E-AGM) of IR Plus Co., Ltd. from registration, vote counting and processing. Which can show the results of the vote to the meeting immediately and transparency can be verified.
2. Company Directors and Senior Executives Including the chairman of The Board and the chairman of every sub-committee attended the annual general meeting of shareholders to clarify and answer questions, listen to opinions and suggestions from shareholders. In addition, the auditor of The Company attended the general meeting of shareholders to answer questions for shareholders.
3. Notifying shareholders before starting the meeting regarding the rules methods of attending the meeting proxy and the use of ballots, along with explaining the rules and procedures for voting and counting votes to inform shareholders.
4. The Company gives the right to shareholders to vote 1 share per 1 vote.
5. Arrange for an independent person, including an auditor representative or minor shareholders participating in the examination of the voting in the shareholders' meeting and disclosed in the minutes of the shareholders' meeting.
6. Arrange for legal advisors to attend the shareholders' meeting and disclose in the minutes of the shareholders' meeting.
7. The Company gives rights to shareholders who attend the meeting after the meeting has started. Have the right to vote for the agenda being considered and not yet being voted on It was considered a quorum from the agenda that was attended and pronounce onwards.
8. Conducting the meeting according to the meeting agenda specified in the meeting invitation letter, In which the details any relevant information in each agenda has been informed to the shareholders in the meeting invitation letter and The Company does not add a meeting agenda or change important information without notifying shareholders in advance.
9. In the election of directors in place of those retired by rotation The Company requires the shareholders to vote for each individual director.
10. The Company allows the shareholders to freely express opinions, suggestions or ask questions in various agendas before voting. And recorded the questions and answers clearly in the minutes of the meeting.

#### After the shareholders' meeting

1. The Company arranges to notify the resolutions of the general meeting of shareholders and the voting results. Through the news system of the Stock Exchange of Thailand (SET) within the time specified by the SET.
2. After the shareholders' meeting ended The Company prepares the minutes of the shareholders' meeting with complete and complete details, including voting of approval, disapproval, abstention and invalid votes in every agenda. Agenda that requires voting And delivered to the Stock Exchange of Thailand within 14 days after the meeting date and also published on The Company website at [www.cssthai.com](http://www.cssthai.com)> Investor Relations > Shareholder Information So that the shareholders can check.
3. Announcement of images of the atmosphere of the Annual General Meeting of shareholders on The Company's website [www.cssthai.com](http://www.cssthai.com)> Investor Relations > Multimedia presentation So that the shareholders who did not attend the meeting were informed the meeting atmosphere.

In the year 2023, The Company received 100 points from the assessment of the quality assessment of the general meeting of shareholders, which is evaluated by the Thai Investment Promotion Association.

## Category 2      The Equitable Treatment of Shareholders

The Board of Directors recognizes the importance of treating shareholders and give equal opportunity to every shareholder and allocate voting rights at the meeting according to the number of shares held, one share equivalent to one vote, and will do nothing that restricts, violates or dispossess shareholders of their rights, whether major shareholders, minor shareholders, investors or foreign shareholders. The Company assigns an independent director to assist minor shareholders, allowing them to make proposals, express opinions or raise complaints with the independent director who will decide on the appropriate way to proceed in each case. For example, in the case of a complaint, the independent director will investigate the facts and find an appropriate solution. In the case of a proposal on an important issue that affects the stakeholders or The Company's business, the independent director will put the matter to a shareholder's meeting to consider putting it on the meeting agenda. Therefore establishing policy guidelines for supervision Protect and support all shareholders to receive fair and fair treatment as follows:

1. The meeting proceeds according to Company regulations, following the meeting agenda. Detailed information is presented for each item and relevant information is clearly presented for consideration. Additional items will not be added to the agenda without notifying shareholders in advance, unless there is good reason. If the shareholder is unable to attend the meeting in person, the shareholder may authorize the independent director or another individual to attend as a proxy, by using the power of attorney form sent out with the notice of the meeting. Voting is transparent and follows the meeting agenda. The election of directors gives shareholders the opportunity to exercise their right to appoint directors, with votes being cast for individuals.
2. The Company has also taken measures to prevent insider trading by related persons, which means directors, executives or any staff that work in units dealing with internal information (including spouses and children of minor age). Related persons are not permitted to trade in Company stock for a period of at least 1 month before the quarterly and annual financial statements are released and should wait for at least 24 hours after this information is made public. It is also forbidden to pass that information on to other individuals.
3. The Company informs directors and executives of their duty to report their stock holding in The Company and the penalties specified in the Securities and Exchange Act 1992 and the regulations of the Stock Exchange of Thailand. In instances where directors or executives trade Company stock, they must report the stock held by themselves, spouse and children who are still minors in compliance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days to the Office of the Securities and Exchange Commission for the information to be put into the public domain.
4. The Board of Directors has stipulated that The Directors, management and their related persons (as defined by SEC and SET) must prepare and submit a report on interests annually by disclosed the conflict of interest of The Directors and executives and review every year.
5. The Company gives shareholders the opportunity to propose meeting agendas and names of qualified and qualified persons. In order to be considered to be a director of The Company in advance of the date of the general meeting of shareholders in accordance with the rules, conditions and procedures that The Company or related laws. Including dissemination of the details, criteria, channels, duration and results of the agenda and names of the shareholders to the shareholders via The Company website and the SET website. As well as informing the result of the meeting's agenda proposal and the name of the said person to shareholders for acknowledgment.
6. The Company prepares an invitation letter for the annual general meeting of shareholders, meeting documents, annual reports and report corporate social responsibility Both Thai and English.
7. The Company has sent Notice to the 2019 Annual General Meeting of Shareholders with the supporting documents to shareholders and publishes the documents on The Company's website in advance of the meeting date within the period specified by relevant laws and regulations.

8. In case of shareholders are unable to attend the meeting by themselves The Company has attached the Proxy Form B, Which is a form in which shareholders can specify their own voting guidelines for each agenda together with the notice of the meeting for allow shareholders who are not convenient to attend the meeting by themselves can authorize independent directors or other persons to attend the meeting and vote on their behalf. Also The Company publishes on The Company website for shareholders to download.
9. At the shareholders' meeting since in 2023, the company organizes meetings via electronic media (E-AGM), the company provides voting channels for every agenda that requires voting. This is for transparency and can be verified in case of disputes later along with counting the votes and clearly disclosed the voting results and resolutions of the meeting in the minutes of the meeting.
10. Giving the right to vote according to the number of shares held equally 1 share per 1 vote.
11. The Board of Directors conduct meeting followed by those listed in the notice of meeting without additional agenda. In order for fairness of shareholder who is absent.
12. In conducting Related Party Transactions, it must be done fairly. (Fair and at arm's length) By considering the normal price of the business or as a reference to the market price And consider the benefits of The Company as important. Which The Board of Directors supervising the compliance with the rules and disclosure of Related Parties Transaction of listed companies strictly.

In addition, The Board has clearly defined guidelines for the implementation as accordance with the laws, rules and regulations of the SET and the SEC. Along with regularly reviewing compliance with corporate governance principles Therefore, shareholders can be confident that they are treated and used, have an equal opportunity and justice.

In 2023, the company has no cases of being fined or take civil action from the SEC Office or the Stock Exchange regarding violations of equitable treatment of shareholders. Preventing shareholders from communicating with each other and not disclosing information that may have a significant impact on the company or other shareholders.

### Category 3      The Role of Stakeholders

The Board of The Company places importance in all groups of stakeholders, whether they are internal stakeholders, etc. The Company staff and management, or external stakeholders such as competitors, partners and customers. The Company is aware that support and input from all groups of stakeholders is valuable to The Company's business and development. Accordingly, The Company acts in compliance with the relevant laws and regulations to ensure that the rights of the stakeholders are properly respected. In addition, The Company has determined the scope of ethics and business ethics. Which announcements on The Company website and communicate with employees and executives as a guideline for the rights of all groups of stakeholders. To create a stable business environment, The Company works together with each group of stakeholders in the following ways:

#### 3.1 Shareholders

The Company is focused on development and continuous growth which will lead to an increase in Company earnings and profits. This will increase the value of The Company and mean that shareholders will receive the best returns. Because shareholders have the right to own the company. They control the company through appointing a committee to act on their behalf and have the right to make decisions about changes. Important of the company Therefore, the company gives importance to and encourage shareholders to exercise their rights. As well as not doing anything that violates or diminishes the rights of shareholders, which consists of

- **Basic rights of shareholders** such as the right to buy, sell or transfer shares, share in profits The right to attend shareholder meetings in order to exercise voting rights at shareholder meetings to appoint or remove directors. Appoint an auditor and matters affecting the business
- **Right to receive important information** Shareholders have the right to receive information equally. The company has published information in both Thai and English through the channels of the stock exchange and the company's website. To provide shareholders with more channels to receive news about the company.
- **Rights in shareholder meetings** Attending meetings to exercise voting rights at shareholder meetings to appoint or remove directors Appoint an auditor and matters affecting the business such as dividend allocation

Determination or amendment of regulations and memorandum of association. Capital reduction or capital increase and approval of special items, etc.

### 3.2 Customers

The company takes into account the quality and standards of products. Including being attentive and responsible to customers with honesty and fairness, as well as maintaining and developing sustainable relationships with customers.

- The company has a policy to control products and services to ensure that the quality meets standards, regulations, and related laws. Including giving importance to development to increase quality in line with customer needs.
- The company has a duty to provide accurate information about the company's products and services to customers. Complete and sufficient for customer decision making. The company will not intentionally conceal information and or provide information in a manner that may cause customers to misunderstand and do not disclose customer information without permission from the customer unless it is information that must be disclosed to relevant third parties according to legal regulations.
- As the company is aware of the quality and standards of products and services. which results in responsibility towards customers with honest and fair communication Therefore, customer satisfaction surveys are considered to be an extremely important strategy for maintaining sustainable relationships with customers. Including receiving suggestions and complaints from customers to improve and develop the company's products and services to be more efficient in order to achieve maximum customer satisfaction. The topic for measuring satisfaction are as follows: 1) Product side 2) Service management 3) Selling price 4) Ordering products 5) Shipping aspect.

In 2023, customer satisfaction survey results The company received an average score increase of 4.54 from 2022 which received an average score of 4.42 out of 5 from the customer satisfaction quality policy plan for 2023. Customer satisfaction survey results target is not less than 4.

### 3.3 Partners

Company policy is to deal fairly with trading partners according to the trading terms and/or contractual agreements in order to establish good business relationships that benefit all parties.

- The company places importance on building and maintaining good relationships with trading partners. which The company conducts its business with honesty, integrity and based on receiving fair returns for both sides. The company will comply with the contract and/or conditions that have been strictly agreed upon with the trading partners, Including treating all trading partners equally and fairly. In addition, various information received from each trading partner is kept confidential.

### 3.4 Competitors

The company promotes a policy of free and fair trade competition and comply with the rules of good and fair competition.

- The company will not do anything to destroy the reputation of its business competitors. by making derogatory accusations without factual information that can be proven and verified.
- Do not search for confidential information of business competitors through dishonest or inappropriate means.

*In 2023, the Company has no disputes and lawsuits between the Company and its subsidiaries and business competitors.*

### 3.5 Creditors

Company Policy is conduct in compliance with contract and conditions both in terms of repayment of loan, interest to maintain and other conditions. Also reports financial status to the creditors of requirements in the loan contract properly. The Company will report its creditors in advance if cannot fulfill the obligations in the agreement and jointly find solutions to fix problem

- The company is committed to managing capital to have an appropriate structure to support the stable operation of the company's business. This the Guidelines to build trust with creditors.

*In 2023, the company has no history of defaulting on payments or not complying with the mutual agreements.*

### 3.6 Employees

Company policy is to treat employees equitably and fairly, providing appropriate remuneration and welfare as well as supporting development of their knowledge and ability.

- The company has a policy to promote personnel development. Focusing on providing employees with knowledge Abilities and specialized skills necessary to continuously increase the capabilities of employees. This increases the opportunity to compete for organizations of current. and the future, especially employees who must have knowledge and ability Professional skills and expertise There is a systematic plan to develop employees to have potential, ability, and progress in their professional careers.
- The company takes care of employees at all levels thoroughly and have fair treatment Respect and protect the rights and stability of employees from being violated. The company provides opportunities and encourages employee participation in presenting opinions, suggestions, and work guidelines that are beneficial to all parties. To build good relationships in working together Including the company providing channels for listening to opinions and report complaints about illegal activities business ethics Corruption or misconduct of employees in the company There are also guidelines for investigating facts and mechanisms for protecting those who report information or complaints.
- The company has a duty to protect the personal information of its employees. The company will not disclose the personal information of its employees unless the company has received permission from the employee and/or have a duty to disclose such information in accordance with regulations and/or laws.

*In 2023, the company has no labor disputes. Including not being informed of any complaints about breaking the law business ethics Corruption or misconduct of employees in the company*

### 3.7 Community Society and Environment

The company gives importance and responsibility to the community. Society and environment By conducting business ethically and provide support for various activities that are supportive and creative to society as appropriate including complying with laws and regulations strictly related to the environment and has guidelines for continuously controlling environmental impacts as well as supporting Promote knowledge Training employees on the environment and the most efficient use of resources, materials or equipment.

### 3.8 Non-infringement of intellectual property rights

The company has a policy for the company's personnel to it is a duty to protect and preserve the intellectual property owned by the company from being infringed or used without permission. And company personnel must respect and not encroach on property other people's intellectual without using it for any benefit

*In 2023, the Company has not received any complaints regarding intellectual property infringement.*

### 3.9 Respect of Human Rights

The Company focuses on respect for human rights. By conducting business under the labor law and human rights very seriously. To respect for the rights, freedoms and non-discrimination of labor rights, women's rights, children's right, and human dignity.

*In 2023, the Company had no cases of complaints regarding human rights violations related to business operations.*

The company will comply with the requirements of various related laws and regulations. So that the rights of stakeholders are well taken care. Also from this course of action The Board of Directors has established guidelines for operations in other areas related to social responsibility and protecting the rights of stakeholders as follows:

## Guidelines for the process of reporting clues, wrongdoing or complaints

The Company has provided channels for all stakeholders to report or complain about unlawful activities or those in violation of the law, rules, regulations, or corporate governance principles including incorrect financial reports or defective internal control systems of The Company to the Independent Director and Audit Committee.

### Channels to report or complain

E-mail : [Audit\\_Com@cssthai.com](mailto:Audit_Com@cssthai.com)

Mail : The Audit Committee  
Communication & System Solution PLC.  
329 Moo.3 Banmai, Pakkred, Nonthaburi, 11120

## Action after Receive the Complaint

Once we received the complaint, the Audit Committee will consider the complaint and inform the relevant parties to investigate facts about the complaint and resolve the complaint appropriately. The Audit Committee will periodically monitor the progress of complaint. The relevant parties will notify the result to the complainant within a reasonable period. The Audit Committee shall report to The Board of Directors.

## Protection and Confidentiality of the Complainant

To protect the rights of complainant and relevant informants who acts in good faith, The Company shall keep all information of complainants and informants in confidentiality. Only the persons who are responsible in conducting inspection about the complaints can have access to such information. The assigned persons to handling the complaint are responsible for keeping all information regarding the complaint, relevant documents as confidential and shall not disclose such information to other persons unless the disclosure is required by laws. As of December 31, 2023, there were no complaints or giving clues to moral and corruption disorders through the channels of receiving complaints and clues of the company.

## Guidelines for the process of anti-corruption

The Board recognizes and places importance on anti-corruption. By cooperating with various agencies in combating corruption as appropriate The Company is in the process of raising the of anti-corruption of the organization. To be certified as a member of the Private Sector Collective Action Coalition Against Corruption Project (CAC). The company continually promotes anti-corruption activities. Realizing that honesty is an important foundation for organizational development and aims to create a strong organizational culture with good governance that will lead to sustainability in the future

For the company still adheres to the anti-corruption guidelines by recording in writing inserted in the corporate and employee ethics handbook. In addition, the company has compiled statements about the anti-corruption of the senior management and formulated 5 key principles as follows: Awareness of public interest over personal interest Building a corporate culture of transparency honesty in work being ashamed of corruption and awareness of sufficiency This is to be used as part of the company's annual internal audit planning strategy. As well as being used as a target for planning various activities within the company as well. This is an important communication mechanism to prevent corruption in the operational process as well.

In 2023, the Board of Directors There is no news or case of being compared, fined, and blamed or civil action taken. By regulatory agencies such as the SEC, SET or NACC regarding corruption offenses



## Category 4 Disclosure and Transparency

The Board of Company is aware of the importance of the complete and accurate disclosure and transparency of financial and general information in accordance with the regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as other important information affecting The Company's stock price, as this influences decision making by investors and stakeholders. The Company makes information available to shareholders, investors and the general public through the channels provided by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, as well as on The Company website: [www.cssthai.com](http://www.cssthai.com). Disclosure guidelines which cover company communications are as follows:

1. The Board of Directors is responsible for the disclosure of company information and reports. Including financial reports that are not financial information and other information in accordance with the rules and regulations of the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to be clear and clear and can be able to authenticate it.
2. The Board of Directors is responsible for overseeing that the reporting of information and various operations according to the annual information disclosure form 56-1 One report is complete, accurate and timely according to the law or other departments stipulated. Including disclosing such information on The Company website In order for the shareholders and the stakeholders to receive the information correctly and equally.
3. The Board of Directors is responsible for the financial reports of The Company which have been prepared. There is a report of The Board of Directors' responsibility for financial reports together with the auditor's report in the Annual Report form 56-1 One report, as well as supervising the management to prepare financial statements and financial information to be correct complete under the generally accepted accounting principles in Thailand and also choosing to use appropriate accounting policies and practice consistently. Including sufficient information disclosure in the financial statements. The Audit Committee will review the quality of financial reports and internal control systems, as well as sufficient disclosure of important information in the notes to financial statements.
4. The Company submits financial reports to the office of SEC and SET within the time limit and there are no conditional items for which the auditor has expressed opinions.
5. The Company has set to disclose information and news to shareholders, investors, and related parties through the SET's media and The Company's website for investors and all groups of stakeholders can access The Company information thoroughly and equally, such as financial statements, news documents, company regulations, etc.
6. The Company has prepared a report on responsibilities of Board on Financial Report as disclosed in form 56-1 One report and Annual Report together with report from auditors.
7. Disclosure of shareholding of The Board of Directors and Management clearly. The Board of Directors requires directors and executives to report the following:
  - a. Reporting on the purchase or sale of The Company's shares. Must be reported according to the regulations of the SET and the SEC.
  - b. Reporting the equity and related transactions. The Board of Directors assigned to The Directors must report to the stakeholders and reviewed annually.
8. The Company has provided a channel for disclosure of information, which is a way that shareholders, investors, and the general public can access information easily and equally. In both Thai and English In addition, The Company has provided the website of The Company as another way to disseminate important information of The Company. However, The Company is determined to develop the website of The Company to have up-to-date information at all times for investors and people who are interested can have access to company information.

9. In the part of Investor Relations, The Company assigned Mrs.Prapussorn Lakwuthiwong, manager of Corporate Secretary & Shareholders Department is responsible for communicating and providing information to investors, Shareholders and general public. Contact number is 02-018-1111 #5501  
Email : [prapussorn@cssthai.com](mailto:prapussorn@cssthai.com)

In 2023, the company has no complaints about inaccurate announcements or disclosures of important events and ordering to amend the financial statements In addition, the company does not have any delay in submitting financial reports both quarterly and yearly.

## **Category 5      Responsibilities of The Board of Directors**

### **1. Structure of The Board of Directors**

The structure of the Board of Directors consists of individuals who are competent and must have a variety of skills, professions, specialties, gender, etc. The Board of Directors will play an important role in determining Policy and overview of the organization. It also an important role in overseeing, auditing and independently assessing the Company's performance as planned.

At 31 December 2023, The Board has 9 Directors consisting of 5 Executive Directors and 4 non-executive Directors who are qualified to be Independent directors and provide balance when votes are taken. In addition, there is also The Audit Committee consists of 4 Independent Directors who represent the shareholders in overseeing transparency in the governance of Company operations. The Independent Directors of The Company have qualifications regarding independence. According to the requirements of the Securities and Exchange Act and other relevant laws.

### **2. Subcommittee**

The Board of Directors has also appointed 5 sub-committees to perform specific duties and propose matters to the Board of Directors for consideration or acknowledgment. Each sub-committee has the rights and duties as specified in the powers and duties of each sub-committee. The sub-committees are:

- Audit Committee
- Executive Committee
- Nomination, Remuneration and Corporate Governance Committee
- Risk Management Committee
- Strategy Committee

The Company has clearly separated the roles and responsibilities between the Board of Directors and the executives. The Board of Directors is responsible for formulating policies and supervising the operations of the executives at the policy level. While the executives are responsible for managing the company's operations in various fields in accordance with the specified policies.

The Company has a company secretary who is responsible for giving advice on rules and regulations that the Board of Directors must know and performing duties in overseeing the Board's activities. Including coordinating to ensure compliance with the Board of Directors' resolutions.

### **3. Role, Duties and Responsibilities of The Directors**

The Board of Directors consists of individuals with a wide range of knowledge, skills and expertise. and have leadership which is acceptable The Board of Directors will take part in setting the vision, mission, strategy, policy and the company's budget, including guidelines for doing business as well as supervise the management to manage the operations in accordance with the policies set for efficiency and effectiveness under the framework of laws, objectives, regulations and resolutions of the shareholders' meeting The Board of Directors requires that the Company's vision, strategy, goals, plans and budgets be reviewed annually. As well as provide reports and follow-up on performance according to different principles approved and for the benefit of closely monitoring and supervising the Company's operations The Board of Directors therefore established various sub-committees to monitor and supervise the Company's operations.

#### Corporate Governance Policy

The Board of Directors has a written corporate governance policy that was accepted by The Board of Directors meeting in order that they might review this policy and act accordingly. Moreover, after The Company's ordinary shares are registered on the Stock Exchange of Thailand, The Company will act in accordance with the law and regulations of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

The company has disclosed "Corporate Governance Policy" is posted on the Company's website under the heading Investor Relations. in corporate governance (<http://www.cssthai.com>). However in 2023,, the Company's Board of Directors had no cases where independent directors/non-executive directors resigned due to issues regarding the Company's corporate governance.

#### Business Ethics and Code of Conduct

The Company has written a code of conduct for the Board of Directors, management and employees. for those involved Uphold it as a guideline for performing duties in accordance with the Company's mission with honesty, integrity and fairness in both treatment of the Company. All groups of stakeholder's public and society as well as establishing a system to monitor compliance with such guidelines on a regular basis. The Company has announced and notified all employees and strictly adheres to them. including to ensure compliance with the said guidelines by the Ethics and Business Ethics Communication Company which has been disclosed on the company website and the company's internal website (intranet) The company also organizes training for employees. To ensure that operators are aware of and understand the Company's Code of Conduct and to ensure strict compliance.

The company has disclosed "Code of Business" is posted on the Company's website under the heading Investor Relations. in corporate governance (<http://www.cssthai.com>). However in 2023, the Board of Directors and executives of the Company had no cases of wrongdoing due to ethical and business ethical issues.

#### Conflicts of Interest

The Company's policy regarding conflict of interest is set on the principle that any decision affecting business operations should only be made in the interests of The Company and any action that creates a conflict of interest should be avoided. Persons with an interest in a matter under consideration must inform the Company off their relationship or connection in that matter must not take part in the decision and have no authority to approve that business.

The Audit Committee will advise The Board of Directors on matters that are connected and matters where there is conflict of interest, giving full consideration of the appropriateness in accordance with the guidelines of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In 2023, the company provides knowledge about conflicts of interests to new employees through Orientation, including making documents distributed via e-mail to educate Directors, Executives and employees regarding conflicts of interest and in the past year the company has not found any actions that violate the conflict of interest policy.

#### Committee report

The Audit Committee is responsible for reviewing financial reports with the Accounting Department and the auditor meeting together and presenting the financial reports to the Board of Directors every quarter. The Board of Directors is responsible for the Company's financial statements including financial information (Report on the responsibility of the committee for the report financial statements) appeared in 56-1 One report. The financial statements were prepared in accordance with the accounting standards certified and audited/reviewed by the Company's auditors. As well as to disclose important information both financial information and not financial on the basis of facts completely and consistently.

#### Leadership and Vision

The Board of Directors determines and approves the Company's vision, mission, strategy, goals, business plans and budget by requiring that the Board of Directors meet at least once a quarter to monitor the Company's performance and acknowledge the important actions of the management The Board of Directors has set a vision and mission that is appropriate and consistent with the Company's business operations. Including annual reviews to ensure that the vision and mission of the company are appropriate and in accordance with the current situation and economic conditions, which is disclosed on the Company's website In the topic about the company > Vision and Mission subheading

#### Internal Control

The Company places importance on the internal control system at both the management and operational levels. To ensure operational efficiency, The Company has clearly defined in writing the duties and authority of those performing tasks and the executive. There is oversight of the beneficial use of Company property and the separation of duties between those performing tasks and those supervising and evaluating. The Company appoints the Audit Committee to test the internal control system and carry out an appropriate and effective internal audit, as well as to hire outside experts to inspect the internal control system and report the results to the Audit Committee to ensure that The Company's main operations follow the specified approach and are effective. In the year 2023, the audit results concluded that The Company has sufficient internal control to ensure confidence in achieving the specified operational objectives.

#### **4 Risk Management**

The Company made an evaluation of the adequacy of the existing internal control system in order to consider methods of revising operations to further improve efficiency.

In order to have an effective risk management process at every step in accordance with the principles of good corporate governance The Board therefore resolved to expand the scope of risk management to affiliated companies in order to create confidence among investors and all interested parties regarding business operations under the risk control system that has Guideline in accordance with consistent international principles and also reduces the risk that may occur in the future as well.

#### **5. Meetings of The Board of Directors**

The Board of Directors schedules meetings in advance each year. The Company Secretary will notify the directors of meeting dates for the entire year in advance at the end of the year before the next year's meeting. Invitations are sent out 7 days in advance, unless the situation requires an emergency meeting to protect The Company's interests. Each meeting has a clearly organized agenda. Documents with full details are prepared and sent to The Directors in advance so that they have sufficient time to study the information before the meeting.

The Chairman and Company directors jointly set the agenda and decide the subjects to be discussed at the meeting, with every director having the chance to propose topics for inclusion. Directors may discuss and give their opinions openly and the Chairman summarizes and concludes the views expressed. Votes are passed by a majority with each director having one vote. Directors with an interest will not attend the meeting and/or vote on that matter. If votes are equal, the Chairman will have a deciding vote. The minutes of the meeting will be written after the meeting has finished and the approved minutes will be kept for inspection by The Directors and others.

The committee secretary will record the minutes of the meeting as well as record the discussion, Board of Directors' opinions and send it to the Chairman of the Board of Directors to consider and certify accuracy by proposing to the meeting to certify in the first agenda of the next meeting as well as to store information or documents related to meetings for easy reference later The company has sent documents supporting the agenda every time in advance (average 7 days).

In the year 2023, the schedule for the 2024 Board of Directors' meeting has been set in advance as follows:

No.	Board of Directors Meeting	Audit Committee Meeting	Nomination, Remuneration and Corporate Governance Committee Meeting	Risk Management Committee Meeting	Strategic Committee Meeting	Executive Committee Meeting
1	27 Feb 2024	27 Feb 2024	27 Feb 2024	4 Jun 2024	9 Jan 2024	23 Jan 2024
2	13 May 2024	13 May 2024		3 Dec 2024	26 Mar 2024	20 Feb 2024
3	4 Jun 2024	8 Aug 2024			2 Jul 2024	19 Mar 2024
4	8 Aug 2024	8 Nov 2024			3 Sep 2024	23 Apr 2024
5	8 Nov 2024				1 Oct 2024	21 May 2024
6	3 Dec 2024					18 Jun 2024
7						23 Jul 2024
8						20 Aug 2024
9						17 Sep 2024
10						22 Oct 2024
11						19 Nov 2024
12						17 Dec 2024

Note: However, a meeting may be called apart from the date specified above as necessary or may change the date and time as necessary and appropriate

## 6. Remuneration of Directors and Executives

The Company has a policy to determine the appropriate remuneration for the Board of Directors and sub-committees. By considering the roles and responsibilities Directors who are assigned to be members of the sub-committees will receive additional remuneration according to their roles, duties and responsibilities, which must be comparable to the compensation of other companies of similar size and type of business and proposed to the shareholders' meeting for approval.

For the remuneration of senior management The Board of Directors assigns the Nomination and Corporate Governance Committee to consider and determine the Managing Director's remuneration in accordance with the strategy. Company plans and long-term goals as well as provide an evaluation of the Managing Director's performance according to concrete criteria. Which is consistent with the financial performance and performance according to the objectives and goals that have been set and propose to the Board of Directors for approval.

## 7. Evaluation Performance of the Board of Directors and sub-committees.

The Company has a policy to ask its Board of Directors to the principles of good corporate governance for listed companies to evaluate its performances at least once a year with principles and threads in the assessment with the Stock Exchange of Thailand to consider and review their performances and issues and obstacles over the year and to increase the effectiveness of The Board of Directors by principle and the topic in the evaluation in accordance with the Stock Exchange of Thailand as follows.

1. Composition and Qualifications of The Board of Directors
2. Board Meetings
3. Roles and Responsibilities of The Board of Directors
4. Duties and Independence of The Board of Directors
5. Relationship with The Board of Directors Management
6. Board Development which appraise are different sub-headings based on roles and responsibilities.

For self-assessment process of Board, Nomination, Compensation, and Corporate Governance Committee will consider performance of The Board of Directors and the committees prior to propose to The Board of Directors for consideration. Secretary will submit the evaluation form to The Board of Directors to appraise annual performance. After evaluation process has been done, will be submitted back to secretary to collect scores of each individual. The results of the performance appraisal of The Board of Directors were analyzed and reported to The Board of Directors for acknowledgment and to seek direction in supporting the performance of The Board which evaluation comprises of self-assessment form of The Board, subcommittees and individual committee.

More than 85 %	=	Excellent
More than 75 %	=	Very Good
More than 65 %	=	Good
More than 50 %	=	Acceptable
Less than 50 %	=	To be improved

In 2023, the self-assessment of The Board of Directors, individual and sub-committees can be summarized as follows.

(A) Entire Board of Directors with an average score of 98.34 at an excellent level which the highest score is the committee meeting category. This is because in the past year there were many factors that had a negative impact on economic growth. The committee has increased the importance of committee meetings. The number of meeting days has been determined to be increased from 4 times to 6 times per year in order to brainstorm opinions and solutions to various problems of each director, which is beneficial to decision making and business operations of the company.

(B) Individual Board of Directors has an average score of 97.13 at an excellent level with the highest score being the committee meeting category. due to the economic situation is changing rapidly. Therefore The committee has to study a wider variety of information. To be used to express opinions that are beneficial to the company's decision making.

(C) Audit Committee get an average score of 100 at an excellent level due to Audit Committee is able to perform duties in accordance with Charter of Audit Committee excellently by reviewing to ensure that the company has accurate and reliable financial statements. It also requires the company to operate correctly according to laws and regulations and also places importance on auditing the internal control system to be transparent and verifiable.

(D) Nomination, Remuneration and Corporate Governance Committee get an average score of 100.00 at excellent level. Because Nomination, Remuneration and Corporate Governance Committee Perform duties by determining the qualifications of directors to be recruited in line with regulations and the nature of the business. It also specifies methods and criteria for determining fair compensation by comparing compensation of businesses in the same industry. There is also management and supervision to ensure that the company complies with the requirements of good corporate governance.

(E) Risk Management Committee with an average score of 97.21 at an excellent level, where the topic with the highest score is the Structure and Qualifications of the Risk Management Committee. However, in 2023, the Board of Directors gave priority to concrete risk management, Therefore, it was deemed appropriate to increase the number of the Risk Management Committee and increase the number of meetings from 1 time per year to 2 times per year. To mobilize opinions and suggestions, including managing risks that may affect the company and manage such risks so that they can be controlled.

(F) Strategy Committee with an average score of 95.34 at an excellent level, the highest score is meeting. In the past year, economic conditions and situations changes rapidly and more intense, Therefore, the company has more meetings to brainstorm ideas from various opinions of each director which is beneficial to decision and business.

(G) Executive Committee with an average score of 95.00 at an excellent level, the highest score is meetings. Which, because in 2023 economic conditions and situations changes rapidly and more intense. As a result, the executive committee had to hold a brainstorming meeting for various operations. Including budget management in order to achieve the goals set.

## 8. Performance Assessment of President and Executives

Company has guidelines for evaluating performance of President and all executive levels by using corporate measurement and evaluation systems by dividing the assessment categories in 2 part are as follows:

- First part is using universal practice of Balanced Scorecard, which comprises of 4 factors such as financial, customer, internal and learning and development factors by the opportunity of Human Resource Department.
- Second part is regarding to leader performance based on the guidelines of the Stock Exchange of Thailand and apply to corporate practice under the responsibility of Secretary and Shareholders Department.

Besides evaluation guidelines, company also consider compensation for fairness and effectiveness based on information from the business results and comparison among the same industry which classify into short term. Salary criteria, annual Bonus, other welfare and long term benefits. Provident Fund etc., The Results of President's assessment leads to process of consideration by the Nomination, Compensation, and Corporate Governance Committee and will consider submit to The Board of Directors to consider onwards.

The company arranges for the evaluation of the President annually. To achieve the development of organizational management efficiency. In the past year, the economic situation is widely fluctuating, which affects the company's supply chain, causing the results of the financial and internal process index assessments to decline. As a result, the assessment of the effectiveness of management has increased from the original, in 2022, with a score of 92% and in 2023, the score increased by 89%.

## 9. New Director Orientation

The Company encourages The Directors to attend the training program to increase their understanding on the roles and responsibilities under the good corporate governance campaign by internal training Program and other institute.

Internal training The importance of new director orientation by assigning all incoming directors to attend and Executive team will provide themselves with information relevant to The Directors' duties

External training Company provides education training for new directors in various courses related to the roles and responsibilities of The Directors under the good corporate governance framework such as roles and duties of directors in accordance with the rules and regulations of The Directors, the Securities and Exchange Commission (SEC), Stock Exchange of Thailand (SET), Public Company Limited Act and Thai Institute of Directors (IOD) etc. also encourage specialized knowledge for directors to promote effective performance such as financial reporting knowledge.

## 10. Development of directors and executives of the company

The Board of Directors has a policy to promote training and knowledge to the directors involved in the Company's corporate governance system. which consists of Directors, Audit Committee Executive Director Risk Management Committee Member of the Nomination, Remuneration and Corporate Governance Committee as well as the company's executives in order for the operation to be continually developed if there is a change of directors The Company will provide guidance on the Company's business practices and information useful for the performance of duties of the new directors to encourage the performance of duties. Continuously effective under the framework of good corporate governance as follows:

### Training of the Board of Directors

The Company has a policy to promote training and knowledge for directors to increase knowledge and understanding of good corporate governance principles, including roles and responsibilities, rules and regulations of directors in effective management under good corporate governance principle. At present, there are 9 directors and 4 directors attending courses related to the performance of duties as directors, Director Certification Program (DCP) and Director Accreditation Program (DAP) of the IOD, respectively, from a total of 9 directors, representing 100% , which has a history of training for the Board of Directors who attended the training courses for directors of the Thai Institute of Directors Association as follows:

Name	Position	Corporate Governance for Executives	Role of the Chairman Program (RCP)	Director Accreditation Program (DAP)	Director Certification Program (DCP)	Advanced Audit Committee Program (AACP)	Audit Committee Program (ACP)	Financial Statements for Director (FSD)	Board Matters & Trends (BMT)	Board That make a Difference (BMD)	Board Nomination and Compensation Program (BNCP)
1. Mr.Sompong Kangsawiwat	Chairman and Chief Executive Officer		2012	2006	2011			2012			
2. Assoc.Prof.Pitipat Chataccaraphat (Ph.D Independent Director				2005	2005						
3. Mr.Chattaphum Khantiviriya	Independent Director		2008		2008		2005				
4. Assoc.Prof.Prapart Praisuwan	Independent Director				2009			2013			
5. Mr.Vuthichai Duangratana (Ph.D.)	Independent Director				2014	2016					2018
6. Mr.Opas Tiyawattananroj	Director				2006,2011						
7. Mr.Kittirat Mekmanee	Director				2006,2011						
8. Ms.Panida Sawatwannarat	Director			2005	2005						
9. Ms.Nongnuch Temeesrisuk	Director			2005	2005	2015					



In 2023, there are 2 directors attending training, seminars and lectures as follows:

No	Name	Position	Education/Training
1	Mr. Kittirat Mekmanee	Director / Member of Risk Management Committee / Member of Strategic Committee / Executives Director / Managing Director Business Group	<b>Thailand Energy Academy</b> - The Executive Program in Energy Literacy for a Sustainable Future, TEA Class 17
2	Ms. Panida Sawatwannarat	Director / Member of Risk Management Committee / Member of Nomination, Remuneration and Corporate Governance Committee / Member of Strategic Committee / Executives Director / Managing Director Business Group	Capital Market Knowledge Development Center SET - CFO Refresher

#### 11. Holding the position of the President in another company

The Board takes into account importance on the performance of duties as President to ensure the sufficient time to perform his duties. The Board of Directors has determined the policy for the Managing Director shall not be appointed as a Director in more than 2 other listed companies and must be agreed by The Board of Directors.

#### 12. Policy on Director Nomination

In its nomination of directors, The Company considered the lists of qualified persons to be appointed as Director of The Company and its subsidiaries. Consider the composition of the board according to the Board Skill Matrix to consider the qualifications, knowledge, skills, profession, specific expertise, gender, and necessary experience of the directors to be recruited. So that the composition of the committee is consistent with the company's business strategy. They must be able to devote adequate time to their duties to benefit The Company's business. The Company provided the opportunity for shareholders to propose meeting agenda items and appointment of new director according to the good corporate governance criteria through The Company from October to January. The Nomination, Remuneration and Corporate Governance Committee will propose to Board of Directors Meeting before propose to the Annual General Meeting to shareholders onward.

#### 13. Determination of term of office of directors

The appropriate term of office for a director should not exceed 3 consecutive terms (since 2013 onwards), unless any director is suitable to hold office longer. The committee will consider independence and the efficiency of the performance of the said director's duties and explaining the reasons with the results of the performance of duties to the shareholders.

#### 14. Holding the position of the Director in another company

The Board of Directors has set a policy for holding directorships in other companies. Each director may hold a directorship in no more than 5 companies listed on the Stock Exchange of Thailand.

#### 15. The succession plan

Company recognizes importance of succession planning for top executives and the President to ensure sustainable management. Nomination and Remuneration Committee Corporate Governance determines qualifications of the successor to all aspects of management including knowledge management skills and experiences to ensure that the successor has knowledge sufficient ability to officiate. It also sets the potential for good leadership that information is based on assessment of the Stock Exchange of Thailand and applied to the context of company and assigned Human Resources Management to be responsible for project. Starting from the process of selection of external quality institutes and developed a program of qualified executive development that meets the criteria and guidelines which includes the testing and selection process on summary and report format. This will be used to provide information to the Nomination, Remuneration, and Corporate Governance Committee.

## Governance of Operations of Subsidiaries and Associate Companies

The Company has the following policies on the governance of subsidiaries and associate companies:

- To send directors and/or persons assigned by The Company to be its representative according to the proportion of shares held in order to participate in the management of that business, including the right to vote in Board of Directors meetings and shareholders meeting, for the greatest benefit to The Company;
- To set the scope of authority and responsibilities of The Directors and executives representing The Company in that business in overseeing or taking part in setting important policies for business operations;
- To ensure complete and accurate disclosure of the financial status and operating results, transactions made between the subsidiary and a connected person, the acquisition or disposal of assets, or other important transactions of the subsidiary, and to apply the rules concerning disclosure and transactions of a nature similar to the rules of The Company;
- To ensure that there is an internal control system that is suitable, efficient and adequate for the main business of the subsidiary, with the internal audit department acting as a follow-up and report directly to the audit committee and also other mechanisms in the governance of the subsidiary such as approving a capital increase or decrease, winding up the subsidiary etc.

## Innovation and technology development

The company has guidelines for innovation development. By developing personnel to have knowledge and abilities and be creative to encourage the development of innovations related to products and services, including the pursuit of innovations Technology comes in to help in the work process. To help increase potential and increase competitiveness. To meet the needs and highest customer satisfaction. The company has therefore developed a new transportation system to be more efficient. With the transition into Digital Transformation is considered an innovation The company's processes by implementing a transportation management system (Transportation Management System) comes in to help operations achieve the goals set by the company. This system can deliver and respond to customer needs quickly and accurately. This reflects the efficiency of the customer satisfaction assessment results, which has increased compared to the previous year, which is 2022 received a satisfaction score equal to 86.81% and in 2023 received a satisfaction score equal to 88.76%.

## Oversight of the use of internal information

The Company has the following policies and methods for the oversight of The Directors, executives and employees using internal information that has not yet been publically disclosed for their own benefit, including the trading of assets to be in accordance with the law and principles of good corporate governance as follows:

- To inform directors and executives of various divisions and employees regarding their duty to disclose assets held by themselves their spouse and children still of minor age to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in compliance with Section 59 and subject to the penalties prescribed by Sections 59 and 275 of the Securities and Exchange Act B.E. 2535.
- To require directors and executives to report changes in their assets to the Office of the Securities and Exchange Commission in compliance with Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the date of the changes, and to send a copy of this report to The Company on the same day.
- The Company requires directors, executives and others carrying out related duties who receive important inside information that could influence the price of stock must refrain from trading in Company stock for a period of at least 1 month before the financial or inside information is disclosed publicly, and at least 24 hours afterwards, and also must not disclose that important information to others.

The Company will take disciplinary action against those violating rules against the use of inside information for their own benefit, including written warnings, pay cuts, suspension without pay or dismissal. Penalties will be determined by the intention of the act and the seriousness of the violation.

In 2023, the company will provide knowledge on the use of internal information to new employees through Orientation, including making documents distributed via e-mail to educate directors. Executives and employees about preventing the use of internal information of the company. In the past year, the directors and executives did not buy or sell the company's securities. And there were no cases of wrongdoing regarding the use of internal information.

## **Significant changes and developments in policies, guidelines and systems of corporate governance in the past year**

The Board of Directors gives importance to good corporate governance principles because it is the principle that helps strengthen the efficient and transparent management system and can be checked. The Board of Directors will monitor and review of good corporate governance policy Business ethics every year.

In 2023, the company has improved its good corporate governance policy in accordance with relevant laws. This year has added more about the Personal Data Protection Policy (PDPA) to cover all stakeholders.

## **Compliance with good corporate governance principles in other matters.**

The Board of Directors has established policies and encourages all employees of the Company to uphold ethical principles and the Company's Code of Conduct including corporate governance policy. The ethics and business ethics were incorporated as part of the new employee orientation course. On the first day of work, employees will receive clarifications and understandings to adhere to. In addition, there is a continuous communication to employees about the company's corporate governance policy, such as a public relations board and electronic communication channels (Intranet) including news documents with the aim of raising awareness of importance and it is the duty of everyone to work together. Ensure that the Company's operations are consistent and strictly in accordance with the intent. In the past year, there were no instances where the Board of Directors Executives and employees did not comply or violate the Company's Code of Conduct and Corporate Governance Policy.

According to the survey conducted in 2023 of the Thai Institute of Directors Association summary of the survey The Company received an overall score in the "Excellent" The rating was 85%, It has been rated as a 5-star quality level for the 6<sup>th</sup> year in a row, demonstrating the company's commitment to continually developing CG standards to make the company a good and quality organization. including being transparent and accountable. However, in 2023, it is still not possible to meet the criteria of the CGR program in the following areas:

Has not been implemented	Reason
1. The committee should consist of more than 50% independent directors.	The Board of Directors consists of qualified members with diverse qualifications, capabilities and experience. There are 4 independent directors out of the total of 9 directors, which are considered to be appropriate to the performance of The Board of directors.
2. The Chairman of The Board and the President shouldn't be the same person to divide the supervision duties and management responsibilities Clearly	Although the Chairman of the Board And the President are the same person And is not an independent director But the chairman of the board Has overseen the company Fair, transparent, verifiable by taking into account the interests of the company. By not allowing the benefit of any person It also supports and encourages directors and independent directors to Participate in discussions and express independent opinions. Including the company, there has never been a case In which the chairman has exercised the right to vote in order to decide in any resolution.
3. The board should clearly specify the term of office of independent directors in the corporate governance policy, which should not exceed 9 years, without exceptions.	The company has not yet set the term of office for independent directors to not exceed 9 years, without exception. This is because the independent directors who have held office for more than 9 years have all the qualifications according to the Public Limited Companies Act, B.E. 2535, are experienced and have expertise in accounting and finance who can provide useful advice to the Company. As well as being able to express opinions independently, which meets the criteria of the law regarding the requirements regarding independent directors. Therefore, he is considered to be an important person for the company in running the business to achieve its goals.
4. The Nomination, Remuneration and Corporate Governance Committee should be an independent committee.	The Nomination, Remuneration Committee consists of The Nomination Committee consists of 3 members consisting of 2 independent directors and 1 executive director. In which The Nomination, Remuneration Committee is an independent director .The Board of Directors has considered that The composition of the current selection committee is appropriate. Including all of the Nomination Committee who are qualified and able to perform their duties well and efficiently.
5. Anti-Corruption Action	The data preparation process is in progress due to the important data that is consistent with the internal audit plan of the internal control system auditors. Including the data review based on the self-assessment to prepare for the CAC certificate application.

## 7. Corporate Governance Structure and important information about the board Sub-committee, other employee executives

### 7.1 Management Structure



### 7.2 Information about the Board of Directors Sub-committee and executive

#### Structure of Directors and composition of the Board of Director

Company management structure consisting of the board of directors and executives, the board of directors consists of Directors with knowledge, ability and experience in various fields. Including business sectors and other fields. that are beneficial to the operations of the Board of Directors and the business operations of the Company The board of directors must have a sufficient number of directors to oversee the company's business effectively. That is, not less than 5 people and the director structure is at least 1/3 of the total number of directors and not less than 3 people are independent directors and there must be at least 1 non-executive director who has experience in accounting and finance. The committee is responsible for determining the overall policy of the business. As well as considering the management of important matters of the business. Including supervising and inspecting that the company's operations are in accordance with the planned plan with efficiency and transparency, taking into account the vision, mission, and principles of good corporate governance and business ethics

The Board of Directors determine to have 5 sets of committee with the Audit Committee, Nomination, Remuneration and Corporate Governance Committee, Risk Management Committee, Strategy Committee, Executive Committee and determine that the Chairman of the Board of Directors, Audit Committee and Nomination, Remuneration and Corporate Governance Committee are Independent Committee.

The Company's Board of Directors as of December 31, 2023 consisted of 9 people as follows:

Director type	Number (people)	Percentage ratio of total committee
Female Directors	2	22.22
Independent Director	4	44.44
Non-Executive Director	4	44.44
Executive Director	5	55.56

The company places importance on the qualifications of the board of directors. There is diversity in terms of skills, knowledge, experience, and expertise and specialized professional skills that will support the company's operations. Therefore, a table of knowledge and expertise Board Skills Matrix has been prepared to be used as information for recruiting individuals to serve as directors in related fields as well as to enhance the work of the Company's Board of Directors.

➤ Board Skill Matrix

No.	Director / Expertise	Account	Finance	Investment	Law	Engineering	Organization Management	Risk Management	Knowledge and expertise in the	International trade	Technology
1	Mr.Sompong Kangsawiwat	-	-	*	-	*	*	*	*	-	-
2	Mr.Opas Tiyawattanaoj	-	-	-	-	*	*	*	*	-	*
3	Mr.Kittirat Mekmane	-	-	-	-	*	*	*	*	-	*
4	Ms.Panida Sawatwannarat	*	*	-	-	-	*	*	*	-	-
5	Ms.Nongnuch Temeesrisuk	*	*	-	-	-	*	*	*	-	-
6	Assoc.Prof.Pitipat Chataccaraphat (Ph.D)	*	*	*	*	-	*	*	-	-	-
7	Mr.Chattaphum Khantiviriya	*	*	*	*	-	*	*	-	-	-
8	Assoc.Prof.Prapart Praisuwan	*	*	*	*	*	*	*	*	*	*
9	Mr.Vuthichai Duangratana (Ph.D.)	*	*	*	*	-	*	*	-	*	-

The Board of Directors provides the appropriate size businesses. The current Board has 9 directors consisting of 5 executives' directors and 4 non-executives' directors (Four are Independent Directors).

The Independent Directors are as follows;

1. Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)
2. Mr. Chattaphum Khantiviriya
3. Assoc.Prof.Prapart Praisuwan
4. Mr.Vuthichai Duangratana (Ph.D.)

### Independent Directors

The present Board of Directors consists of 4 Independent Directors, which is a half of all Directors. The Company realizes the importance of good corporate governance which defined the Chairman of the Board must not be the same person as the President in view of clear-cut responsibilities and duties. The Board of Directors gives consent of the definition and qualifications of Independent Directors, the regulations of which are more stringent than those of the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET), as follows:

1. Hold no more than 1% of the overall shares in The Company, subsidiaries, associated companies, or person(s) with potential conflicting interests.
2. Take no part in The Director administration, including not being an employee, personnel, permanent advisor, professional advisor to The Company such as an auditor, lawyer or authorized person of The Company or subsidiaries, or associated companies, or person(s) with potential conflicting interests and with no invested interest for no less than two years and can attend the Directors' meetings with independent opinions.

3. Have no business connection, no vested interest, whether directly or indirectly, financially or administratively, including not being a client, partner, supplier, trade or creditor/debtor of The Company, subsidiaries, associated companies, or person(s) with potential conflicts of interest and thus lacking independence.
4. Have no or never had business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant in respect of holding the power which may cause the obstacle of the independent decision, including not being or never been the significant shareholder, or controlling parties of any person having business relationship with the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to SEC.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which causes liability or obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3% of the net tangible assets of the applicant or equal or above 20 million baht, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction mutatis mutandis. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.

5. Is not or has never been the auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of applicant, and is not the significant shareholder, controlling parties, or partner of the auditing firm which employs such auditor of the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties of the applicant unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
6. Is not or has never been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the applicant, its parent company, subsidiaries, associates, major shareholders, or controlling parties, and is not the significant shareholder, controlling parties, or partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application to the SEC.
7. Is not The Director who is nominated to be the representative of directors of the applicant, major shareholders, or any other shareholder related to the major shareholder.
8. Do not operate the same and competitive business with the business of the applicant, or its subsidiaries, or is not a significant partner of the partnership, or is not an executive director, employee, staff, advisor who receives salary, nor holds shares for more than 1% of the total shares with voting right of any other company which operates same and competitive business with the business of the applicant, or its subsidiaries.
9. Is not any otherwise which is unable to have the independent opinion regarding the business operation of the applicant.

### 7.2.1 Board of Directors

According to The Company's regulations, the Board of Directors consists of at least 5 and at least half of the directors must reside in the Kingdom without sex discrimination. The Directors must carry out their duties under the laws, objectives and regulations of The Company, as well as the resolutions of shareholders' meetings, safeguarding The Company's benefit and assign Company Executives to work on their behalf. The Board of Directors on 31 December 2023 as follows;



The Board of Directors consists of : 9 People

	Name		Position
1	Mr.Sompong	Kangsawiwat***	Chairman and Chief Executive Officer
2	Assoc.Prof.Pitipat	Chataccaraphat (Ph.D)	Independent Director
3	Mr.Chattaphum	Khantiviriya	Independent Director
4	Assoc.Prof.Prapart	Praisuwanna*	Independent Director
5	Mr.Vuthichai	Duangratana (Ph.D)	Independent Director
6	Mr.Opas	Tiyawattanaroj	Director
7	Mr.Kittirat	Mekmane***	Director
8	Ms.Panida	Sawatwannarat	Director
9	Ms.Nongnuch	Temeesrisuk**/***	Director

**Remarks:**

\* Assoc.Prof.Prapart Praisuwanna is a non-executive Director who has work experience related to the business of The Company.

\*\* The Corporate Secretary is Ms.Nongnuch Temeesrisuk.

\*\*\* Mr.Sompong Kangsawiwat , Mr.Kittirat Mekmanee and Ms.Nongnuch Temeesrisuk. The term of office in 2024. However, the appointment of the replacement directors who retired by rotation in the Annual General Meeting of Shareholders in 2024.

## 7.2.2 Authorized Directors to sign behalf and bind The Company as stated in The Company's certificate

The Directors authorized to sign their names binding The Company are Mr. Sompong Kangsawiwat, Mr. Opas Tiyawattanaroj, Mr. Kittirat Mekmanee, Miss Panida Sawatwannarat and Miss Nongnuch Temeesrisuk, two out of five directors jointly sign their named affixed with The Company's seal.

### Chairman of the Board

The Company adheres to the management principles that are clearly defined in accordance with the obligations strictly and recorded in writing for easy consideration and scoped decisions. Although the Chairman of the Board of Directors has held other positions as well, namely Chief Executive Officer Managing Director and is not an independent director but management is smooth and transparent.

It has also given importance to the opportunity to ask questions and provide independent suggestions. In addition, at least one-third of the Board of Directors is independent directors. But not less than 3 persons are independent directors. The Company has 4 independent directors to participate in setting agendas for the Board of Directors' meetings and to represent minority shareholders. Perform duties of checks and balances for the management of the Company's affairs in order to operate properly, fairly and for the best interests of the shareholders. The powers and duties of the Chairman of the Board of Directors are as follows:

1. To act as the leader of the Board of Directors in supervising, monitoring and ensuring that the Board's performance of duties is effective and that the objectives and main goals are achieved.
2. Ensure that all directors participate in fostering an organizational culture of ethics and good corporate governance;
3. Meeting agendas and measures are set to ensure that important matters are included in the meeting agenda. As well as being the chairman of the Board of Directors' meeting and the shareholders' meeting of the Company and supervise the said meeting to be smooth and in accordance with the Public Limited Company Act and the Securities and Exchange Act.
4. Sufficient time is allocated for the Board of Directors' meetings for the management to propose matters and for the directors to carefully discuss important issues and encourage directors to exercise their discretion carefully and express opinions independently.
5. Fostering good relationships between executive and non-executive directors and between the Board of Directors and the management.
6. Has a decisive vote in the event that the Board of Directors' meeting and the Company's shareholders' meeting have equal votes.

### 7.2.3. Scope of duties and responsibilities of the Board of Directors

1. To hold annual general meeting of shareholders within 4 months from the end of fiscal year.
2. To hold the Board of Directors' meeting at least every 3 months, with attendance of all directors. Extra meeting may be held in case of necessity.
3. To provide annual report, to be responsible for execution and disclosure of financial statement audited by the auditors in order to reveal the financial status and operation result of the previous year, as well as to propose to the shareholders' meeting for consideration and approval.
4. To authorize and be responsible for compliance with laws, objectives and The Company's regulations, including resolution of the shareholders' meeting with honesty, while maintaining the benefit of The Company and the shareholders on regular basis.
5. To determine target, approach, policy, operation and budget plan of The Company, to efficiently and effectively control and manage the operation of The Executive Committee to be in compliance with the assigned policy in order to add maximum economic value to The Company as well as highest benefit to the shareholders.
6. To have a power of appointment or supervise the committee or operative group to consider or execute in a particular matter as considered appropriated by the Board of Directors.
7. To have the power to audit and approve on policy, approach and operation plan for large investment project as proposed by the Committee and/or the management
8. To control and oversee the compliance to securities and stock exchange law, including regulations of the Stock Exchange such as execution of connected transaction and acquisition or disposal of significant assets under criteria of the Securities and Stock Exchange Commission or the Stock Exchange of Thailand or applicable laws related to the business of The Company.
9. To be responsible for shareholders and to operate business based on the highest benefit of the shareholders, including disclosure information to the investors with accuracy, adequacy, standards and transparency.
10. To consider the management structure, pursue work procedures to be consistent with operation and budget plan on regular basis, monitor business operation and work performance of the committee and/or the management on regular basis to ensure the effective business operation of The Company.
11. Must not operate any business or become a partner in ordinary partnerships or become a partner with unlimited liability in limited partnerships or become a director of other private company which have the same nature as and are in competition with the business of The Company regardless of for their own benefit or the others' unless the notification is made to shareholders meeting prior to the resolution for such appointment.
12. A director shall notify The Company without delay of direct or indirect interest in a contract entered into with The Company or holds shares or debentures in an increased or decreased amount of The Company or an affiliate company.
13. Responsible for shareholders and to operate business with focus on the highest benefit of the shareholders, including disclosing the information to the investors with accuracy, adequacy, standards and transparency.
14. To supervise and set up an internal audit system to enable effective internal control system, reliable risk management and reliable financial report. The Internal Audit Unit is assigned to monitor and jointly work and liaise with the Audit Committee as well as external auditor in reviewing the internal control system.
15. To have power to consider and approve any matters necessary and related to The Company or considered as appropriate and beneficial to The Company.
16. The following matters can be executed by the Board of Directors only upon approval from the shareholders' meeting:
  - a) Any matters as stipulated by law that requires resolutions from the shareholders' meeting and
  - b) Any matters where the directors' interest involved and under the law or notifications from the Securities and Stock Exchange Commission and the Stock Exchange of Thailand which stipulated to require approval from the shareholders' meeting.

17. The decision of the Board of Directors must receive approval from the shareholders' meeting with the votes of not less than three-fourths (3/4) of the shareholders attending the meeting and having the right to vote.
  - a) Disposal or transfer as a whole or important part to other person
  - b) Acquisition or receive business of other companies under ownership of The Company
  - c) Conveyance, amendment or termination of agreements concerning all leasing business of The Company, as a whole or important parts, delegation other person to operate The Company's business, or merging with other juristic person with intention to share the profit margin
  - d) Amend the memorandum of association or articles of association of The Company
  - e) Increase, reduction or issuance of debenture stock of The Company
  - f) Amalgamation or dissolution
  - g) Any other matters set forth under the securities and stock exchange law and/or notification from the Stock Exchange of Thailand that requires approval from the Board of Directors' meeting and the shareholders' meeting with the vote aforesaid.
18. Report on one's own portfolio of securities, as well as those of their spouses and children not yet of legal age in The Company and subsidiaries to the monthly Board of Directors meeting and must report to The Company without delay
19. Each Director cannot hold a Director position in a listed company in SET and subsidiary company more than five companies.

However, any matters where the directors and/or related person have interest or conflict of interest with The Company and/or its subsidiaries (if any), the said directors have not right to vote on such matter.

#### The appointment and retirement of the Board of Directors

1. At each annual general meeting of shareholders, 1/3 of the directors, or if the number is not a multiple of 3, then the number nearest to 1/3, must retire from office. The directors who have been the longest in office shall retire first. The retiring directors may be re-elected.
2. Prior to annual general meeting of shareholder, The Company will give an opportunity to any stakeholders to submit candidates, then the Nomination and Remuneration Committee will select and nominate qualified persons to be directors to the Board of Directors before seeking approval from the shareholders' meeting.
3. The shareholders' meeting shall appoint the Directors upon the rules and procedures below
  - 3.1. Each shareholder shall have one vote per share.
  - 3.2. Each shareholder may cast all his/her vote(s) according to electing one or several candidates as directors, and can allot the votes to any person at any number.
  - 3.3. The candidates receiving the highest number of votes in the respective order of the votes shall be elected as directors at such time. In the event that a number of candidates receiving an equal number of votes for the last directorship exceed the number of directors required, Chairman of the meeting shall have a casting vote.
4. Apart from retirement by rotation, the Directors shall vacate the office upon:
  - Death;
  - Resignation;
  - Lack of qualification or possession of prohibited characteristics as written in section 68 Public Limited Companies Act B.E. 2535;
  - Removal by resolutions of the Shareholders' meeting as written in section 76 Public Limited Companies Act B.E. 2535;
  - Dismissal by a court order.
5. In the case of any vacancy on the Board of Directors not by purpose of retirement by rotation, the Nomination and Remuneration Committee shall elect a person who is qualified and does not possess any prohibited characterize as provided by the Public Limited Companies Act and the Securities and Exchange Act, to become member of the subsequent Board of Directors' meeting. Unless the remaining term of the directorship is less than 2 months, the replacement shall retain his/her office as same as the period for which the former director was entitled to retain. The resolution of the Board of Directors in respect of the first paragraph shall consist of not less than three-fourth votes of the remaining directors.

## Board of Directors' Meeting

In each meeting The company secretary will send the meeting invitation letter together with the meeting agenda. Including meeting documents to all directors at least 7 days in advance of the meeting, that the directors have enough time to study the information before the meeting. All directors are able to propose topics for the meeting. By informing the secretary and the shareholders' section to proceed in the meeting. The Chairman and the Board of Directors jointly set the meeting agenda and consider the agenda of the Board of Directors' meeting. By allowing each director to propose different matters to be considered as an agenda of the meeting.

The Chairman of the Board of Directors will be person who stipulate and consider agenda topic that allows each director to express his/her opinions freely and efficiently. In case of a Director having a stake in a matter being considered, The Director shall inform the meeting of such stake and shall not participate in discussing the matter and not exercise the voting right on the matter. In the event that the votes are equal, Chairman of the meeting shall have an additional casting vote for.

In addition, the minute report will be written completely after the meeting, information approved and stored so that it could be examined by authorized person. At least 2/3 of the total number of directors shall be presented to form a quorum at the same time of the Board passing a resolution. The Board of Directors should attend the board meeting consistently, with an average participation of at least 75% of total number of board meetings held in each year. In 2023 The Board of Directors held a total of 7 meetings to consider the operating results. There were 7 physical meetings with 98.41% of the total number of directors attending the meeting.

### Details of Directors' attendance are as follows:

Name			Number of meeting attendance (times)					
			Board of Directors Meeting			shareholder meeting		
			Onsite	Online	Total	Onsite	Online	Total
1	Mr.Sompong	Kangsawiwat	7	0	7/7	1	0	1/1
2	Assoc.Prof.Pitipat	Chataccaraphat (Ph.D)	7	0	7/7	1	0	1/1
3	Mr.Chattaphum	Khantiviriya	7	0	7/7	1	0	1/1
4	Assoc.Prof.Prapart	Praisuwanna	6	0	6/7	1	0	1/1
5	Mr.Vuthichai	Duangratana (Ph.D)	7	0	7/7	1	0	1/1
6	Mr.Opas	Tiyawattanaroj	7	0	7/7	1	0	1/1
7	Mr.Kittirat	Mekmanee	7	0	7/7	-	0	0/1
8	Ms.Panida	Sawatwannarat	7	0	7/7	1	0	1/1
9	Ms.Nongnuch	Temeesrisuk	7	0	7/7	1	0	1/1

*Note: Onsite is attending the meeting at the meeting location/ Online is to join the meeting via teleconferencing system*

In 2023, there was 1 non-executive committee meeting among themselves without management attending the meeting. There were 4 out of 4 non-executive directors attending the meeting (accounting for 100 percent). On December 12, 2023, they discussed the board structure and various management issues that were of interest and reported the results of the meeting to the Board of Directors for information.

Attendance at meetings of other sub-committees ended on 31 December 2023.

	Name	Number of meeting attendance (times)														
		The Audit Committee			The Nomination, Remuneration and Corporate Governance Committee			The Risk Management Committee			The Strategic Committee			The Executives Committee		
		Onsite	Online	Total	Onsite	Online	Total	Onsite	Online	Total	Onsite	Online	Total	Onsite	Online	Total
1	Mr.Sompong Kangsawiwat	-	-	-	-	-	-	2	0	2/2	5	0	5/5	14	0	14/14
2	Assoc.Prof.Pitipat Chataccaraphat (Ph.D)	4	0	4/4	1	0	1/1	2	0	2/2	5	0	5/5	-	-	-
3	Mr.Chattaphum Khantiviriya	4	0	4/4	1	0	1/1	2	0	2/2	5	0	5/5	-	-	-
4	Assoc.Prof.Prapart Praisuwanna	4	0	4/4	-	-	-	2	0	2/2	5	0	5/5	-	-	-
5	Mr.Vuthichai Duangratana (Ph.D)	4	0	4/4	-	-	-	2	0	2/2	5	0	5/5	-	-	-
6	Mr.Opas Tiyawattanaroj	-	-	-	-	-	-	2	0	2/2	5	0	5/5	14	0	14/14
7	Mr.Kittirat Mekmanee	-	-	-	-	-	-	2	0	2/2	5	0	5/5	14	0	14/14
8	Ms.Panida Sawatwannarat	-	-	-	1	0	1/1	2	0	2/2	5	0	5/5	14	0	14/14
9	Ms.Nongnuch temeesisruk	-	-	-	-	-	-	2	0	2/2	5	0	5/5	14	0	14/14

Note: Onsite is attending the meeting at the meeting location/ Online is to join the meeting via teleconferencing system

## Report on Securities Holding of Directors, Executives, Director's spouse or minor child of directors and Executives

The Board of Directors has determined that directors and executives have a duty to report holdings of its own securities and related since the election as the directors and executives of The Company. Each time there is a change in the holding of such securities, Must Reports to The Company and the Securities and Exchange Commission of Thailand (SEC) Within 3 business days for report. In the Board of Directors Meeting No.1/2018 has approved The Company's Secretary to make report on Securities Holding of Directors, Executives, Director's spouse or minor child of directors and Executives to acknowledge before the Board of Directors Meeting on a quarterly basis as at 31 December 2023 are as follows;

### Ordinary Share

No	Name	Position	Number of Shares at 31 December 2022	Number of Shares at 31 December 2023	Increase (Decrease)	Ratio of the Company's shares (%)
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#### The Board of Director

1	Mr.Sompong Kangsawiwat	Chairman and Chief Executive Officer	208,148,836	208,148,836	-	17.70
	Director's spouse or minor		-	-	-	-
2	Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)	Chairman of Audit Committee/ Independent Director	-	-	-	-
	Director's spouse or minor		-	-	-	-
3	Mr.Chattaphum Khantiviriya	Member of Audit Committee /Independent Director	-	-	-	-
	Director's spouse or minor		-	-	-	-
4	Assoc.Prof.Prapart Praisuwanna	Member of Audit Committee /Independent Director	-	-	-	-
	Director's spouse or minor		-	-	-	-
5	Mr.Vuthichai Duangratana (Ph.D.)	Member of Audit Committee /Independent Director	250,000	250,000	-	0.02
	Director's spouse or minor		-	-	-	-
6	Mr.Opas Tiawattananaraj	Director	56,339,711	56,339,711	-	4.79
	Director's spouse or minor		-	-	-	-
7	Mr.Kittirat Mekmanee	Director	30,058,756	30,058,756	-	2.56
	Director's spouse or minor		10,000,000	10,000,000	-	0.85
8	Ms.Panida Sawatwannarat	Director	3,341,688	3,341,688		0.28
	Director's spouse or minor		-	-	-	-
9	Ms.Nongnuch Temesrisuk	Director	1,502,928	1,502,928	-	0.13
	Director's spouse or minor		-	-	-	-

#### Executives

1	Mr.Sompong Kangsawiwat	The President	208,148,836	208,148,836	-	17.70
	Director's spouse or minor		-	-	-	-
2	Mr.Opas Tiawattananaraj	Managing Director Telecommunication	56,339,711	56,339,711	-	4.79
	Director's spouse or minor		-	-	-	-
3	Mr.Kittirat Mekmanee	Managing Director Business Group	30,058,756	30,058,756	-	2.56
	Director's spouse or minor		10,000,000	10,000,000	-	0.85
4	Ms.Panida Sawatwannarat	Managing Director Finance & Control Group	3,341,688	3,341,688	-	0.28
	Director's spouse or minor		-	-	-	-
5	Ms.Nongnuch Temesrisuk	Managing Director Management & Corporate	1,502,928	1,502,928	-	0.13
	Director's spouse or minor	Governance Group	-	-	-	-

### 7.3 Information about the committees.

The Company's sub-committees consist of the Audit Committee. Nomination, Remuneration and Corporate Governance Committee Risk Management Committee Strategy Board and the Executive Committee as the following details,

#### The Audit Committee

The present Audit Committee consists of four Directors Having knowledge and experience in accounting, finance and auditing sufficient to review the reliability of the financial statements of all 4 persons. They are also qualified as independent directors according to the qualifications of the Securities and Exchange Commission and the Stock Exchange of Thailand.

In the year 2023, Audit Committee hold 4 meeting. Should attendance not less than 3 times. Members of The Audit Committee attendance about 100% of the meetings. At 31 December 2023, The names of the Audit Committee are:

Name - Surname	Position	Type of director / expertise
1. Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)*	Chairman of Audit Committee	Independent Director/Expert in accounting and finance
2. Mr. Chataphum Khantiviriya	Member of Audit Committee	Independent Director/has expertise in finance, investment and law
3. Assoc.Prof.Prapart Praisuwanna	Member of Audit Committee	Independent Director/Expert in engineering and technology
4. Mr. Vuthichai Duangratana (Ph.D.)	Member of Audit Committee	Independent Director/Expert in international trade and law

*Ms. Panida Sawetwanarat Acting as secretary of the Audit Committee*

*\*Assoc.Prof.Pitipat Chataccaraphat (Ph.D.) is an audit committee member who graduated directly in accounting.*

#### Scope of Authority and Responsibilities of the Audit Committee

- To verify the accuracy and adequacy of The Company's financial statement.
- To verify The Company's Internal Control and Internal Audit systems are appropriate and effective, evaluate the independence of The Company's Internal Audit Unit, and approve the appointment, transfer and dismissal of the head of the Internal Audit Unit or any other unit that has responsibilities related to the internal audit.
- To verify that The Company acts in compliance with the Securities and Exchange Act, regulations of the Stock Exchange and laws related to The Company's business.
- To consider, select and propose the appointment of independent persons to act as auditors of The Company and their appropriate remuneration. They must also attend meetings with the auditors, without anyone from the management present, not less than 1 time per year.
- To consider matters that is connected or may involve conflicts of interest, to ensure compliance with the law and regulations of the Stock Exchange and to have confidence that those matters are handled discreetly and in the best interests of The Company.
- To produce the Audit Committee report for publication in The Company's annual report, to be signed by the Chairman of the Audit Committee and containing at least the following information.
  - Comments on the accuracy, completeness and reliability of The Company's financial report.
  - Comments on the adequacy of The Company's internal control system
  - Comments regarding the legality of practices in regard to the Securities and Exchange Act, regulations of the Stock Exchange or other laws relating to The Company's business.
  - Comments regarding the suitability of the internal auditor.
  - Comments matters where there is a possible conflict of interest.
  - The number of Audit Committee meetings and attendance of each committee member.



- g. Comments or overall observations that the Audit Committee have received while carrying out duties in accordance with their charter
  - h. Other matters that should be reported to the shareholders or investors, within the scope of the duties and accountability received from the Board of Directors.
7. Other responsibilities assigned by the Board of Directors and accepted by the Audit Committee.
  8. If, during the course of the aforementioned duties, the audit committee find or suspect any of the following matters or actions, which may have significant effects on The Company's financial stability or business operations, they should report to the Board of Directors so that the matter may be rectified within a time period that the audit committee sees fit.
    - a. Conflicts of interest.
    - b. Dishonesty, irregularities or flaws in the internal control system.
    - c. Violations of the Securities and Exchange Act, the regulations of the Stock Exchange or other laws relating to The Company's business. Should the Board of Directors or Company executives not rectify problems within the specified time period, one of the Audit Committee may report the matter to the Office of the Securities and Exchange Commission or the Stock Exchange.

### Nomination, Remuneration and Corporate Governance Committee

The Board of Directors appoints the Nomination, Remuneration and Corporate Governance Committee to nominate and define criteria for transparent and fair remuneration to Directors and the senior executives in compliance. The Nomination, Remuneration and Corporate Governance Committee hold at least one meeting a year.

In the year 2023, the Nomination, Remuneration and Corporate Governance Committee held 1 meeting. Members of The Nomination, Remuneration and Corporate Governance Committee attendance 100% of the meeting. At 31 December 2023, The names of Nomination, Remuneration and Corporate Governance are:

	Name	Position	Type of director / expertise
1	Assoc.Prof.Pitipat Chataccaraphat (Ph.D)	Chairman of Nomination, Remuneration and Corporate Governance Committee	Independent Director
2	Mr.Chattaphum Khantiviriya	Member of Nomination, Remuneration and Corporate Governance Committee	Independent Director
3	Ms.Panida Sawatwannarat	Member of Nomination, Remuneration and Corporate Governance Committee	Director

Mrs.Prapussorn Lakwuthiwong is a secretary of the Nomination, Remuneration and Corporate Governance Committee

### Scope of Authority and Responsibilities of the Nomination, Remuneration Committee

1. 1. Recruit and present a list of qualified persons. Complete the composition of the committee according to the Board Skill Matrix to serve on The Company's Board of Directors and committees (if any), including the achievements, qualifications of outgoing directors and their suitability for re-election, for the consideration of the Board of Directors and the AGM for approval of the appointment as a Director and/or committee member (if necessary).
2. To advise the Board of Directors on approving the structure of compensation for the Board and committees (if any), including monthly remuneration, incentives, bonuses, welfare, meeting allowances and other benefits, financial and otherwise, for approval of the Directors annual compensation by the AGM.
3. To consider, search for and specify appropriate qualifications and also set the compensation structure and terms of the employment agreement for The Company's Chief Executive Officer.
4. To advise the Board of Directors and oversee matters regarding The Company's vision and human resources strategy, including an executive development plan.
5. To undertake other duties related to the nomination and remuneration of directors, committee members (if any) and the Chief Executive Officer as assigned by the Board of Directors.

### Scope of Authority and Responsibilities of the Corporate Governance Committee

1. To consider, review, and present the following policies for the Board of Directors' approval. Such policies are Corporate Governance Policy, Code of Conduct, Corporate Social and Environmental Responsibility Policy, Sustainable Development Policy, and any practice for supporting The Company' operation in compliance with corporate governance, transparency, fairness, and sustainable growth.
2. To monitor, review and ensure that systems in the organization comply with code of conduct and best practices as defined.
3. To oversee and operate with the good corporate governance of law and regulations of the Securities and Stock Exchange Commission and the Stock Exchange of Thailand.
4. Assessing the performance of the Board of Directors, the individuals and sub-committee including in the assessment to present to the Board of Directors for consideration.
5. To monitor and report the organization's performance as said in Corporate Governance Policy and relevant policies to the Board of Directors and external organizations as appropriate.

### Risk Management Committee

The Risk Management Committee is responsible for the appropriate management of The Company as assigned by the Board of Directors in written form. The Committee has 9 members, there are 4 independent directors and 5 executive directors.

In the year 2023, The Risk Management Committee held 2 meeting. Member of The Risk Management Committee .attendance 100% of the meeting. At 31 December 2023, The names of The Risk Management Committee are as follows:

Name	Position	Type of director / expertise
1. Assoc.Prof.Pitipat Chataccaraphat (Ph.D)	Chairman of the Risk Management Committee	Independent Director
2.Mr.Chattaphum Khantiviriya	Member of Risk Management Committee	Independent Director
3. Assoc.Prof.Prapart Praisuwan	Member of Risk Management Committee	Independent Director
4. Mr. Vuthichai Duangratana (Ph.D.)	Member of Risk Management Committee	Independent Director
5. Mr.Sompong Kangsawiat	Member of Risk Management Committee	Executive Directors
6. Mr.Opas Tiawattanoj	Member of Risk Management Committee	Executive Directors
7. Mr.Kittirat Mekmanee	Member of Risk Management Committee	Executive Directors
8. Ms.Panida Sawatwannarat	Member of Risk Management Committee	Executive Directors
9. Ms.Nongnuch Temeesrisuk	Member of Risk Management Committee	Executive Directors

### Scope of Authority and Responsibilities of the Risk Management Committee

1. To set and present risk management policies for approval by the Board of Directors in areas such as liquidity risk, operational risk, marketing risk and other areas of significance for The Company.
2. To set strategies, plans and framework for risk management consistent with the policies, and analyzing, evaluating, testing and effective oversight of risk management procedures.
3. To study and revise The Company's working procedures in areas related to risk management to ensure that organizational risk management is adequate and appropriate.
4. To appoint persons and/or units and/or working groups and that are involve with risk management as appropriate and specifying their duties in accordance with the objectives.
5. To oversee, monitor and evaluate the work to ensure the appropriate use of risk management strategies in practice and for the revision and development of an efficient risk management system consistent with The Company's business operations, including assessment of potential risks that will affect operations from both external and internal factors.
6. To undertake any other duties related to risk management as assigned by the Board of Directors.

## Strategic Committee

The Board of Directors has set up the Strategic Committee to oversee the investment operations of The Company also follow up the investment strategy. The strategic Committee holds 5 meetings each year. In 2023 Member of The Strategic Committee attendance about 100% of the meeting. At 31 December 2023. The names of The Strategic Committee are as follows:

Name	Position	Type of director / expertise
1. Mr.Sompong Kangsawiwat	Chairman of the Strategic Committee	Executive Directors
2. Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)	Member of Strategic Committee	Independent Director
3. Mr.Chattaphum Khantiviriya	Member of Strategic Committee	Independent Director
4. Assoc.Prof.Prapart Praisuwan	Member of Strategic Committee	Independent Director
5. Mr.Vuthichai Duangratana (Ph.D.)	Member of Strategic Committee	Independent Director
6. Mr.Opas Tiawattananroj	Member of Strategic Committee	Executive Directors
7. Mr.Kittirat Mekmanee	Member of Strategic Committee	Executive Directors
8. Ms.Panida Sawatwannarat	Member of Strategic Committee	Executive Directors
9. Ms.Nongnuch Temeesrisuk	Member of Strategic Committee	Executive Directors

## Scope of Authority and Responsibilities of the Strategic Committee

1. Formulate strategies, plans and operational frameworks for investment of company to comply with investment policy which can analyze, evaluate, measure and track effectively
2. Study and review work processes of company in relation to investment to ensure that organization has appropriate management and investment management processes
3. Supervise, monitor and evaluate performance to ensure investment management strategies have been implemented appropriately and to review and develop an efficient investment management system in accordance with business operations
4. Perform any or tasks related to risk management as assigned by Board of Directors.

## Executives Committee

The Executive Committee of The Company consisted of 5 persons. The Executives Committee hold every month. In the year 2023, The Executive Committee holds 14 meetings. Members of the Executives Committee attendance 100% of the meetings. The names are as follows;

Name	Position	Type of director / expertise
1. Mr.Sompong Kangsawiwat	Chief Executive Officer	Executive Directors
2. Mr.Opas Tiawattananroj	Executive Committee	Executive Directors
3. Mr.Kittirat Mekmanee	Executive Committee	Executive Directors
4. Ms.Panida Sawatwannarat	Executive Committee	Executive Directors
5. Ms.Nongnuch Temeesrisuk	Executive Committee	Executive Directors

## Authorities and Duties of Chief Executives Officer

1. Govern and monitor the performance of Executive Committee
2. Advise the management on business procedure
3. Govern and monitor Management to perform according to the resolution of the Board of Directors
4. Perform other duties as assigned by the Board of Directors

## Scope of Authority and Responsibilities of The Executive Committee

1. The Executive Committee has authority over management and corporate operations as specified by the Board of Directors or by approval of the Board in particular instances.
2. The Executive Committee has authority over the administration of The Company in accordance with the policies and plans that have been set.
3. The Executive Committee has authority as granted by the Board of Directors.
4. The following business must first be submitted for approval by The Executive Committee.
  - 4.1 matters related to Company policy.
  - 4.2 matters that if implemented would cause significant changes to The Company's activities.
  - 4.3 matters that by law have to be performed by the Board of Directors.
  - 4.4 matters that have to be performed according to Company rules.
  - 4.5 matters that The Executive Committee sees fit to submit for approval on a case-by-case basis or following the principles set out by the Board of Directors.
5. The Executive Committee has the authority and duty to carry out specified activities for the administration of The Company's success and to meet Company targets, which include.
  - 5.1. To produce and verify strategic objectives, financial plans and important Company policy, and presentation for Board of Director's approval.
  - 5.2. Scrutiny of the annual business plan, the investment budget, targets and new initiatives that important for target achievement, and presentation for Board of Director's approval.
  - 5.3. Scrutiny of projects that require capital expenditure beyond the amount allocated by the Board of Directors, and presentation for Board of Director's approval.
  - 5.4. Consideration and approval of various matters within their designated authority or as granted by the Board of Directors.
  - 5.5. Review of the authority to act in matters as specified in the table of authority, and presentation for Board of Director's approval.
  - 5.6. Management and balancing of short-term and long-term objectives.
  - 5.7. Development and oversight of human resources in line with human resources strategy approved by the Nomination and Remuneration Committee.
  - 5.8. Following up and reporting to the Board of Directors on Company operations and progress on meeting The Company's objectives.
6. Consideration of annual budget allocation for presentation to the Board of Directors for consideration and approval, approving changes and additions to the annual budget without a Board of Directors meeting in urgent circumstances, and presenting these actions at the next Board meeting.
7. Authorizing the purchase of raw materials, goods or services for the purpose of making sales or providing services to customers at an amount of no more than 300 million baht per purchase
8. Authorization of investment in fixed assets such as land, buildings or structures at an amount of no more than 100 million baht per purchase.
9. Authorization of important investment expenditure that was included in the annual budget for which authority was delegated by the Board of Directors or that has already been approved in principle by the Board.
10. Allocation of incentives and rewards that have already been authorized by the Board of Directors for staff and employees of The Company or other individuals who have done work for The Company.

Appointing or assigning a particular individual or group to act in a particular instance in place of The Executive Committee as is seen fit and The Executive Committee may cancel, withdraw, change or revise this authority.

## 7.4 Executive Information

### 7.4.1 Executives

As of 31 December 2023, The Company has 5 Executives, namely are as follows;

	Name	Position
1	Mr.Sompong Kangsawiwat	Chief Executive Officer
2	Mr.Opas Tiawattanaroj	Managing Director Telecommunication Group
3	Mr.Kittirat Mekmanee	Managing Director Business & Product Group
4	Ms.Panida Sawatwannarat	Managing Director of Finance - Accounting
5	Ms.Nongnuch Temeesrisuk	Managing Director of Management

### Scope of Authority and Responsibilities of President

1. Designated as authorized person in administering The Company's business to be in line with the objectives, articles of association, policies, rules, regulations, instructions and resolutions of the Board of Directors Meeting and/or resolutions of the Shareholders Meeting.
2. Authority to command, plan, control and supervise The Company's operations in compliance with the policy, strategic plan and estimated budget as specified by the Board of Directors and/or the Executives Committee.
3. Arrange annual strategic plan and estimated budget for each division in order to attain approval from the Board of Directors; and also control and monitor on each unit's expenses as authorized by the Board of Directors.
4. Authority to give approval on any juristic act involving The Company's general transactions; such as sales and purchase, procurement and supply, expense for general transactions, investments, acquisition or disposal of equipment, properties and service; for the benefits of The Company within the allocated budget.
5. Authorizing the purchase of raw materials, goods or services for the purpose of making sales or providing services to customers at an amount of no more than 200 million baht per purchase
6. Authorization of investment in fixed assets such as land, buildings or structures at an amount of no more than 20 million baht per purchase.
7. Be authorized to order and determine internal regulations, rules, notices and records in relation to business operation of The Company to be in accordance with policies of The Company and for The Company's interest, including maintaining good order within the organization
8. Authority to employ, appoint, assign, dismiss, discharge, terminate, specify the wage/monthly salary/bonus and other welfares, as well as increase the salary for employees whose positions are lower than the Chief Executive Officer.
9. Authority to act and appear to outsiders on behalf of The Company in any necessary matter concerning The Company's general transactions and benefits.
10. Consider and execute on the submission of any company-related issue to the Board of Directors. Such matters must have an approval from the Board of Director, and should be informed to other relevant organizations including the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Ministry of Commerce.
11. Execute on any tasks assigned by the Board of Directors and/or the Executives Committee; and also appoint a substitute to do any or all of the aforementioned acts and subject matters in order to help facilitate The Company's operation as a whole

However, CEO delegates other persons to perform specific duties on his behalf. Such sub-authorization and/or delegation shall be within the scope of authorization or delegation in accordance with the power of attorney granted and/ or shall be in accordance with the internal regulations, rules or instructions given by the Board of Directors and/or The Company. The authorization of duties and responsibilities of the CEO shall not constitute an authorization or sub authorization which may cause the CEO or his authorized person(s) to be able to approve any transaction in which they, or any person who may have a conflict of interest (as defined in the notification of the Securities and Exchange Commission or the notification of the Capital Markets Supervisory Board), may have an interest or may gain benefit in any manner, or in which they may have any other conflict of interest with The Company or its subsidiaries, unless the approvals of such transactions are consistent with the policies and criteria approved by the Board of Directors Meeting.

## 7.4.2 Remuneration of the directors

The Nomination, Compensation and Corporate Governance Committee have guidelines for considering the remuneration of the Board of Directors. Sub-committee of each committee, which considering The Company's operating results and performance Including the responsibilities of the directors compare from the same industry and business expansion. The Annual General Meeting of Shareholders 2023, held on 26 April 2023 passed its resolution to determine remuneration of the directors of year 2023. The directors consist of the Board of Directors, Audit Committee, Risk Management Committee, Nomination, Remuneration and Corporate Governance Committee and Strategic Committee which included but not limited to salary, bonus, attendance fee, extra compensation, and other compensation not exceeding value of 4 million baht. Details are as follows:

Name of Director	Remuneration of the directors			
	Chairman		Director	
	Monthly Remuneration (Baht/Mont)	Attendance Fee (Baht/Mont)	Monthly Remuneration (Baht/Mont)	Attendance Fee (Baht/Mont)
Board of Directors*	70,000	30,000	20,000	30,000
The Audit Committee	10,000	10,000	-	10,000
Nomination, Remuneration and Corporate Governance Committee	-	10,000	-	10,000
Risk Management Committee	-	10,000	-	10,000
Strategic Committee	-	5,000	-	5,000
Executives Committee	-	-	-	-

Note: \* The Members of Executive Committee will not receive monthly compensation as company directors.

The remaining is reserved for bonus, extra compensation and other compensation to the Board of Directors. The Board of Directors will then allocate the remaining amount.

In 2023, the individual remuneration of Directors was as follows:

Name of Director	Board of Director		Audit Committee		Attendance Fee			Total
	Attendance Fee (Baht)	Monthly Remuneration	Attendance Fee (Baht)	Monthly Remuneration	NRC Committee	Risk Manament Committee	Strategic's Committee	
Mr.Sompong Kangsawiwat	210,000.00	-	-	-	-	20,000.00	25,000.00	255,000.00
Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)	210,000.00	240,000.00	40,000.00	120,000.00	10,000.00	20,000.00	25,000.00	665,000.00
Mr.Chattaphum Khantiviriya	210,000.00	240,000.00	40,000.00	-	10,000.00	20,000.00	25,000.00	545,000.00
Assoc.Prof.Prapart Praisuwanna	180,000.00	240,000.00	40,000.00	-	-	20,000.00	25,000.00	505,000.00
Mr.Vuthichai Duangratana (Ph.D.)	210,000.00	240,000.00	40,000.00	-	-	20,000.00	25,000.00	535,000.00
Mr.Opas Tiyawattanaoj	210,000.00	-	-	-	-	20,000.00	25,000.00	255,000.00
Mr.Kittirat Mekmanee	210,000.00	-	-	-	-	20,000.00	25,000.00	255,000.00
Ms.Panida Sawatwannarat	210,000.00	-	-	-	10,000.00	20,000.00	25,000.00	265,000.00
Ms.Nongnuch Temeesrisuk	210,000.00	-	-	-	-	20,000.00	25,000.00	255,000.00
	<u>1,860,000.00</u>	<u>960,000.00</u>	<u>160,000.00</u>	<u>120,000.00</u>	<u>30,000.00</u>	<u>180,000.00</u>	<u>225,000.00</u>	<u>3,535,000.00</u>

Other Remuneration than monetary or other benefits -None-

## Remuneration of Executives

The Nomination, Remuneration and Corporate Governance Committee of The Company uses measuring performance of The Executive in the form of performance indicators. (Key Performance Indicators: KPI). This is the way to measure the performance of each department. The president uses characteristics of KPI overview of The Company to determine the individual's remuneration by using various indicators. Such as Business performance of The Company, Evaluation individually and also compare the remuneration in the same position and industry groups Etc. The short term of benefit is salary adjustment and Bonus payment and other welfare. The long term of benefit is the Provident Fund.

For the President, the Nomination, Remuneration and Corporate Governance Committee considers the remuneration of the President and present to the Boards of Directors for approval of appropriate compensation by using characteristics of KPI overview of The Company. It also adheres to global management approach with a qualitative measurement (Balanced Scorecard) with four main aspects, including the financial performance of The Company's business, customer, internal processes and learning and development. It also was applied the concept to include sustainable use quick view of financial base. Lead the management methods to spend wisely cause worth promoting, learning to achieve better internal process and as the result to creating a comprehensive satisfaction of all stakeholders. The short term of benefit is salary adjustment and Bonus payment and other welfare. The long term of benefit is the Provident Fund. The remuneration for executives and the President for the year 2022 and 2023 are as follows;

### Remuneration for Executives

Remuneration	2022		2023	
	Persons	Baht	Persons	Baht
Executives	5	27,428,100.00	5	28,700,200.00

### Other Remuneration of Executives

#### Provident Fund

The Company has established a provident fund to the 5 executives. The Company contributed to the fund monthly at the rate of 5% of basic salary. In 2022 and 2023 provident fund are as follows;

provident fund	2021		2022	
	Persons	Baht	Persons	Baht
Executives	5	1,715,520.00	5	1,790,208.00

Other Remuneration -None-

## 7.5 Employee

Information regarding the company's employees for the year 2023 ending on December 31,2023

Information	Unit		number of employees	%	
All employees	Person		285		
Thai employees	Person		285	100.00%	
Foreign employees	Person		0	0.00%	
Disabled employees	Person		1	0.35%	
Details of employees in each business line					
Sale and Telecommunication	Person		33	11.58%	
Sale and Marketing	Person		172	60.35%	
Business Information and Technology	Person		8	2.81%	
General Management	Person		72	25.26%	
Total			285	100.00%	
Information separated by dimension	Female	%	Male	%	Total
Number of employees, classified by gender	159	55.79%	126	44.21%	285
Number of employees, classified by age					
Less than 30 years	9	37.50%	15	62.50%	24
30 – 50 years	133	61.29%	84	38.71%	217
More than 50 years	17	38.64%	27	61.36%	44
Total	159	55.79%	126	44.21%	285
Job Levels of employees in the male and female dimensions					
Operational level	148	56.27%	115	43.73%	263
Executive level	9	52.94%	8	47.06%	17
Senior executives	2	40.00%	3	60.00%	5
Total	159	55.79%	126	44.21%	285
Information of employee resignation					
Employees of voluntarily resign	10	50.00%	10	50.00%	20
The ratio of employees voluntarily resigned compared to all employees was 7.02%					
Employee turnover rate in 2023 is 9%					
Information about provident funds					
Members of the provident fund for employees are 255 peoples					
the ratio of employees joining the provident fund is 89%					
The company contributes money to the provident fund in the amount 5,968,888.00 baht					
Important labor disputes - None -					



## Personnel of Subsidiaries

Subsidiaries	Employees In 2023	Employees join the PVD.	% Total employees
C.S.S.Energy Co.,Ltd.	-		
Neonworx Communications Co.,Ltd.	47	42	89.36

Remark: C.S.S.Energy Co.,Ltd. has no employee, because employees have been transferred to The Company then all since April 2016. In addition, there is no labor dispute in the last 3 years of Subsidiaries

## Remuneration of the employees (exclude executives)

In year 2022 and 2023, the remuneration in cash has been paid to employees in form of salary, wage, over time, bonus, living expense, and other welfares. Details are as follows;

Remuneration	2022	2023
	Amount (Baht)	Amount (Baht)
Employees	150,065,068.88	146,295,287.26

## Other remuneration of the employees (exclude executives)

The Company has established a provident fund to the employees. In 2022 and 2023 provident fund are as follows

provident fund	2022	2023
	Amount (Baht)	Amount (Baht)
Employees	4,135,913.00	4,178,680.00

## Remuneration of the employees from subsidiaries

provident fund	2022	2023
	Amount (Baht)	Amount (Baht)
Employees	33,641,667.18	31,457,869.16

## Rules on Consideration of Remuneration for employees of The Company

The Company has considered establishing format and rule for payment of remuneration and welfare for employees which is consistent with The Company's operating results in both short term and long term as follows.

### Consideration of Short Term Remuneration:

- The Company has established the Salary structure and considered from education, knowledge and experience by comparing with other companies in the same industrial sector
- The Company has considered of salary adjustment and bonus payment once a year which is consistent with The Company's operating results. It is based on the ability to make a profit each year by Key Performance Indicators (KPI) of The Company to be used for consideration and comparing with other companies in the same industrial sector

The Company providing welfare services to the employees; Accident Insurance, Health Insurance and arrange annual health check once a year for employee healthy. Others welfare are Allowance for cremation and employee's seminar etc

### Consideration of Long Term Remuneration:

- Company has a criteria for considering adjustment of staff level on a regular basis, once a year, using KPI (Key Performance Indicators) criteria to consider of performance and ability of employees by adhering to an international management approach with quality metrics Balanced Scorecard consists of four main factors: finance, business performance of company, customer, internal process and learning development determined appropriate compensation and incentives.

- The Company has established the Provident Fund for employees to encourage money saving by the employees. The fund saving proportion was increased so that the employee may choose the rate of 3% -15% with Company's contribution at the rate not exceeding 5% of base salary, employment period and willingness of the employee, which shall be paid back to the employee upon retirement or job quitting.

## Welfare

For improving the quality of working life, company not only provides benefits as required by law, also offers various welfare benefits such as ward, group insurance, annual health check, welfare grants the employee's death and the deaths of his parents in order to build morale and strengthen confidence in working with The Company and highest benefit to employee.

## Human Resource Development Policy

The company's human resource management has become more challenging due to the changing context. However, the company has to adapt and manage it efficiently. Therefore, the operations under the strategy are divided into 3 areas as follows:

### 1) HRM: Human Resource Management

Focus on compensation management and fair employment. Including providing welfare suitable for changing times and lifestyles

- **Employees and labor** In 2023 The CSS Company reviews its policy annually. This year, there have been adjustments for personnel management guidelines and adding preventive measures to cope with the risk according to the situation. Currently the company all employees are 100% Thai nationality without any problems with racism. No child labor was employed. Thus making it easy to manage, based on human rights as a priority. Which consists of fair employment. It includes employment according to the type of work that is suitable for men, women and people with disabilities. Including fair compensation based on the principle of value analysis of the work and referring to comparable data in the same industry. There is training and potential development for employees. Take care of safety, health and environment which leads to the development of good relationship with the organization.
- **Employment** From the situation of the epidemic crisis, the company still places importance on the management under the employment policy that is fair and suitable for the situation. Even though the COVID-19 epidemic It still inevitably affects the management of human resource costs of the organization. For employment, the company is open and gives opportunities to people of various characteristics, both in terms of gender. Education level, religion, race, without regard to restrictions, always play a part in the success of the organization and the company has given importance to the development of performance appraisal tools that are universal in order to ensure fairness to employees at all levels appropriately. and strictly follow labor law procedures In parallel with the consideration of policies for adaptation to survive the entire organization. According to the plan for consideration of both short-term and long-term returns,

#### Consideration of short-term returns

- Determining an appropriate salary structure for employees based on qualifications, knowledge, abilities and work experience in comparison with companies in the same industry.
- Adjustment of the annual wage and bonus rate once a year in accordance with the Company's performance based on the profitability of each year. and has criteria to measure the performance of all employees according to international principles (KPI) to be appropriate
- Caring for and providing welfare in various fields for employees appropriately according to Thai labor standards, such as accident insurance, life insurance, health insurance, as well as health and safety management by providing an annual health check-up once a year, as well as providing other benefits. any additional necessary such as funeral money granting special leave for dharma practice without gender discrimination Seminar training, shuttle buses, uniforms, etc.

**Consideration of long-term returns**

- Determine the criteria for considering employee upgrade regularly once a year by using the Balance Scorecard criteria by taking into account 4 important factors which are financial , customer , internal process and learning and growth used to consider the performance and measure employees' ability to determine appropriate compensation and incentives.
- The Company provides a provident fund for its employees. To support and motivate employees to have good saving discipline The company gives employees the opportunity to set a savings rate from 3% - 15%. For the company will contribute to the fund. By considering the length of service in the company according to the rules and regulations, but not more than 5% of the base salary according to the age of service and the employee's voluntary. Which will be paid back to the employee upon retirement or when leaving work Currently, there are 274 employees who voluntarily join the provident fund, representing 94.16% of the total workforce.

**Employment of people with disabilities** The company considers equal opportunity. without discrimination, covering people with disabilities and disadvantaged groups At present, the company operates in accordance with Act on Promotion and Development of the Quality of Life of Persons with Disabilities and having to supervise the employment of such disabled employees, a total of 3 people, but due to the limitations of the nature of work, the company has employed 1 person with disabilities and contributed to the Fund for promotion and development of the quality of life of the disabled. 2 people on time as scheduled every year.

**Labor Relations Management** Employees are an important factor to the growth of the organization leading to sustainability. The Company realizes the promotion and morale of all employees to feel stability and safety in their operations. Including being able to live together happily, which will lead to the improvement of the quality of family life of employees as well

In the year 2023, the company was able to carry out its plans as targeted and smoothly aligned with the core values and strategies of the organization.

1. Enhance communication The company attaches importance to communication in all channels.to cover all groups of stakeholders and pay attention to feedback that is useful for evaluation and analysis for organizational improvement and development
  - 1) Support more communication or relationship building activities via online channels Resulting the times and keep up with the current situation.
  - 2) The application of the technology can reduce the response time of the data resulting in a faster data collection process for analysis and processing. It brings benefits to the management of employee relations that are more targeted and faster.
  - 3) Internal event planning both formal and informal with links in line with company sustainability strategy which is used as a mechanism for continual communication leading to real tangible results as well as being able to emphasize important information on a regular basis leading to more rapid goals
  - 4) Update company information to be current and up to date. To benefit employees, customers, partners, investors, as well as all groups of stakeholders on a regular basis.
2. The company also gives importance to the appointment of welfare working group under the law. To give freedom to employees in expressing opinions or providing useful suggestions to the company through the welfare working group to be an intermediary in collecting information and presenting to the management team for acknowledgment. This will lead to further revision and development. The development of administrative tools and the appointment of welfare working groups. This is the success factor of effective labor relations management

resulting in the score of the engagement survey between employees and the company. An increase from the year 2022 with a score of 88.00% and in 2023 with a score of 87.95%

## 2) HRD: Human Resource Development

Focus on promoting learning potential Increase operational skills, Which affects the progress of employees in the future Including building good relationships and supporting personnel with stakeholders who are capable of social responsibility for sustainable growth.

- Capacity development for advancement Indicators of successful key developments for this y Is a key factor in keeping employees growing with the company. Therefore, guidelines for human resource development have been established in accordance with the strategy in each year. Taking into account the participation of all executives, they are presenting opinions on the development of the potential of every team for the best benefit of the employees and the organization. The Human Resources Department will design and explore training needs. As well as analyze and make human resource development plans Submit annually for approval to the Executive Committee.

In 2023, although the company is facing difficult situations. But the company still strictly complies with the laws/regulations from the government. The Human Resource Development Department is Follow news changes and communicate to employees regularly. Including update knowledge development methods to achieve results that are consistent with the company's goals and vision. By developing all personnel to be professional in their duties and providing excellent service. By focusing on using technology to develop and increase the efficiency of work to be fairer.

- Internal programme

According to the company's main policy still focusing on supporting the training of knowledge and skills in accordance with the core competence of the organization is important. with the expectation that it will help create competitive potential and support the growth of the company in the future For courses that the company must pay attention and practice continually, even when faced with various limitations, namely basic training for new employees Because it is important information to start working, including ethics and corporate code of conduct prevention of use of inside information preventing conflicts of interest Compliance with Company Articles of Association and Anti-Corruption Practices in Various Forms of Hygiene and safety as well as appropriate behavior in accordance with the culture of the organization. In 2023, the company places great importance on training in the details of product and service information strictly and take into account the benefits of customers and business partners and is ready to sincerely show responsibility to consumers.

- External programme

The company's main policy supports external training in specialized courses according to the needs of various departments, as well as a focus on promoting knowledge under various laws and regulations to support the goals. Management with excellent governance. The company's main policy supports external training in specialized courses according to the needs of various departments, as well as a focus on promoting knowledge under various laws and regulations to support the goals. Management with excellent governance. The Human Resources Department is responsible for creating plans for sending employees to attend external training courses. Through the process of summarizing the results of a survey of training needs from all departments. Present to request approval of the plan from the company's executive board.

In the past year 2023, the Human Resources Department has organized training and organized activities to promote knowledge for employees in a variety of formats according to the situation, including training, seminars, as well as meetings with various partners. Training courses such as executives at the level Advanced in energy science Psychology for leadership Project to encourage the government and private sector to comply with the law by employing people with disabilities in workplaces. Design of a solar power generation system installed on the roof (Solar PV Roof),

service technology for senior executives, Advance Transfer Pricing, and accounting standards. 2023 Electrician within the building, level 1, safety in working with electricity and providing assistance to victims of electrical hazards for employees, intensive tutoring to 100 percent, companies listed on the stock exchange, Case, errors in accounting that accountants must not avoid. Missed all editions of TFRS 2023 (subcourse 202) Design of solar power generation systems installed on the roof (Solar PV Roof), etc.

### 3) SQM: Safety & Quality Management

- **Safety Education** The company has a policy to educate about job management with quality and safety which is set out as an annual human resource development plan including bringing details that are useful for learning such as Safety Policy, Rules, Regulations and Safety Guide And safety in various workspaces has been compiled on the company's website for ease of use in the future.

The company has an important goal aimed at creating a good quality of life. There is safety for employees. By promoting safety in the operating system under international standards, the company has a policy to provide knowledge about quality management and safety. It is defined as a personnel development plan. Including bringing details that are useful for learning such as Safety policy, rules, regulations and safety manual and safety in various work areas have been compiled on the company's website for convenience in further use.

In addition, quality and safety management to prevent accidents from work, divided into 4 areas as follows:

#### System

- The company has increased the intensity of its quality system implementation (ISO 9001 : 2015) to ensure that the organization's quality and safety systems are truly effective.
- The company supports and promotes a safety committee. Occupational Health and Work Environment Complete at all levels, including Administrative Officers, Administrative Officers, Supervisors, Technical Officers, and Professional Officers. This is in accordance with the law. Including management, making new work plans every year and holding meetings every month to closely monitor and report on work results.

#### Equipment tools

- The company has prepared a written manual on the safety of using equipment and bring it to the internal website for employees to study and be aware of the dangers that may occur from operations such as safety in lifting heavy objects. Crane safety forklift driving safety including personal protective equipment when in hazardous areas.
- The company prepares a plan to check the equipment systematically before use. in order for the staff to perform related, including subcontractors Gain operational safety.

#### Company employees

- The company requires employees who use tools and equipment to undergo training in accordance with the development plan and courses that are necessary according to the situation and have a certificate from a reliable institute.
- More than 40 percent of employees have passed basic firefighting training, which is required by law.
- Our staff Received annual fire evacuation drills

#### Organization/Environment

- The company provides an inspection of the working environment. both in terms of the intensity of light in the working area heat level and dust content measurement Including the concentration of chemicals in the working environment in order to eliminate the cause of insecurity that will occur to employees and related people.
- Arrange for public relations of news for all employees to be aware of the current situation in all

communication channels such as intranet systems, public relations boards and through various meeting systems, both within and outside the organization.

➤ The company arranges suitable working areas and is convenient for operations. In order to reduce accidents from using the area, the management of safety and occupational health is effective and concrete.

#### The Company has a record of work accident in 2021-2023

Accident statistics	2021	2022	2023
Number of incidents of injuries or accidents from employees' work leading to time off from work (times)	0	1	0
Number of employees who were injured at work to the point of being unable to work (people)	0	1	0
Number of employees who died from work (people)	0	0	0

#### Environmental care and efficient use of resources

The company focuses and encourages employees to use resources economically and efficiently to maximize benefits, taking into account the environmental impact. Therefore, the following policies have been established for employees to adhere to;

- The Company requires environmental stewardship and efficient use of resources as part of its operations and in accordance with legal and other requirements related.
- The company considers taking care of the environment and the efficient use of resources is the responsibility of the management and all staff.
- The Company encourages and educates employees on environmental conservation and efficient use of resources. to cultivate awareness among employees at all levels Realize and focus on environmental protection and efficient use of resources. It requires all new employees to receive environmental training and efficient use of resources.

##### Educating and training employees on environmental issues

In addition to training and educating employees on the environment and the efficient use of resources, it is a course to train new employees. By focusing on changing work processes to take into account the reduction of environmental pollution. In 2023, the company also organized training for employees as follows;

##### Internal training Courses

- Safe Driving/Car Maintenance/Energy Saving
- 5S for Sustainable Quality and Safety
- Green Office
- Safety courses to reduce risks

## 7.6 Other important information

### 7.6.1 Persons who are directly responsible for accounting supervision and company secretary and internal auditors

- Person assigned the highest responsibility in accounting and finance (CFO)

Ms. Panida Sawatwannarat Managing Director of Finance and Accounting Is the most responsible person in the accounting and finance department of the company. who is a person who meets the criteria of the office SEC and Stock Exchange (Personal Information as attachment 1)

- Persons assigned to be directly responsible for overseeing bookkeeping

Mrs. Nutcharee Pukeaw Assistant Managing Director of Accounting Is the person assigned to be directly responsible for supervising the company's accounting. Have the qualifications according to the office's criteria SEC and Stock Exchange. (Personal Information as attachment 1)

- **Corporate Secretary**

Ms.Nongnuch Temeesrisuk as a Corporate Secretary since 15 February 2013. The Profile is as follow;

**Scope of Authority and Responsibilities of the Corporate Secretary**

1. Perform duties in organizing meetings of the Board of Directors and shareholder meeting To be in accordance with the regulations of the company
2. Perform duties of supervising the company and the committee has consistent practices and according to the law Relevant regulations as well as board/shareholder meeting resolutions and principles of good corporate governance.
3. Arrange for an evaluation of the performance of the Board of Directors.
4. Preparing and storing important documents
  - a) The registration of The Company's directors
  - b) The invitation letter and minutes of the Board of Directors Meeting
  - c) The invitation letter and minutes of the Shareholders Meeting
5. Keep reports of conflicts of interest reported by directors or executives.
6. Carry out other actions as announced by the Capital Market Supervisory Board. (Personal Information as attachment 1)

- **Details of internal auditors**

The internal audit unit works directly with the Audit Committee. The committee assigned Miss. Panida Sawatwannarat Representing the internal audit unit act as a coordinator with an independent internal control assessment company that the company has contracted to and report on the performance, including recommendations to the Audit Committee for acknowledgment and to present to the Board of Directors for remedial action according to the recommendations of the independent internal control system appraiser.

In this regard, in 2023, the Audit Committee has considered and appointed Riskless Solution Company Limited ("Internal Auditor"). which is an independent company from outside, responsible for auditing and monitoring the internal control system of the company. Riskless Solutions Company has assigned Mr.Sornron Thongprasert to be primarily responsible for performing the duties of the Company's internal auditor. The qualifications and details of the internal auditors appear in Attachment 3.

- **Person assigned to be responsible for supervising operations (Compliance)**

The company assigned Mrs.Prapussorn Lakwuthiwong Serves as the person responsible for supervising operations (Compliance). The scope of work is summarized as follows:

1. Support the policies and objectives of the company and senior executives to ensure that there will be adequate and appropriate supervision of operations.
2. Give presentations to management to be able to control the company's operations in accordance with the law. Regulations of relevant, agencies, Corporate Governance Policy Code of Ethics and Business Ethics of the Company.
3. Review and improve policies, rules, regulations, corporate governance policies, and ethics and the company's business ethics in accordance with the law Regulations of the regulatory organization that are relevant and appropriate to business conditions.
4. Provide advice on legal compliance. Regulations of relevant regulatory agencies Regulations Corporate Governance Policy Code of Ethics and Business Ethics of the Company.

## 7.6.2 Investor Relations and Contact Information

Investor Relations                      Mrs.Prapussorn Lakwuthiwong  
Contact Information                      Tel : 02-018-1111 #5501  
Email : [prapussorn@cssthai.com](mailto:prapussorn@cssthai.com)

## 7.6.3 The Audit Fee

The Company's financial auditor is Mr.Preecha Arunnara, certified public accountant registration no. 5800 of EY Office Limited was approved from the AGM 2023. Who is independent and have no relationship or any other types of stake or interest with The Company, its executives, major shareholders or persons related to those mentioned. Total of The Audit Fees in the year 2023 is 2,905,000 baht. Details are as follows;

	CSS	Energy	NWC
Yearly Audit fee (Baht)	1,410,000.00	185,000.00	440,000.00
Quarterly Reviewed Financial Statements (3quarters)	540,000.00	90,000.00	240,000.00
Total	1,950,000.00	275,000.00	680,000.00

In the year 2023, there are no other service fees paid (Non-audit fees) to the auditors other than the items above.



## 8. Report on key performance in corporate governance

### Report of the Nomination and Remuneration and Corporate Governance Committee

Nomination and Remuneration and Corporate Governance Committee have been assigned to discharge the duties and responsibilities regarding to the charter regulated by Board of Directors. The important duties and responsibilities include rules and policies regulation; committee recruitment; selecting personnel conformed to legal qualification, principle, regulation and related practice in order to present to committee for appointing members of board; regulating rule and policies in compensation to present in the meeting of Board of Directors; consider, review, present and follow up in the purpose of producing all kinds of work system to be consistent with ethics and good regulation related to policies and guidelines that have been determined. The Nomination and Remuneration and Corporate Governance Committee Consisting of 3 directors as follows:

Name-Surname	Position	Attendance
Assoc.Prof.Pitipat Chataccaraphat (Ph.D)	Chairman of the Nomination Remuneration and Corporate Governance	1/1
Mr. Chattaphum Khantiviriya	Member of Nomination and Remuneration Committee	1/1
Ms. Panida Sawatwannarat	Member of Nomination, Remuneration and Corporate Governance Committee	1/1

In 2023, there was 1 meeting of the Nomination, Compensation and Corporate Governance Committee with all 3 directors attending the meeting, representing 100% considering various matters, which can be summarized as follows:

#### 1. Recruitment and consideration of compensation

##### 1.1. Committee Nominating

Nomination committee has considered and selected the personnel from several occupations who have appropriate qualification regarding to associated law and regulation, such as committee qualification law, public company law and the rules of securities and exchange commission, also including company regulations and good corporate governance principles of the firm. Furthermore, the lists and attributes of the proper person who will occupy committee position were considered to be consistent with the strategies of business administration and committee structure which have several aspects of knowledge: skill, profession, specialization, gender, etc. and also should be also able to effectively dedicate time to the company. In addition, the board also provide opportunity for minor shareholder to nominate a person in the selection to be board of directors. The nominating was conducted on October 2019 – January 2020. Nomination committee has proceeded regarding to following steps:

1.1.1 Selecting committee to replace the terminated committee. The board has implemented according to nominating process and presented the opinion toward the committee to promote the appropriate person before representing at the annual general meeting of shareholders in order to become the company's director.

##### 1.2. The consideration of the compensation for the committee

Nomination committee has cogitated to provide the compensation by applying the regulation of compensation considering, scrutinizing the propriety of the recompense conforming to the duties, assigned responsibilities, compared to the similar type and size of business, also consider to turnover, performance, business environment and overall economic condition

### 1.3. The consideration of performance measurement criteria of the committee



Nomination committee has regulated to arrange performance evaluation system for the Board of Directors both subcommittee and individual once a year in order for the board to review performance, issues and various obstacles on implementing the duties during the passing year; in the purpose of solving problem together, bring about to improve, develop and increase the effectiveness of business administration by conducting the principles and topics of evaluation that consistent with stock exchange's which have been adapted to be appropriate with the company

## 2. The Corporate Governance

### 2.1 Monitoring and supervising to occur ethical compliance and business ethics

Nomination committee has monitored and look after employees, managers and committee to follow the ethics guide and business ethics in order to develop organizational culture. The staffs, managers and committee were communicated to acknowledge by the orientation of the new employees and also pass on to website of the company

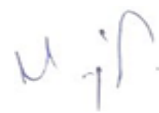
### 3. Award of the year 2023 From the assessment of corporate governance as follows;

- Received a 5-star award (  ) from the Thai Listed Companies Corporate Governance Survey Project for the year 2023 with a 90% rating from the Excellent group and the Top Quartile award in the market segment that has Securities worth 3,000-9,999 million baht
- Received a 5-star award (  ) in assessing the quality of the annual general meeting of listed companies for the year 2023 with a score of 100%, which is in the excellent group.

### 4. Guidelines for corporate governance development in 2023

- Follow up, review and improve the principles of corporate governance to be in accordance with the good corporate governance manual.
- Communicate the good corporate governance within the organization to be understood by the director's executives and employees at all levels and to be effective in the organization culture.

The performance of corporate governance in the past year was able to follow the plan and the Nomination, Compensation and Corporate Governance Committee has performed its duties fully according to the assigned charter. Nomination, Compensation and Corporate Governance Committee still determined to develop good corporate governance to be transparent with quality management in order to become a growing organization with good corporate governance.



(Assoc.Prof.Pitiphat Chataccarapat)

Chairman of the NRCC

## Report of the Risk Management Committee

Risk Management Committee Be aware and give importance to preparing to prevent and accommodate situations that affect the company's business operations. The Risk Management Committee has worked to manage and reduce risks. as well as control and supervise To ensure that the company and its subsidiaries There is an appropriate risk management process and effective in operating the business to achieve the goals set. The Risk Management Committee Consisting of 9 directors as follows:

Name-Surname	Position	Attendance
Assoc.Prof.Pitipat Chataccaraphat (Ph.D)	Chairman of the Risk Management Committee / Independent Director	2/2
Mr. Chattaphum Khantiviriya	Member of Risk Management Committee / Independent Director	2/2
Assoc.Prof.Prapart Praisuwanna	Member of Risk Management Committee / Independent Director	2/2
Mr.Vuthichai Duangratana (Ph.D.)	Member of Risk Management Committee / Independent Director	2/2
Mr.Sompong Kangsawiwat	Member of the Risk Management Committee / Executives Director	2/2
Mr. Opas Tiyawattanaoj	Member of Risk Management Committee / Executives Director	2/2
Mr. Kittirat Mekmanee	Member of Risk Management Committee / Executives Director	2/2
Ms. Panida Sawatwannarat	Member of Risk Management Committee / Executives Director	2/2
Ms.Nongnuch Temeesrisuk	Member of Risk Management Committee / Executives Director	2/2

In 2023 There was 2 meeting in which the Risk Management Committee attended all of them or 100% of meetings in 2022. Each member of the Risk Management Committee's meeting attendance was reported in the topic. Risk Management Committee for the purpose of considering essential aspects as follows;

1. Review the Risk Management Committee Charter to ensure it is appropriate. It specifies the scope of duties, responsibilities and guidelines for good practice. To be used as a standard for the work of the Risk Management Committee.
2. Review risks at all levels Cover the strategy Company operations Consists of business risks of the company financial risk Anti-corruption risks compliance Treatment of society and the environment Emerging risks and other risks
3. Consider setting up a risk management plan. and guidelines for controlling risks To keep the risk at a level acceptable to the company.
4. Follow up and review operations according to the risk management plan under the established risk management policy and framework to ensure that the company has systematic and effective risk management. By assigning the internal audit unit to monitor and inspect the risk management of the company and its subsidiaries in order to achieve the objectives that have been set.
5. Plan management in times of crisis including inspection and reporting processes. To be ensure that the company has an appropriate and efficient risk management system.
6. Corporate governance subsidiaries to comply with the risk management framework. To build confidence among investors and all groups of stakeholders.
7. Conduct a self-assessment of the Risk Management Committee once a year. In order to review the work Problems and obstacles in performing the duties of the Risk Management Committee during the past year to solve problems together and lead to the improvement and development of the Risk Management Committee's operations in accordance with the charter assigned by the Board of Directors.

The risk management committee strongly believe that our company and subsidiaries have effective internal control which can help the firm to mitigate risk management in order to be an excellent corporate governance.



(Mr.Sompong Kangsawiwat)  
Chairman of Risk Management Committee

## Report of The Strategic Committee

Strategy Committee has performed duties and responsibilities as determined by the Board of Directors with important duties and responsibilities such as Establish policies and principles for investment in subsidiaries, associated companies and investment in various projects and report the performance of the Strategic Committee to the Board of Directors meeting along with reports to shareholders in the annual report

The Strategic Committee Consisting of 9 directors as follows:

Name-Surname	Position	Attendance
Mr.Sompong Kangsawiwat	Chairman of the Strategic Committee	5/5
Mr. Opas Tiyawattananroj	Member of Strategic Committee	5/5
Mr. Kittirat Mekmanee	Member of Strategic Committee	5/5
Ms. Panida Sawatwannarat	Member of Strategic Committee	5/5
Ms. Nongnuch Temeesrisuk	Member of Strategic Committee	5/5
Assoc.Prof.Pitipat Chataccaraphat (Ph.D)	Member of Strategic Committee	5/5
Mr. Chattaphum Khantiviriya	Member of Strategic Committee	5/5
Assoc.Prof.Prapart Praisuwanna	Member of Strategic Committee	5/5
Mr.Vuthichai Duangratana (Ph.D.)	Member of Strategic Committee	5/5

In 2023, there were 5 strategic committee meetings, with all 9 directors attending the meetings all 5 times, accounting for 100% , considering various matters as follows:

- Formulate strategies, plans and operational frameworks for investment of company for executives and employees at all levels to implement
- Supervise, monitor and evaluate performance of investment accordance with business operations as assigned by Board of Directors.
- Analyzing risks that may affect or possibility and assess impact including determining measures to prevent and correct with the objectives as assigned by Board of Directors.
- Prepare a self-assessment of the strategic committee once a year to review the work on various problems and obstacles. In the performance of duties of the Strategic Committee during the past year to solve problems together and contribute to the improvement and development of the operations of the strategic committee to meet the goals. As assigned by the Board of Directors.

The Executive Committee has a commitment to perform with care. Honest and prudent that focuses on operational transparency having performed all duties in accordance with the charter The Executive Committee is ready to develop the business to the best of its ability. With the most benefit to the company.

(Mr.Sompong Kangsawiwat)  
Chairman of Strategic Committee

## Report of The Executive Committee

The Executive Committee meets together to consider, screen, supervise and give recommendations on important matters related to the management and business operations of the Group of Companies as assigned by the 5 directors of the Company and according to the scope of duties and responsibilities specified in the charter of the Executive Committee The Executive Committee has a total of 5 members. In 2023, the Executive Committee held a total of 14 meetings, with all 5 directors attending the meetings, all 14 times, accounting for 100% , considering various matters. It can be summarized as follows.

Name-Surname	Position	Attendance
Mr.Sompong Kangsawiwat	Chairman / Chief Executive Officer	14/14
Mr. Opas Tiawattanaroj	Executives Director	14/14
Mr. Kittirat Mekmanee	Executives Director	14/14
Ms. Panida Sawatwannarat	Executives Director	14/14
Ms. Nongnuch Temeesrisuk	Executives Director	14/14

In the year 2023, The Executive Committee to consider important matters of the company By reporting the results of the meeting and guidelines for solving problems and suggestions to the Board of Directors Which can be summarized as follows;

1. Define the Company's business plan and strategy Including determining the Company's strategy and operating plan Subsidiaries and Associates in each business line and the said plan has been passed to the executives and employees at all levels in the organization for acknowledgment to put into practice Consistent and in line with the goals that have been set.
2. monitor the operation results of the company and subsidiaries, of every business every month To be in accordance with the plan and goal Assigned by the Board of Directors.
3. Considering and approving the investment and participation in bidding for various projects. The Executive Committee has considered Approve the investment and / or the bidding In new projects as well as operating various projects. With consideration to the benefits of the company and all stakeholders equally Before presenting to the Board of Directors For further consideration and approval.
4. Analyzing potential risks and affecting the business , Risk control and determine the plan to be as assigned by the Board of Directors.
5. Determine the remuneration policy and salary structure of employees. Consider the remuneration and salary structure of the employees in accordance with the rules and regulations of the company.
6. Prepare the self-assessment of the Executive Committee 1 time per year for review the work, issues and obstacles in the performance of duties of the Executive Committee During the past year. In order to amend and improve and develop the operation of the Executive Committee to be in accordance with the objectives assigned by the Board of Directors.

The Executive Committee has a commitment to perform with care. Honest and prudent that focuses on operational transparency having performed all duties in accordance with the charter The Executive Committee is ready to develop the business to the best of its ability. With the most benefit to the company.



(Mr.Sompong Kangsawiwat)

Chief Executive Officer

## 9. Internal Control and Related Transactions

### 9.1 Internal Control

#### Board of Director Opinion about Internal Control

Company has concerned about internal control by assigning Audit Committee to monitor and evaluate regularly. Company has concentrated to adequate and appropriate of internal control system for operational efficiency consists of resource usage, property maintenance and deter instance of errors or fraud. Board of Directors Meeting No.1/2024, 29<sup>th</sup> February 2024, by 4 members of Audit Committee to attend the meeting, they express opinions about adequate and appropriate of internal control system refer to “evaluation of adequacy of internal control systems” of Security and Exchange Commission, Audit Committee report on internal control and make recommendation focusing on operational investigation regularly improve in efficiency and effectiveness, monitoring and reporting audit report to Board of Director regularly.

Audit Committee Meeting 4 times in 2023, Auditors and Internal Audit Office, Audit Committee has performed their duties with regard to law and scope of work assigned by Board of Director in accordance with Audit Committee Charter, e.g. Financial Report Review, Governance and Risk Management, appointment of an Auditor, supervisory Internal Auditing compiles with laws and regulations related to business operation.

Board of Director has opinions in internal control system as same as Audit Committee and be summarized as follows;

#### 1. Organization and Environment

Company promotes and supports in corporate environment of internal control adequately, Board of Director in Corporate Governance consist of all company management set goals and clearly annual plan, measurable, business process plan development and strategic planning process ready to respond situation and business fast change in according to organization structure, there have chain of command, approval authority and clear functional group to build business operation flow indicating measurement to perform and follow up outcome comparing with goals. Company is focusing on recruiting process and standard in human resource management to suit for corporate culture and provides reasonable employee compensation. Company raises Code of Conduct and expects all employee to conduct themselves in honesty, ethical manner and responsibility to stakeholders. In Anti-Corruption, it is under information preparation process due to containing important information be consistent with internal control auditor's audit plan of 2023, as well as a review of the self-assessment data preparing for CAC certification application.

#### 2. Risk Management

Company has concerned about its operating policy and risk management procedure by all management level and functional area to monitor in risk assessment, impact of risk, likelihood of occurrence and risk management planning with Risk Management Committee review throughout organization conform to both internal and external risks. Company has clearly defined its scope of risk lead to business operation integrate with risk management system and strategic management process in the organization.

#### 3. Control Activity

Board of Director has appointed subcommittee into 5 groups; Audit Committee, Nomination Remuneration and Corporate Governance Committee, Risk Management Committee, Strategy Committee and Executive Committee, all of them work under scope of duties and responsibilities properly and identify protective measure to avoid conflict of interest (company vs private interest), require monitoring compliance with applicable laws and regulations as promoting management under proper and appropriate internal control system.

#### 4. Information and Communication Technology

Company has concerned about both inside and outside Information and Communication Technology that assume as an important tool for business operation serve as performance indicator and financial report using for management decision making base on sufficient information, accurate, trustworthy and enhance in competitiveness. Company has provided communication to staff in relevant ICT laws and regulations concerning in each responsibility and accessible data clearly. Company has concerned about importance of information and communication technology improvement aiming to contribute to business activities and management efficiency.

## 5. Tracking System

Company has risk tracking system at management and operational level by Board of Director and Management use for evaluating the performance compare with target and provides clear direction and guidance. When found in unexpected, two subcommittees have monitored and reported to Board of Director as indicator system toward exceeding preset timely management actions to mitigate when problems be taken and find solution with relevant team monthly. In part of internal audit, they define plan focusing on balancing and transparency throughout management and operational process, evaluate an adequate and comply with internal control system establishing by management to achieve its effectiveness and efficiency, then report result to Board of Director, Audit Committee, and all management level regularly.

For internal control in other topics The Board of Directors is of the opinion that The Company has sufficient internal control as well. In addition, the Company's auditor is EY Office Company Limited by Mr.Preecha Arunnaral the auditor of the quarterly and annual financial statements 2023 has no opinion in the audit report that the Company has deficiencies in the internal control system.

## 9.2 Related party transactions

In 2023, the company has transaction with subsidiaries; this transaction is normal business operations. For procedure for the approval of the transaction, the company has conducted business according to general trade agreement, market price and conditions. In case of unusual trade nor in accordance with market terms and conditions must be submitted to the Board of Directors to approve all the transaction.

However, consideration of all the transaction shall be in attendance to Audit Committee's review to examine the appropriateness of the price rates of return. Except in case of normal transaction or usual business according to market terms and conditions, Executive Committee or Chief Executive Officer or senior management has entitled to approve the scope of the authorization given. Yet, in event that the committee does not have the expertise to consider the transaction, the company shall provide expert such as auditors or independent experts to comment on the transaction said. The Board of Directors or a person with special expertise will be applied to the decision of the Board of Directors or shareholders, as the case.

Moreover, company will reveal such transactions in the financial statements 'notes audited by the auditors. The transaction shall be done in accordance with the law, notifications, or regulations of the Securities and Exchange Commission and / or Stock Exchange of Thailand including compliance with the disclosure of transactions and the acquisition or disposal of major company's assets.

For future transaction, company has procedure for approving transaction. Company has stipulated policy to proceed according to general trade, market terms and conditions to maximize company's benefit.

The Audit Committee will give opinions on the appropriateness of the transaction and the price with fair price for the best benefit of the Company.

## Details of Related party transactions

(unit: Thousand Baht)

Individual / related parties	Detail	Transaction value		Remark
		31-Dec.-22	31-Dec.-22	
CSS Energy Co.,Ltd Subsidiary	Buy electric wire	62	42	It is a transaction that follows the nature of normal business in general. and to support the company's business operations to achieve the greatest benefit.
CSS Energy Co.,Ltd Subsidiary	Sell electric wire	12,125	14,604	It is a transaction that follows the nature of normal business in general. which this item Conditions have been set to take into account market prices.
Neonworx Communications Co.,Ltd.	Installation service	0	6,282	It is a transaction that follows the nature of normal business in general. which this item Conditions have been set to take into account market prices.
Namsor Hydro Power Company Limited	long-term loans	2,200	16,781	It is a loan transaction to enhance liquidity with an interest rate of 7%.

The Audit Committee Meeting No. 1/2024 on February 29, 2024 considered and had the opinion that The above related transactions It is reasonable. This was done in a fair manner according to market prices and according to the normal course of business (Fair and arms' length).





# Part 3

## Financial Statements



## Part 3 Financial Statements

### Declaration of the Directors'

#### Responsibility for the Financial Statements

The Board of Directors is particularly the responsibility for financial statements of Communication & System Solution Public Company Limited and its subsidiaries. Under the Accounting Act of 2000, the Securities and Exchange Act of 1992, such statements have been prepared under generally accepted accounting standards, which regularly complies with a suitable accounting policies and due and reasonable discretion exercised in the preparation of financial statements.

The Board of Directors oversees and develops corporate governance, including establishing and maintaining risk management and internal control systems. To be confident that the accounting data is recorded correctly, completely, in time and sufficient to maintain the assets. As well as prevent fraud or abnormal operations significantly The Board of Directors has appointed the Audit Committee. Which consists of independent directors Responsible for supervising financial statements Evaluate the internal control system and internal audit to be efficient and effective. The opinions of the Audit Committee will appear in the Audit Committee Report which has been shown in this report 56-1 One Report.

It is our view that the Company's internal control system is, on the whole, satisfactory and can reasonably assure us that the financial statements of Communication & System Solution Public Company Limited and its subsidiaries are reliable under generally accepted accounting standards, legally sound, and acceptable to relevant regulations.



(Mr.Sompong Kangsawiwat)  
Chairman and Chief Executive Officer

## Independent Auditor's Report

To the Shareholders of Communication & System Solution Public Company Limited

### Opinion

I have audited the accompanying consolidated financial statements of Communication & System Solution 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 Communication & System Solution 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 Communication & System Solution Public Company Limited and its subsidiaries and of Communication & System Solution 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 Group 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.

### Emphasis of matter

I draw attention to Note 29.3 to the consolidated financial statements regarding approval of the Commercial Operation Date (COD) for solar power plants in Vietnam. My opinion is not modified in respect of this matter.

## 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.

### *Goodwill*

The Company recorded goodwill of Baht 156 million as a result of the acquisition of shares in a subsidiary. I have paid attention to the assessment of impairment of goodwill as it required the management to exercise a high degree of judgement in estimating the future cash flows of the subsidiary and setting an appropriate discount rate and long-term growth rate. The assessment of the impairment thus directly affects the balance of goodwill presented at period-end.

I gained understanding and assessed management's decision-making process 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 a subsidiary, 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 costs of capital and others information with other comparable companies, tested the calculation of the recoverable amount of the assets using the selected financial model and considered the impact of changes in key assumptions on those recoverable amount. Moreover, I reviewed the disclosures made with respect to the impairment assessment for goodwill as well as sensitivity of the impact of changes in key assumption to the cash flow projections.

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

As described in Note 4.16 to the financial statements, the Group estimated the allowance for expected credit losses for trade receivables based on its historical credit losses experience and adjusted for forward-looking factors specific to the debtors and the economic environment. The determination of expected credit losses for trade receivables required the management to exercise judgement and the estimate of allowance for expected credit losses for trade receivables thus directly affects the expected credit losses recorded as expenses in profit or loss and the balance of trade receivables presented at the end of the reporting period.

I assessed and tested the internal controls of the Group relevant to the determination of allowance for expected credit losses by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I assessed the method and the assumptions applied by management in determining of the policies on determining allowance for expected credit losses on a basis of each trade receivable type. I reviewed the preparation of the trade receivable aging report and tested the calculation of allowance for expected credit losses in accordance with these policies. In addition, I reviewed the allowance for expected credit losses set aside for specific trade receivables.

#### *Net realisable value of inventory*

Estimating the net realisable value of inventory, as disclosed in Note 11 to the financial statements, requires management to exercise judgement for policies on allowance for diminution in value of slow-moving and obsolete inventory. This requires detailed analysis of the product life cycle. The estimation of net realisable value of inventory thus affects both the allowance of inventories expense recorded in profit and loss and the balance of inventories presented at period-end.

I assessed and tested the internal controls of the Group relevant to the determination of allowance for diminution in the value of inventory by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I assessed the method and the assumptions applied by management in determining of the policies on determining allowance for diminution in value of inventories on a basis of aging. I reviewed the preparation of the inventories aging report and tested the calculation of allowance for diminution in value of inventories in accordance with these policies. In addition, I analysed the inventory holding periods and inventory movement to identify product lines with indicators of lower than normal inventory turnover. Moreover, I reviewed the preparation of the comparison report between net realisable value of inventory and the cost of inventory for each product line and examined supporting documents on a sampling basis for actual sales transactions occurring after the period-end.

#### *Revenue recognition*

Sales and service revenues are highly significant to the financial statements and the key indicator of business performance in which management and financial statements' users are interested. Because the increases or decreases in revenue directly affect the Group's performance, I draw a special consideration regarding the revenue recognition of the Group with respect to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Group by assessed and tested the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. Examined, on a sampling basis, supporting documents for actual sales

transactions occurring during the year and near the end of the accounting period. Applied a sampling method to select sales and service agreements whether the recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy. Reviewed credit notes that the Group issued after the period-end and also performed analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period, particularly for accounting entries made through journal vouchers.

#### **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.



Preecha Arunnara

Certified Public Accountant (Thailand) No. 5800

EY Office Limited

Bangkok: 29 February 2024

**Communication & System Solution Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 31 December 2023**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Assets					
Current assets					
Cash and cash equivalents	7	585,046,310	450,033,367	432,666,128	280,997,625
Trade and other receivables	8	1,101,119,497	1,263,602,231	916,311,217	1,199,574,323
Contract assets	9	44,125,695	430,437,784	22,012,328	129,373,867
Costs to fulfil contracts with customers	10	77,177,740	80,645,592	12,472,399	10,897,317
Inventories	11	473,537,658	434,753,214	425,750,449	425,360,797
Other current financial assets	31.1	-	1,379,437	-	-
Other current assets		10,240,487	14,201,286	609,335	877,101
Total current assets		2,291,247,387	2,675,052,911	1,809,821,856	2,047,081,030
Non-current assets					
Investments in subsidiaries	12	-	-	494,858,940	494,858,940
Investments in associates	13	311,658,739	331,500,567	272,150,534	272,150,534
Property, plant and equipment	14	302,171,739	291,371,748	276,202,986	263,924,982
Goodwill	15	156,497,121	156,497,121	-	-
Deferred tax assets	24	47,190,747	45,429,304	35,975,801	33,346,802
Other non-current assets		25,821,056	31,905,326	2,022,571	11,043,618
Total non-current assets		843,339,402	856,704,066	1,081,210,832	1,075,324,876
Total assets		3,134,586,789	3,531,756,977	2,891,032,688	3,122,405,906

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

Communication & System Solution Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	16	31,000,000	151,900,000	-	-
Trade and other payables	17	1,136,574,826	1,355,371,300	1,049,962,348	1,246,636,373
Contract liabilities	9	65,978,466	40,756,854	21,678,364	26,830,129
Current portion of long-term loans					
Current portion of lease liabilities	18	4,765,087	4,872,772	4,740,691	4,775,188
Other current financial liabilities	31.1	538,573	2,160,380	538,573	2,160,380
Income tax payable		-	12,796,316	-	12,796,316
Other current liabilities		23,196,094	29,809,128	15,902,005	26,511,499
<b>Total current liabilities</b>		<b>1,262,053,046</b>	<b>1,597,666,750</b>	<b>1,092,821,981</b>	<b>1,319,709,885</b>
<b>Non-current liabilities</b>					
Lease liabilities, net of current portion	18	4,608,749	5,587,238	4,608,749	5,562,842
Provision for long-term employee benefits	19	83,061,974	79,647,158	72,780,534	69,100,027
<b>Total non-current liabilities</b>		<b>87,670,723</b>	<b>85,234,396</b>	<b>77,389,283</b>	<b>74,662,869</b>
<b>Total liabilities</b>		<b>1,349,723,769</b>	<b>1,682,901,146</b>	<b>1,170,211,264</b>	<b>1,394,372,754</b>
<b>Shareholders' equity</b>					
<b>Share capital</b>					
Registered					
1,176,073,769 ordinary shares of Baht 0.5 each		588,036,885	588,036,885	588,036,885	588,036,885
Issued and fully paid-up					
1,175,739,089 ordinary shares of Baht 0.5 each		587,869,545	587,869,545	587,869,545	587,869,545
Share premium		753,575,398	753,575,398	753,575,398	753,575,398
Surplus resulting from business combination					
under common control		6,827,505	6,827,505	-	-
Retained earnings					
Appropriated - statutory reserve	20	59,000,000	59,000,000	59,000,000	59,000,000
Unappropriated		324,625,393	363,168,241	320,376,481	327,588,209
Other components of shareholders' equity		(3,852,067)	9,471,184	-	-
Equity attributable to owners of the Company		1,728,045,774	1,779,911,873	1,720,821,424	1,728,033,152
Non-controlling interests of the subsidiaries		56,817,246	68,943,958	-	-
<b>Total shareholders' equity</b>		<b>1,784,863,020</b>	<b>1,848,855,831</b>	<b>1,720,821,424</b>	<b>1,728,033,152</b>
<b>Total liabilities and shareholders' equity</b>		<b>3,134,586,789</b>	<b>3,531,756,977</b>	<b>2,891,032,688</b>	<b>3,122,405,906</b>
		-	-	-	-

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

Communication & System Solution Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2023

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2023	2022	2023	2022
Profit or loss:					
Revenues					
Sales		3,584,720,358	3,849,380,391	3,456,754,873	3,804,595,286
Installation service revenue		305,365,840	793,527,491	162,765,135	445,701,852
Other income		9,207,303	14,875,871	27,479,995	41,973,403
Total revenues		3,899,293,501	4,657,783,753	3,647,000,003	4,292,270,541
Expenses					
Cost of sales		3,270,190,987	3,433,584,474	3,152,276,960	3,392,693,248
Installation service costs		193,416,803	679,202,261	89,110,139	376,966,133
Selling and distribution expenses		83,721,269	80,153,292	83,548,959	80,039,609
Administrative expenses		341,612,958	292,534,782	257,019,894	242,681,241
Impairment loss on investment in an associate	13	-	-	-	28,553,726
Total expenses		3,888,942,017	4,485,474,809	3,581,955,952	4,120,933,957
Operating profit		10,351,484	172,308,944	65,044,051	171,336,584
Share of profit (loss) from investments in associates	13	12,950,637	(16,474,721)	-	-
Finance income		4,010,532	4,805,308	2,852,283	4,117,535
Finance cost	22	(3,158,160)	(3,824,527)	(1,367,656)	(2,253,393)
Profit before income tax expenses		24,154,493	156,815,004	66,528,678	173,200,726
Income tax expenses	24	(16,037,154)	(41,253,467)	(14,953,507)	(40,553,207)
Profit for the year		8,117,339	115,561,537	51,575,171	132,647,519
Other comprehensive income:					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods:					
Share of other comprehensive income from investments					
in associates - net of income tax	13	(13,323,251)	(4,186,076)	-	-
Other comprehensive income for the year		(13,323,251)	(4,186,076)	-	-
Total comprehensive income for the year		(5,205,912)	111,375,461	51,575,171	132,647,519

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

**Communication & System Solution Public Company Limited and its subsidiaries**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2023**

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Profit (loss) attributable to:					
Equity holders of the Company		20,244,051	114,982,309	51,575,171	132,647,519
Non-controlling interests of the subsidiaries		(12,126,712)	579,228		
		<u>8,117,339</u>	<u>115,561,537</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		6,920,800	110,796,233	51,575,171	132,647,519
Non-controlling interests of the subsidiaries		(12,126,712)	579,228		
		<u>(5,205,912)</u>	<u>111,375,461</u>		
Earnings per share	25				
Basic earnings per share					
Profit attributable to equity holders of the Company		0.02	0.10	0.04	0.11

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

Communication & System Solution Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2023

(Unit: Baht)

Consolidated financial statements										
Equity attributable to owners of the Company										
						Other components of shareholders' equity				
						Other				
						comprehensive income				
Issued and		Surplus resulting		Retained earnings		Share of other	Total other	Total equity	Equity attributable	Total
fully paid-up		from business				comprehensive income	components of	attributable to	to non-controlling	
share capital		combination under				from investments	shareholders'	owners of	interests of	shareholders'
		common control		Appropriated	Unappropriated	in associates	equity	the Company	the subsidiaries	equity
Balance as at 1 January 2022	587,869,545	753,575,398	6,827,505	59,000,000	412,789,310	13,657,260	13,657,260	1,833,719,018	68,364,730	1,902,083,748
Profit for the year	-	-	-	-	114,982,309	-	-	114,982,309	579,228	115,561,537
Other comprehensive income for the year	-	-	-	-	-	(4,186,076)	(4,186,076)	(4,186,076)	-	(4,186,076)
Total comprehensive income for the year	-	-	-	-	114,982,309	(4,186,076)	(4,186,076)	110,796,233	579,228	111,375,461
Dividend paid (Note 28)	-	-	-	-	(164,603,378)	-	-	(164,603,378)	-	(164,603,378)
Balance as at 31 December 2022	587,869,545	753,575,398	6,827,505	59,000,000	363,168,241	9,471,184	9,471,184	1,779,911,873	68,943,958	1,848,855,831
Balance as at 1 January 2023	587,869,545	753,575,398	6,827,505	59,000,000	363,168,241	9,471,184	9,471,184	1,779,911,873	68,943,958	1,848,855,831
Profit for the year	-	-	-	-	20,244,051	-	-	20,244,051	(12,126,712)	8,117,339
Other comprehensive income for the year	-	-	-	-	-	(13,323,251)	(13,323,251)	(13,323,251)	-	(13,323,251)
Total comprehensive income for the year	-	-	-	-	20,244,051	(13,323,251)	(13,323,251)	6,920,800	(12,126,712)	(5,205,912)
Dividend paid (Note 28)	-	-	-	-	(58,786,899)	-	-	(58,786,899)	-	(58,786,899)
Balance as at 31 December 2023	587,869,545	753,575,398	6,827,505	59,000,000	324,625,393	(3,852,067)	(3,852,067)	1,728,045,774	56,817,246	1,784,863,020

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

**Communication & System Solution 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 fully paid-up		Retained earnings		Total
	share capital	Share premium	Appropriated	Unappropriated	
<b>Balance as at 1 January 2022</b>	587,869,545	753,575,398	59,000,000	359,544,068	1,759,989,011
Profit for the year	-	-	-	132,647,519	132,647,519
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	132,647,519	132,647,519
Dividend paid (Note 28)	-	-	-	(164,603,378)	(164,603,378)
<b>Balance as at 31 December 2022</b>	587,869,545	753,575,398	59,000,000	327,588,209	1,728,033,152
					-
<b>Balance as at 1 January 2023</b>	587,869,545	753,575,398	59,000,000	327,588,209	1,728,033,152
Profit for the year	-	-	-	51,575,171	51,575,171
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	51,575,171	51,575,171
Dividend paid (Note 28)	-	-	-	(58,786,899)	(58,786,899)
<b>Balance as at 31 December 2023</b>	587,869,545	753,575,398	59,000,000	320,376,481	1,720,821,424
					-

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

**Communication & System Solution Public Company Limited and its subsidiaries**

**Cash flow statement**

**For the year ended 31 December 2023**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>				
Profit before tax	24,154,493	156,815,004	66,528,678	173,200,726
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	25,051,492	22,789,046	22,981,158	20,363,280
Allowance for expected credit losses (reversal)	(2,015,025)	2,695,446	(1,555,025)	4,055,702
Impairment loss on long-term loan to an associate	15,425,937	2,200,000	15,425,937	2,200,000
Reduction of cost of inventories to net realisable value	447,403	604,866	448,829	931,656
Impairment loss on investment in an associate	-	-	-	28,553,726
Share of loss (gain) from investments in associates	(12,950,637)	16,474,721	-	-
Dividend received from an associate	-	-	(19,469,215)	(29,003,184)
Provision for long-term employee benefits	6,574,714	6,458,825	5,572,825	5,386,222
Gain on disposal of equipment	(1,408,836)	(2,245,485)	(1,408,836)	(2,245,485)
Unrealised loss (gain) on exchange	1,206,168	(1,526,399)	(103,878)	(112,648)
Loss on valuation of derivatives	538,573	1,033,651	538,573	2,160,380
Finance income	(4,010,532)	(4,805,308)	(2,852,283)	(4,117,535)
Finance cost	3,158,160	3,824,527	1,367,656	2,253,393
Profit from operating activities before changes in operating assets and liabilities	56,171,910	204,318,894	87,474,419	203,626,233
Operating assets (increase) decrease				
Trade and other receivables	164,406,625	112,978,289	284,726,997	59,082,767
Contract assets	386,312,089	(145,304,428)	107,361,539	71,822,094
Costs to fulfil contracts with customers	3,467,852	160,211,887	(1,575,082)	152,571,405
Inventories	(39,231,847)	85,164,162	(838,481)	83,561,034
Other current assets	11,524,448	2,946,552	(414,806)	5,940,188
Other non-current assets	5,832,854	(14,127,162)	9,012,807	(9,012,808)
Operating liabilities increase (decrease)				
Trade and other payables	(219,975,177)	21,573,111	(196,570,146)	(29,684,232)
Contract liabilities	25,221,612	(112,775,257)	(5,151,765)	(122,868,448)
Other current liabilities	(8,234,841)	(3,608,664)	(12,231,302)	(1,126,109)
Cash paid for long-term employee benefits	(3,159,898)	(2,015,781)	(1,892,318)	(1,215,781)
Cash flow from operating activities	382,335,627	309,361,603	269,901,862	412,696,343
Interest received	3,256,529	4,805,308	2,098,280	4,117,535
Interest paid	(2,421,265)	(2,991,396)	(603,298)	(1,497,705)
Corporate income tax paid	(37,317,738)	(76,886,974)	(30,234,823)	(72,965,113)
<b>Net cash flows from operating activities</b>	<b>345,853,153</b>	<b>234,288,541</b>	<b>241,162,021</b>	<b>342,351,060</b>

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



**Communication & System Solution Public Company Limited and its subsidiaries**

**Cash flow statement (continued)**

**For the year ended 31 December 2023**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from investing activities:</b>				
Decrease in restricted bank deposits	-	43,937,353	-	26,937,353
Cash paid for long-term loan to an associate	(14,580,800)	(2,200,000)	(14,580,800)	(2,200,000)
Proceeds from sales of equipment	1,426,916	2,391,725	1,426,916	2,391,725
Acquisition of property, plant and equipment	(30,282,062)	(23,376,117)	(29,932,952)	(22,903,913)
Dividend received from an associate	19,469,215	29,003,184	19,469,215	29,003,184
<b>Net cash flows from (used in) investing activities</b>	<b>(23,966,731)</b>	<b>49,756,145</b>	<b>(23,617,621)</b>	<b>33,228,349</b>
<b>Cash flows from financing activities:</b>				
Cash paid for short-term loans from financial institutions	(655,900,000)	(1,165,000,000)	(230,000,000)	(943,000,000)
Cash receipts from short-term loans				
from financial institutions	535,000,000	1,211,900,000	230,000,000	903,000,000
Repayment of liabilities under lease agreements	(7,186,580)	(9,770,883)	(7,088,998)	(7,409,287)
Dividend paid	(58,786,899)	(164,603,378)	(58,786,899)	(164,603,378)
<b>Net cash flows used in financing activities</b>	<b>(186,873,479)</b>	<b>(127,474,261)</b>	<b>(65,875,897)</b>	<b>(212,012,665)</b>
<b>Net increased in cash and cash equivalents</b>	<b>135,012,943</b>	<b>156,570,425</b>	<b>151,668,503</b>	<b>163,566,744</b>
Cash and cash equivalents at beginning of period	450,033,367	293,462,942	280,997,625	117,430,881
<b>Cash and cash equivalents at end of year</b>	<b>585,046,310</b>	<b>450,033,367</b>	<b>432,666,128</b>	<b>280,997,625</b>
	-	-	-	-
<b>Supplemental cash flow information:</b>				
Non-cash item				
Purchase of assets under lease agreement	5,569,000	6,830,922	5,569,000	6,830,922

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

Communication & System Solution Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2023

1. General information

Communication & System Solution Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the distribution and installation of equipment production for electricity, water, air conditioning and telecommunication systems. The registered office of the Company is at 329 Moo 3 Banmai, Pakkred, Nonthaburi.

The Company has Chonburi Branch at 59 Moo 7, Bang Pra, Sriracha, Chonburi.

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 Communication & System Solution Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”) (collectively as “the Group”):

Name of entity	Nature of business	Country of incorporation	Percentage of shareholding	
			2023	2022
			(%)	(%)
C.S.S. Energy Company Limited	Distribution and installation of electric cables, tube and electrical products	Thailand	100	100
Neonworx Communications (Thailand) Limited	Distribution and installation of equipment product for telecommunication systems	Thailand	70	70

- 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, as from the date on which the Company obtains control, and continues 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 has been eliminated from the consolidated financial statements.
  - f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries 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 which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

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

The management of the 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 Revenues and expenses recognition**

###### **Sales of goods**

Revenue from sales of goods is recognised at the point in time when control of goods is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts.

###### **Revenues from installation services**

The Group has determined that their installation service contracts generally have one performance obligation. The Group recognises installation service revenue over time where the stage of completion is measured using an output method, based on measurement of the value of services rendered up to the end of the period and total project value of contracts.

The likelihood of contract variations, claims and liquidated damages, delays in delivery or contractual penalties is taken into account in determining the revenue to be recognised, such that revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

When the value and stage of completion of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

###### **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).

###### **Installation service costs**

Installation service costs are recognised in accordance with satisfied performance obligations in the contract when incurred.

Provision for anticipated losses on projects is made in the accounts in full when the possibility of loss is ascertained.

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

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

#### 4.3 Contract assets/Contract liabilities

##### *Contract assets*

A contract asset is the excess of cumulative revenue earned over the billings to date. Contract assets are transferred to receivables when the rights become unconditional (i.e. services are completed and delivered to the customer).

##### *Contract liabilities*

A contract liability is recognised when the billings to date exceed the cumulative revenue earned and the Group has an obligation to transfer goods or services to a customer. Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contracts.

#### 4.4 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.

#### 4.5 Inventories

Finished goods are valued at the lower of cost (under the first-in first-out method), except large size cables (under the specific identification method), and net realisable value.

#### 4.6 Investments in subsidiaries and associates

Investments in 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 net of allowance for impairment loss (if any).

#### 4.7 Property, plant and equipment/Depreciation

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

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

Buildings	-	20 years
Furniture and fixtures	-	5 years
Toolings and equipment	-	5 years
Office equipment	-	3, 5 years
Motor vehicles	-	5 years
Installed equipment under contract	-	10, 20 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

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

#### 4.8 Goodwill

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

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

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

#### 4.9 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 less any lease incentives received.

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

Motor vehicles	5, 10	years
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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.

Right-of-use assets are presented as part of property, plant and equipment in the statement of financial position.

#### ***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.

#### **4.10 Related party transactions**

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

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

#### **4.11 Foreign currencies**

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

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

Gains and losses on exchange are included in determining income.

#### **4.12 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use assets and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. 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.

#### 4.13 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 Group and employees have jointly established provident funds. The funds are monthly contributed by employees and by the Group. The fund's assets are held in separate trust funds and the Group'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.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring-related costs.

#### 4.14 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.

#### 4.15 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 they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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



#### 4.16 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).

However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

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

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

#### **Offsetting of financial instruments**

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

#### **4.17 Derivatives**

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.

#### 4.18 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:

##### **Allowance for expected credit losses of trade receivables and contract assets**

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

##### **Reduction of inventory cost to net realisable value**

In determining a reduction of inventory cost to net realisable value, the management makes judgement and estimates net realisable value of inventory based on the estimated selling price in the ordinary course of business less the estimated costs necessary to make sale. Also, the management makes judgement and estimates expected loss from stock obsolescence based upon approximate aging profile of each type of inventory.

##### **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.

#### Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

#### Deferred tax assets

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

#### Post-employment benefits under defined benefit plans

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

#### 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: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Transfer pricing policy
	2023	2022	2023	2022	
<b><u>Transactions with subsidiaries</u></b>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	14,604	12,125	Cost plus margin more than 2%
Purchases of goods	-	-	42	62	Cost plus margin more than 2%
Installation service expenses	-	-	6,282	-	Cost plus margin 8%
<b><u>Transactions with associates</u></b>					
Interest income	-	91	-	91	Rate 7.00% per annum
Dividend received	19,469	29,003	19,469	29,003	Declared rate

## Deferred tax assets

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

## Post-employment benefits under defined benefit plans

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

As at 31 December 2023 and 2022, the balances of the accounts between the Group and its related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b><u>Trade and other receivables</u></b>				
Trade receivables - subsidiaries (Note 8)	-	-	2,310	12,973
<b><u>Trade and other payables</u></b>				
Trade payables - subsidiaries (Note 17)	-	-	-	64

## Long-term loan and interest receivables to related party

The balance of long-term loan and interest receivables to an associate and the movement are as follows:

	(Unit: Thousand Baht)		
	Consolidated financial statements		/
	Separate financial statements		
	Balance as at		Balance as at
	1 January 2023	Increase	31 December 2023
<b><u>Associate</u></b>			
<b>Namsor Hydro Power Company Limited</b>			
Long-term loan	2,200	14,581	16,780
Interest receivables	-	845	845
Less: Allowance for expected credit losses	(2,200)	(15,426)	(17,625)
Total Long-term loan - net	-	-	-

As at 31 December 2023, long-term loan to an associate is unsecured loan, carrying interest at the rate of 7.00% - 9.50% per annum (31 December 2022: 7.00% per annum). The Company has classified this loan as non-current asset because the conditions of repayment are linked to a loan agreement that the associate made with a commercial bank. However, the Company considered to set up allowance for expected credit losses on this long-term loan in full amount.

#### Directors and management's benefits

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Short-term employee benefits	37,325	38,965	30,148	31,189
Post-employment benefits	1,464	1,433	1,071	1,053
Total	38,789	40,398	31,220	32,242

#### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 29.2 to the financial statements.

#### 7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Cash	576	3,192	519	3,147
Bank deposits	584,470	446,841	432,147	277,851
Total	585,046	450,033	432,666	280,998

As at 31 December 2023, bank deposit in saving accounts and fixed deposits carried interests between 0.15 and 2.00 percent per annum (2022: between 0.10 and 0.50 percent per annum) (the Company only: between 0.15 and 0.50 percent per annum, 2022: between 0.10 and 0.45 percent per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated	financial	Separate	financial
	statements		statements	
	2023	2022	2023	2022
<b><u>Trade receivables - related parties</u></b>				
Aged on the basis of due dates				
Not yet due	-	-	211	12,973
Past due up to 3 months	-	-	2,099	-
Total trade receivables - related parties, net (Note 6)	-	-	2,310	12,973
<b><u>Trade receivables - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	635,342	635,630	477,077	584,497
Past due up to 3 months	325,191	309,868	306,990	305,940
3 - 6 months	19,781	100,516	19,781	100,516
6 - 12 months	29,952	167,544	29,952	165,939
Over 12 months	211,083	152,816	153,774	87,354
Total	1,221,349	1,366,374	987,574	1,244,246
Less: Allowance for expected credit losses	(139,749)	(141,464)	(82,440)	(83,995)
Total trade receivables - unrelated parties, net	1,081,600	1,224,910	905,134	1,160,251
Total trade receivables, net	1,081,600	1,224,910	907,444	1,173,224
<b><u>Other receivables</u></b>				
Other receivables	3,501	5,304	973	2,312
Interest receivables	845	91	845	91
Less: Allowance for expected credit losses	(2,933)	(2,388)	(845)	-
Other receivables and interest receivables, net	1,413	3,007	973	2,403
Advance payments	1,421	4,144	586	960
Advance payments for materials	11,958	27,807	5,543	20,036
Prepaid expenses	4,727	3,392	1,765	2,951
Retention	-	342	-	-
Total other receivables, net	19,519	38,692	8,867	26,350
Total trade and other receivables - net	1,101,119	1,263,602	916,311	1,199,574

The normal credit term is 30 to 90 days.

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Beginning balance	143,852	141,157	83,995	79,940
Provision for expected credit losses	24,561	22,543	24,561	22,543
Amount written off	(6,917)	(4,566)	(6,917)	(4,066)
Amount recovered	(18,814)	(15,282)	(18,354)	(14,422)
Ending balance	142,682	143,852	83,285	83,995

9. Contract assets/Contract liabilities

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<u>Contract assets</u>				
Accrued income for installation services	5,203	213,212	1,217	1,136
Unbilled receivables	29,490	208,344	11,761	119,419
Retention receivables	9,432	8,882	9,034	8,819
Total contract assets	44,126	430,438	22,012	129,374
<u>Contract liabilities</u>				
Installation service revenue received in advance	65,978	40,757	21,678	26,830
Total contract liabilities	65,978	40,757	21,678	26,830

10. Assets recognised in respect of costs to fulfil a contract with a customer

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Telecommunication projects	5,722	13,393	1,202	4,833
Other installation projects	71,456	67,253	11,270	6,064
	77,178	80,646	12,472	10,897



## 11. Inventories

(Unit: Thousand Baht)

Consolidated financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net
	2023	2022	2023	2022	
Finished goods	494,616	455,384	(21,078)	(20,631)	473,538
					434,753

(Unit: Thousand Baht)

Separate financial statements					
	Cost		Reduce cost to net realisable value		Inventories - net
	2023	2022	2023	2022	
Finished goods	441,050	440,212	(15,300)	(14,851)	425,750
					425,361

During the year 2023, the Group reduced cost of inventories by Baht 8 million (2022: Baht 7 million) (the Company only: Baht 8 million, 2022: Baht 7 million) to reflect net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 8 million (2022: Baht 6 million) (the Company only: Baht 8 million, 2022: Baht 6 million) and reduced the amount of inventories recognised as expenses during the year.

## 12. Investments in subsidiaries

### 12.1 Details of investments in subsidiaries as presented in separate financial statements

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	2023	2022	2023	2022	2023	2022
			(%)	(%)		
C.S.S. Energy Company Limited	150,000	150,000	100	100	150,000	150,000
Neonworx Communications (Thailand) Limited	10,000	10,000	70	70	344,859	344,859
Total					494,859	494,859

There was no dividend received from the above subsidiaries for the years ended 31 December 2023 and 2022.

12.2 Details of investments in subsidiaries that have material non-controlling interests

Company's name	Proportion of equity interest		Accumulated balance of		Profit (loss) allocated to	
	held by	non-	non-controlling interests		non-controlling interests	
	controlling interests				during the year	
	2023	2022	2023	2022	2023	2022
	(%)	(%)				
Neonworx Communications						
(Thailand) Limited	30	30	57	69	(12)	1

12.3 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling interests

Summarised information about financial position of Neonworx Communications (Thailand) Limited

	(Unit: Million Baht)	
	As at 31 December	
	2023	2022
Current assets	232	465
Non-current assets	49	48
Current liabilities	84	276
Non-current liabilities	10	11

Summarised information about comprehensive income of Neonworx Communications (Thailand) Limited

	(Unit: Million Baht)	
	For the year ended 31 December	
	2023	2022
Revenue	228	384
Profit (loss)	(40)	2
Other comprehensive income	-	-
Total comprehensive income	(40)	2

Summarised information about cash flow of Neonworx Communications (Thailand) Limited

	(Unit: Million Baht)	
	For the year ended 31 December	
	2023	2022
Cash flow from (used in) operating activities	127	(106)
Cash flows from investing activities	-	17
Cash flows from (used in) financing activities	(121)	85
Net increase (decrease) in cash and cash equivalents	6	(4)

### 13. Investment in associates

#### 13.1 Details of associates:

Company's name	Nature of business	Country of incorporation	Shareholding percentage	
			2023	2022
			(%)	(%)
Namsor Hydro Power Company Limited	Generating and sale of electricity from hydro power system	The Lao People's Democratic Republic	39	39
Phu Khanh Solar Power Joint Stock Company Limited	Generating and sale of electricity from solar power system	Socialist Republic of Vietnam	25	25

Total

(Unit: Thousand Baht)

Company's name	Consolidated financial statements		Separate financial statements	
	Carrying amounts based on equity method		Carrying amount based on cost method	
	2023	2022	2023	2022
Namsor Hydro Power Company Limited	-	-	83,783	83,783
Less: Allowance for impairment of investment	-	-	(83,783)	(83,783)
Net	-	-	-	-
Phu Khanh Solar Power Joint Stock Company Limited	311,659	331,501	272,151	272,151
Total	311,659	331,501	272,151	272,151

As at 31 December 2023 and 2022, ordinary shares of both associated companies, the shareholding proportion of the Company are pledged with bank to guarantee loans facilities of both associated companies.

#### 13.2 Share of comprehensive income and dividend received

During the years, the Company has recognised its share of profit (loss) from investments in associates in the consolidated financial statements and dividend income in the separate financial statements as follows:

Associates	Consolidated financial statements				Separate financial statements	
	Share of profit (loss)		Share of other comprehensive income		Dividend received	
	2023	2022	2023	2022	2023	2022
Namsor Hydro Power Company Limited	-	(24,396)	-	(4,158)	-	-
Phu Khanh Solar Power Joint Stock Company Limited	12,950	7,921	(13,323)	(28)	19,469	29,003
Total	12,950	(16,475)	(13,323)	(4,186)	19,469	29,003

Namsor Hydro Power Company Limited commenced the commercial electricity sales in January 2019 and Phu Khanh Solar Power Joint Stock Company Limited commenced the commercial electricity sales in June 2019.

### 13.3 Summarised financial information about material associates

	Namsor Hydro Power Company Limited		Phu Khanh Solar Power Joint Stock Company Limited	
	(Unit: Million LAK)		(Unit: Million VND)	
	2023	2022	2023	2022
Paid-up capital	55,169	55,169	782,200	782,000
Total assets	86,663	84,645	1,962,283	2,064,375
Total liabilities	114,335	86,917	1,087,827	1,170,258
Revenue	15,076	14,241	281,729	282,522
Profit (loss) for the year	(17,310)	(27,012)	34,267	20,974
Total comprehensive income	(17,310)	(27,012)	34,267	20,974

Summarised information about financial position

			(Unit: Million Baht)	
	Namsor Hydro Power Company Limited		Phu Khanh Solar Power Joint Stock Company Limited	
	2023	2022	2023	2022
Current assets	42	30	377	385
Non-current assets	102	139	2,381	2,638
Current liabilities	(71)	(36)	(198)	(202)
Non-current liabilities	(119)	(137)	(1,330)	(1,509)
<b>Net assets (liabilities)</b>	<b>(46)</b>	<b>(4)</b>	<b>1,230</b>	<b>1,312</b>
Shareholding percentage (%)	39	39	25	25
<b>Share of net assets</b>	<b>-*</b>	<b>-*</b>	<b>308</b>	<b>328</b>
Goodwill	-	-	4	4
Concessionary right - hydro power plant	-	-	-	-
<b>Carrying amounts of the associate based on equity method</b>	<b>-</b>	<b>-</b>	<b>312</b>	<b>332</b>

\*The Company recognised share of loss from investment in associated company, Namsor Hydro Power Company Limited, until the value of the investments approached zero.

14. Property, plant and equipment

Movement of property, plant and equipment for the years ended 31 December 2023 and 2022 are summarised as follow:

(Unit: Thousand Baht)

	Consolidated financial statements									
	Land	Building	Furniture and fixtures	Toolings and equipment	Office equipment	Motor vehicles	Installed equipment under contract	Right-of-use assets - motor vehicles	Assets under installation	Total
<b>Cost:</b>										
1 January 2022	115,704	216,798	14,240	24,235	50,054	26,152	34,107	33,802	46	515,138
Additions	9,000	-	98	3,446	3,319	-	-	7,415	6,929	30,207
Disposals/written off	-	-	(658)	(195)	(1,182)	(7,847)	-	-	-	(9,882)
Transfer in (transfer out)	-	-	6,930	32	13	-	-	-	(6,975)	-
31 December 2022	124,704	216,798	20,610	27,518	52,204	18,305	34,107	41,217	-	535,463
Additions	12,500	-	184	1,607	6,834	2,379	-	5,569	6,544	35,617
Disposals/written off	-	-	(76)	(28)	(3,017)	(554)	(23,407)	(4,488)	-	(31,570)
Transfer in (transfer out)	-	4,582	621	-	-	2,072	-	(2,072)	(5,203)	-
31 December 2023	137,204	221,380	21,339	29,097	56,021	22,202	10,700	40,226	1,341	539,510
<b>Accumulated depreciation:</b>										
1 January 2022	-	77,215	11,665	20,800	46,493	25,022	32,158	17,936	-	231,289
Depreciation for the year	-	11,034	1,530	1,388	1,442	620	1,065	5,459	-	22,538
Depreciation on disposals/written off	-	-	(521)	(193)	(1,175)	(7,847)	-	-	-	(9,736)
31 December 2022	-	88,249	12,674	21,995	46,760	17,795	33,223	23,395	-	244,091
Depreciation for the year	-	10,825	2,110	1,912	2,409	883	883	5,777	-	24,799
Depreciation on disposals/written off	-	-	(76)	(29)	(3,002)	11	(23,406)	(5,050)	-	(31,552)
31 December 2023	-	99,074	14,708	23,878	46,167	18,689	10,700	24,122	-	237,338
<b>Net book value:</b>										
31 December 2022	124,704	128,549	7,936	5,523	5,444	510	884	17,822	-	291,372
31 December 2023	137,204	122,306	6,631	5,219	9,854	3,513	-	16,104	1,341	302,172
<b>Depreciation for the year</b>										
2022 (Baht 1 million included in installation service costs, and the balance in selling and administrative expenses)										22,538
2023 (Baht 1 million included in installation service costs, and the balance in selling and administrative expenses)										24,799

(Unit: Thousand Baht)

Separate financial statements

	Land	Building	Furniture and fixtures	Toolings and equipment	Office equipment	Motor vehicles	Installed equipment under contract	Right-of-use assets - motor vehicles	Assets under installation	Total
<b>Cost</b>										
1 January 2022	106,274	187,229	9,400	16,990	41,813	24,832	34,107	26,124	46	446,815
Additions	9,000	-	98	3,358	2,935	-	-	7,415	6,929	29,735
Disposals/written off	-	-	(658)	(195)	(1,182)	(7,847)	-	-	-	(9,882)
Transfer in (transfer out)	-	-	6,930	32	13	-	-	-	(6,975)	-
31 December 2022	115,274	187,229	15,770	20,185	43,579	16,985	34,107	33,539	-	466,668
Additions	12,500	-	184	1,409	6,683	2,379	-	5,569	6,544	35,268
Disposals/written off	-	-	(76)	(28)	(3,017)	(554)	(23,407)	(4,488)	-	(31,570)
Transfer in (transfer out)	-	4,682	621	-	-	2,072	-	(2,072)	(5,203)	-
31 December 2023	127,774	191,811	16,499	21,566	47,245	20,882	10,700	32,548	1,341	470,366
<b>Accumulated depreciation:</b>										
1 January 2022	-	66,061	6,867	13,683	39,184	23,702	32,158	10,469	-	192,124
Depreciation for the year	-	9,453	1,511	1,341	1,117	620	1,065	5,248	-	20,355
Depreciation on disposals/written off	-	-	(521)	(193)	(1,175)	(7,847)	-	-	-	(9,736)
31 December 2022	-	75,514	7,857	14,831	39,126	16,475	33,223	15,717	-	202,743
Depreciation for the year	-	9,462	2,095	1,825	2,047	883	883	5,777	-	22,972
Depreciation on disposals/written off	-	-	(76)	(29)	(3,002)	11	(23,406)	(5,050)	-	(31,552)
31 December 2023	-	84,976	9,876	16,627	38,171	17,369	10,700	16,444	-	194,163
<b>Net book value:</b>										
31 December 2022	115,274	111,715	7,913	5,354	4,453	510	884	17,822	-	263,925
31 December 2023	127,774	106,835	6,623	4,939	9,074	3,513	-	16,104	1,341	276,203
<b>Depreciation for the year</b>										
2022 (Baht 1 million included in installation service costs, and the balance in selling and administrative expenses)										20,355
2023 (Baht 1 million included in installation service costs, and the balance in selling and administrative expenses)										22,972

As at 31 December 2023 and 2022, certain items of plant and equipment were fully depreciated but were still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 106 million and Baht 120 million, respectively (the Company only: Baht 78 million and Baht 93 million, respectively).

As at 31 December 2023 and 2022, the Group has mortgaged its property and building as collateral against credit facilities received from financial institutions amounting to approximately Baht 233 million and Baht 244 million, respectively (the Company only: Baht 209 million and Baht 218 million, respectively).

As at 31 December 2023 and 2022, the Company have servitude over land of approximately 108.4 square wah.

#### 15. Goodwill

The Company included goodwill acquired through business combination to the cash generating units (“CGUs”) (Neonworx Communications (Thailand) Limited) for annual impairment testing. The recoverable amount of the CGU has been determined based on value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period.

The management calculated value in use by determining the revenue growth rate based on revenue projection of Neonworx Communications (Thailand) Limited which was made by referring to the currently available bidding projects to the government and installation service projects from private entities, the ability to compete to receive the bidding and its expectations of market growth. The pre-tax discount rate used at 9.64% per annum reflect specific risks relating to the assets.

Increase in the discount rate of 0.5% per annum would result in recoverable amounts that are equal to the carrying amounts.

The management believes that there is no impairment loss for goodwill.

#### 16. Short-term loans from financial institutions

(Unit: Thousand Baht)						
	Interest rate		Consolidated		financial	
	(percent per annum)		statements		Separate	
	2023	2022	2023	2022	2023	2022
Short-term loans from						
financial institutions	3.00	1.95 - 3.66	31,000	151,900	-	-
Total			31,000	151,900	-	-

Bank overdrafts and short-term loans from financial institutions are secured by the mortgage of the Group's land and structures.

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Trade payables - unrelated parties	991,811	1,121,238	913,422	1,033,833
Trade payables - subsidiaries (Note 6)	-	-	-	64
Accrued costs - unrelated parties	28,094	105,417	22,259	87,515
Other payables - unrelated parties	24,760	25,826	24,330	25,009
Accrued expenses	91,910	102,890	89,951	100,215
Total trade and other payables	<u>1,136,575</u>	<u>1,355,371</u>	<u>1,049,962</u>	<u>1,246,636</u>

18. Leases

18.1 The Group as a lessee

The Group has lease contracts for various items of assets used in its operations. Leases generally have lease terms between 2 - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the years ended 31 December 2023 and 2022 are described in Note 14 to the financial statements.

b) Lease liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Lease payments	10,539	11,691	10,515	11,569
Less: Deferred interest expenses	(1,165)	(1,231)	(1,165)	(1,231)
Total	9,374	10,460	9,350	10,338
Less: Portion due within one year	(4,765)	(4,873)	(4,741)	(4,775)
Lease liabilities - net of current portion	<u>4,609</u>	<u>5,587</u>	<u>4,609</u>	<u>5,563</u>

A maturity analysis of lease payments is disclosed in Note 31.2 to financial statements under the liquidity risk.



c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Depreciation expense of right-of-use assets	5,778	5,458	5,778	5,248
Interest expense on lease liabilities	764	790	764	759
Expense relating to short-term leases	3,905	4,258	2,522	2,491
Expense relating to leases of low-value assets	1,377	1,414	1,377	1,414

d) Others

The Group had total cash outflows for leases for the year ended 31 December 2023 of Baht 12 million (2022: Baht 15 million) (the Company only: Baht 11 million 2022: Baht 11 million), including the cash outflow related to short-term lease and leases of low-value assets.

19. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Provision for long-term employee benefits at beginning of year</b>	79,647	75,204	69,100	64,930
Included in profit or loss:				
Current service cost	5,184	5,181	4,363	4,275
Interest cost	1,391	1,278	1,210	1,111
Benefits paid during the year	(3,160)	(2,016)	(1,892)	(1,216)
<b>Provision for long-term employee benefits at end of year</b>	<b>83,062</b>	<b>79,647</b>	<b>72,781</b>	<b>69,100</b>

The Group expects to pay Baht 3 million of long-term employee benefits during the next year (2022: 10 million) (the Company only: Baht 1 million 2022: Baht 9 million).

As at 31 December 2023 and 2022, the weighted average durations of the liabilities for long-term employee benefit are 13 years and 13 years, respectively (the Company only: 13 years and 13 years, respectively).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Discount rate	2.3	2.3	2.3	2.3
Salary increase rates	3.0 - 7.0	3.0 - 7.0	3.0 - 5.0	3.0 - 5.0
Staff turnover rates	0.0 - 22.0	0.0 - 22.0	0.0 - 20.0	0.0 - 20.0

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	Separate	
	statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(6)	7	(5)	6
Salary increase rate	8	(7)	7	(6)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Staff turnover rate	(4)	4	(3)	4

	(Unit: Million Baht)			
	2022			
	Consolidated	financial	Separate	
	statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(6)	7	(5)	6
Salary increase rate	8	(7)	7	(6)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Staff turnover rate	(4)	4	(3)	3

## 20. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to 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. At present, the statutory reserve has fully been set aside.

21. Revenue from contracts with customers

21.1 Revenue recognised in relation to contract balances

During the year 2023, the Group recognised contract liabilities of Baht 39 million (2022: Baht 150 million) as revenue (the Company only: Baht 26 million and 2022: Baht 148 million).

21.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2023, the Group expected to recognise revenue totaling Baht 209 million in the future in respect of performance obligations under contracts with customers that are as yet unsatisfied or partially unsatisfied. The Group expects to satisfy these performance obligations within 2 years (31 December 2022: Baht 238 million and within 2 years) (the Company only: Baht 109 million and within 2 years (31 December 2022: Baht 117 million and within 2 years)).

22. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		financial	
	statements		Separate financial statements	
	2023	2022	2023	2022
Interest expenses on borrowings	2,394	3,034	603	1,494
Interest expenses on lease liabilities	764	791	765	759
<b>Total</b>	<b>3,158</b>	<b>3,825</b>	<b>1,368</b>	<b>2,253</b>

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Salaries and wages and other employee benefits	220,267	227,188	182,585	187,265
Depreciation and amortisation expenses	25,051	22,789	22,981	20,363
Transportation expenses	12,782	13,423	12,782	13,423
Installation service expenses	103,270	219,270	72,018	167,654
Office service expenses	6,186	6,072	5,482	5,360
Commission expenses	20,831	22,404	20,718	22,281
Rental expenses from lease agreements	5,206	5,765	3,971	3,977
Reduction of cost of inventory to net realisable value (reversal)	447	605	449	932
Changes in finished goods and assets under installation	35,939	(245,124)	2,414	(236,132)
Purchase of finished goods	3,398,826	3,640,700	3,169,166	3,359,641

## 24. Income tax

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

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Current income tax:</b>				
Current income tax charge	17,799	43,602	17,583	42,873
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(1,762)	(2,349)	(2,629)	(2,320)
<b>Income tax expenses reported in profit or loss</b>	<b>16,037</b>	<b>41,253</b>	<b>14,954</b>	<b>40,553</b>

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

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Accounting profit before tax	24,154	156,815	66,529	173,201
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	4,831	31,363	13,306	34,640
Effects of:				
Non-deductible expenses	8,872	102	618	5,760
Additional expense deductions allowed	(211)	(126)	(209)	(124)
Income exempt	-	(34)	-	-
Change in value of investment under equity method	2,590	8,985	-	-
Others	(45)	963	1,239	277
Total	11,206	9,890	1,648	5,913
<b>Income tax expenses reported in profit or loss</b>	<b>16,037</b>	<b>41,253</b>	<b>14,954</b>	<b>40,553</b>

As at 31 December 2023 and 2022, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
<b>Deferred tax assets</b>				
Allowance for expected credit losses	28,098	25,415	20,013	17,239
Allowance for diminution in value of inventories	4,126	4,126	3,060	2,970
Provision for long-term employee benefits	15,861	15,929	13,805	13,820
Tax losses	500	1,282	-	-
<b>Total</b>	<b>48,675</b>	<b>46,752</b>	<b>36,878</b>	<b>34,029</b>
<b>Deferred tax liabilities</b>				
Leases	902	682	902	682
Revalue assets from acquisition of subsidiary	582	641	-	-
<b>Total</b>	<b>1,484</b>	<b>1,323</b>	<b>902</b>	<b>682</b>
<b>Net</b>	<b>47,191</b>	<b>45,429</b>	<b>35,976</b>	<b>33,347</b>

As at 31 December 2023, the Group has no deductible temporary differences and unused tax losses, on which deferred tax assets have not been recognized (2022: the Group has deductible temporary differences and unused tax losses, on which deferred tax assets have not been recognized totaling Baht 11 million as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses).

## 25. Earnings per share

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

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

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Profit for the year (Thousand Baht)	20,244	114,982	51,575	132,648
Weighted average number of ordinary shares				
(Thousand shares)	1,175,739	1,175,739	1,175,739	1,175,739
Earnings per share (Baht/share)	0.02	0.10	0.04	0.11

## 26. 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 chief operating decision maker has been identified as chief executive officer of the group.

For management purposes, the Group is organised into business units based on its products and services and have two reportable segments as follows:

- The distribution electrical equipment segment, which is a supplier of electronic cable and other equipment related to electrical system, and fire protection equipment.
- Installation service segment, which design and installation of telecommunications systems and fire protection systems.

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

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

	(Unit: Million Baht)							
	For the year ended 31 December							
	Distribution of		Installation services		Elimination of		Consolidation	
	electrical equipment				inter-segment		financial statements	
	2023	2022	2023	2022	transactions		2023	2022
Revenue								
Revenue from external customers	3,585	3,849	305	794	-	-	3,890	4,643
Inter-segment revenues	15	12	6	-	(21)	(12)	-	-
Total revenues	3,600	3,861	311	794	(21)	(12)	3,890	4,643
Segment operating profit	315	416	112	114		-	427	530
Other income (including finance income)							13	20
Share of profit (loss) from investments in associates							13	(16)
Selling and distribution expenses							(84)	(80)
Administrative expenses							(342)	(293)
Finance costs							(3)	(4)
Profit before income tax expenses							24	157
Income tax expenses							(16)	(41)
Profit for the year							8	116

## Geographic information

The Group operates in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

### Major customer

For the year ended 31 December 2023 and 2022, the Group has no major customer with revenue of 10 percent or more of distribution of electrical equipment's revenues. However, the Group has revenue from two major customers in amount of Baht 152 million, arising from revenue by installation service (2022: Baht 582 million).

## 27. Provident fund

The Group and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and employees contribute to the fund monthly at the rates of 3 percent to 8 percent of basic salary. The fund, which is managed by UOB Asset Management (Thai) Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 and 2022 amounting to approximately Baht 6.8 million and Baht 6.7 million, respectively (the Company only: Baht 6.0 million and Baht 5.9 million, respectively) were recognised as expenses.

## 28. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Final dividends for 2021	Annual General Meeting of the shareholders on 27 April 2022	117,574	0.10
Interim dividends for 2022	Meeting of Board Director on 25 August 2022	47,029	0.04
Total for the year 2022		164,603	0.14
Final dividends for 2022	Annual General Meeting of the shareholders on 26 April 2023	58,787	0.05
Total for the year 2023		58,787	0.05

## 29. Commitments and contingent liabilities

### 29.1 Lease and service commitments

The Group has entered into several lease agreements relating to leases of low-value assets, consultant service agreement and service contracts with individuals and companies. The terms of the agreements are generally between 1 to 5 years.

As at 31 December 2023 and 2022, the Group had minimum payments required under these non-cancellable leases contracts were as follows:

(Unit: Million Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Payable:				
In up to 1 year	3	4	2	3
In over 1 and up to 5 years	1	1	1	1

## 29.2 Guarantees

- a) As at 31 December 2023 and 2022, the Group had outstanding bank guarantees issued by banks on behalf of the Group in the normal course of business. Details are as follows:

(Unit: Million Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2023	2022	2023	2022
Guarantee payments due to creditors	126	211	126	211
Guarantee contractual performance	140	188	104	171
Guarantee of construction contracts, bidding and debt repayment	40	122	37	10
Guarantee for sales of goods	8	2	7	2

- b) As at 31 December 2023 and 2022, the Company had guarantee obligations for long-term loan facilities of the associated company amounting to USD 4 million.
- c) As at 31 December 2023, the Company had guarantee obligations for bank credit facilities of its subsidiary amounting to Baht 586 million (2022: Baht 516 million).

## 29.3 Approval of the Commercial Operation Date (COD) for solar power plants in Vietnam

The Company has initially acknowledged that the process of approving the Commercial Operation Date (COD) for some solar power plants in Vietnam are currently under review by Vietnam Government Agencies. This review is to determine whether these processes are in accordance with the government regulations. The results of this review and any potential penalties, should the solar power plants' COD approval process be found not in accordance with the regulations, are currently unknown. However, Phu Khanh Solar Power Joint Stock Company Limited, which operates a solar power plant in Vietnam and is an associate of the Company, has not been contacted by any Vietnam Government Agencies regarding such an inspection. The Company's management believes that the associate company has properly complied with all government regulations.



### 30. Fair value hierarchy

As at 31 December 2023 and 2022, the Group had the assets and liabilities that were measured at fair value or for which fair value was disclosed 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
<b>Liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	0.5	-	0.5

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	1.4	-	1.4

(Unit: Million Baht)

<b>Liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	2.2	-	2.2

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2023			
	Level 1	Level 2	Level 3	Total
<b>Liabilities measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	0.5	-	0.5

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Derivatives				
Foreign currency forward contracts	-	2.2	-	2.2

### 31. Financial instruments

#### 31.1 Derivatives

(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements
	2023	2022	2023 2022
<b>Derivative assets</b>			
Derivative assets not designated as hedging instruments			
Foreign exchange forward contracts	-	1,379	- -
<b>Total derivative assets</b>	-	1,379	- -
<b>Derivative liabilities</b>			
Derivatives liabilities not designated as hedging instruments			
Foreign exchange forward contracts	538	2,160	538 2,160
<b>Total derivative liabilities</b>	538	2,160	538 2,160

#### 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 from 3 to 6 months.

#### 31.2 Financial risk management objectives and policies

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, investments, and short-term loans from financial institution. 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, contract assets, 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*

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Group does not have high concentrations of credit risk since it has a large customer base in various industries.

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 Group classifies customer segments by product type, customer type and rating. 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.

#### *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.

The credit risk on the balances with banks and financial institutions and derivatives is limited because the counterparties which are banks and financial institutions with high credit-ratings assigned by international credit-rating agencies.

#### **Market risk**

There are 2 types of market risk comprising foreign currency risk and interest rate risk.

#### *Foreign currency risk*

The Group's major transactions are denominated in Thai Baht. The balance of financial assets and liabilities denominated in foreign currencies are insignificant, the foreign currency risk is expected to be minimal.

As at 31 December 2023 and 2022, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Financial liabilities		Average exchange rate	
	2023	2022	2023	2022
	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	(1.5)	(2.1)	34.2233	34.5624
Euro	-	(3.8)	38.0334	36.8274

### Interest rate risk

The Group's exposure to interest rate risk relates primarily to its long-term loans. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loan. The Group's policy is to maintain borrowings at fixed interest rates and floating interest rates to be appropriate with the business operation. The Group's interest rate risk to be low, due to the balance of loans bear fixed interest rates which are close to the market rate.

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

(Unit: Million Baht)

	2023					
	Consolidated financial statements					
	Fixed interest rates					Effective interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing	Total	
<b>Financial assets</b>						
Cash and cash equivalent	100	-	439	46	585	0.15 - 2.00
Trade and other receivables	-	-	-	1,101	1,101	-
<b>Financial liabilities</b>						
Short-term loans from financial institutions	31	-	-	-	31	3.00
Trade and other payables	-	-	-	1,137	1,137	-
Lease liabilities	5	4	-	-	9	2.90 - 9.33

(Unit: Million Baht)

	2022					
	Consolidated financial statements					
	Fixed interest rates					Effective interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate	Non- interest bearing	Total	
<b>Financial assets</b>						
Cash and cash equivalent	-	-	331	119	450	0.10 - 0.50
Trade and other receivables	-	-	-	1,264	1,264	-
<b>Financial liabilities</b>						
Short-term loans from financial institutions	152	-	-	-	152	1.95 - 3.66
Trade and other payables	-	-	-	1,355	1,355	-
Lease liabilities	5	5	-	-	10	1.99 - 8.88

(Unit: Million Baht)

	2023					
	Separate financial statements					
	Fixed interest rates					
	Within	1-5	Floating	Non- interest		Effective
	1 year	years	interest rate	bearing	Total	interest rate
						(% per annum)
Financial assets						
Cash and cash equivalent	-	-	432	1	433	0.15 - 0.50
Trade and other receivables	-	-	-	916	916	-
Financial liabilities						
Trade and other payables	-	-	-	1,050	1,050	-
Lease liabilities	5	4	-	-	9	2.19 - 9.33

(Unit: Million Baht)

	2022					
	Separate financial statements					
	Fixed interest rates					
	Within	1-5	Floating	Non- interest		Effective
	1 year	years	interest rate	bearing	Total	interest rate
						(% per annum)
Financial assets						
Cash and cash equivalent	-	-	278	3	281	0.10 - 0.45
Trade and other receivables	-	-	-	1,200	1,200	-
Financial liabilities						
Trade and other payables	-	-	-	1,247	1,247	-
Lease liabilities	5	5	-	-	10	1.99 - 8.88

#### Liquidity risk

The Group regularly monitors the risk of liquidity and plans to manage the liquidity of the Group including maintains a level of cash and bank deposits in order to enable payment of obligations. Additionally, the Group has access to a sufficient variety of sources of funding. As a result, the Group has assessed the liquidity risk and concluded it to be low.

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		
	31 December 2023		
	Less than year	1 1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	31,000	-	31,000
Trade and other payables	1,136,575	-	1,136,575
Lease liabilities	4,765	4,609	9,374
<b>Total non-derivatives</b>	<b>1,172,340</b>	<b>4,609</b>	<b>1,176,949</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	539	-	539
<b>Total derivatives</b>	<b>539</b>	<b>-</b>	<b>539</b>

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2022		
	Less than year	1 1 to 5 years	Total
<b>Non-derivatives</b>			
Short-term loans from financial institutions	151,900	-	151,900
Trade and other payables	1,355,371	-	1,355,371
Lease liabilities	4,873	5,587	10,460
<b>Total non-derivatives</b>	<b>1,512,144</b>	<b>5,587</b>	<b>1,517,731</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	2,160	-	2,160
<b>Total derivatives</b>	<b>2,160</b>	<b>-</b>	<b>2,160</b>

(Unit: Thousand Baht)

Separate financial statements			
31 December 2023			
	Less than year	1 1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	1,049,962	-	1,049,962
Lease liabilities	4,741	4,609	9,350
<b>Total non-derivatives</b>	<b>1,054,703</b>	<b>4,609</b>	<b>1,059,312</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	539	-	539
<b>Total derivatives</b>	<b>539</b>	<b>-</b>	<b>539</b>

(Unit: Thousand Baht)

Separate financial statements			
31 December 2022			
	Less than year	1 1 to 5 years	Total
<b>Non-derivatives</b>			
Trade and other payables	1,246,636	-	1,246,636
Lease liabilities	4,775	5,563	10,338
<b>Total non-derivatives</b>	<b>1,251,411</b>	<b>5,563</b>	<b>1,256,974</b>
<b>Derivatives</b>			
Derivative liabilities: net settled	2,160	-	2,160
<b>Total derivatives</b>	<b>2,160</b>	<b>-</b>	<b>2,160</b>

### 31.3 Fair values of financial instruments

Since the majority of the Group'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.

The fair value of derivatives has been determined using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies and yield curves of the respective currencies. The Group considers counterparty credit risk when determining the fair value of derivatives.

**32. Capital management**

The primary objective of the Group's capital is to ensure that they have appropriate capital structure in order to support their business and maximise shareholder value. As at 31 December 2023, the Group's debt-to-equity ratio was 0.76:1 (2022: 0.91:1) and the Company's was 0.68:1 (2022: 0.81:1).

**33. Event after the reporting period**

On 29 February 2024, the meeting of the Company's Board of Directors passed the resolution to propose Annual General Meeting of the Company's shareholders for approval the payment of a dividend for the year 2023 of Baht 0.02 per share. The payment of such dividend shall be made within May 2024.

**34. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 29 February 2024.





Attachment 1



01

Board of Director

- |     |  |
|-----|--|
| 01. | Mr.Sompong Kangsawiwat                   |
| 02. | Assoc.Prof.Pitipat Chataccaraphat (Ph.D) |
| 03. | Mr.Chattaphum Khantiviriya               |
| 04. | Mr.Chattaphum Khantiviriya               |
| 05. | Mr.Vuthichai Duangratana (Ph.D.)         |
| 06. | Mr.Opas Tiyawattanaroj                   |
| 07. | Mr.Kittirat Mekmanee                     |
| 08. | Ms.Panida Sawatwannarat                  |
| 09. | Ms.Nongnuch Temeesrisuk                  |



02



03



04



05



06



07



08



09



### Mr.Sompong Kangsawiwat

Age 58 years old

Nationality : Thai

Date of Appointed :

8 August 2005 (18 Years 8 Month)

Position :

- Chairman
- Chief Executive Officer
- Chairman of the Strategic Committee
- Member of the Risk Management

Percent of Company's shares

At 31 Dec 2023 :

208,148,836 Shares

(17.70% of paid up capital  
and total voting rights)

Criminal record in the past 10 years :

-None-

Education :

- MBA in Marketing of NIDA

Training :

Thai Institute of Directors

- Director Accreditation Program Class 50/2006
- Director Certification Program Class 154/2011
- Role of the Chairman Program (RCP) Class 27/2012
- Financial Statements for Directors (FSD) Class 15/2012

Other Training

- Executive Course Capital Market Academy Class 20

Experience :

Listed Company 1 Company

Communication & System Solution PCL.

- 2005 - Now Director
- 2011 - Now Chief Executive Officer
- 2012 - Feb 2023 Chairman of the Risk Management Committee
- 2019 - Now Chairman
- 2019 - Now Chairman of the Strategic Committee
- Feb 2023 - Now Member of Risk Management Committee

Other Company (Not listed company) 2 Companies

C.S.S.Energy Co.,Ltd

- 1997 - Now Director

Neon Worx Communication (Thailand) Co.,Ltd

- 2015 - Now Director



**Assoc. Prof. Pitipat Chataccaraphat (Ph.D)**

**Age** 62 years old

**Nationality** : Thai

**Date of Appointed** :

8 August 2005 (18 Years 8 Month)

**Position** :

- Independent Director
- Chairman of the Audit Committee
- Chairman of the Nomination and Remuneration & Corporate Governance
- Chairman of the Risk Management Committee
- Member of Strategic Committee)

**Percent of Company's shares**

**At 31 Dec 2023** :

-None-

**Criminal record in the past 10 years** :

-None-

**Education** :

- Ph.D in Accounting The Manchester Metropolitan University, UK

**Training** :

**Thai Institute of Directors**

- Director Accreditation Program Class 37/2005
- Director Certification Program Class 60/2005

**Experience** :

**Listed Company 1 Company**

**Communication & System Solution PCL.**

- 2005 - Now Independent Director
- 2013 - Now Chairman of the Audit
- 2013 - Now Chairman of the Nomination Remuneration & Corporate Governance
- 2018 - Now Member of Strategic Committee
- Feb 2023 - Now Chairman of the Risk Management Committee

**Other Company (Not listed company)**

-None-



**Mr. Chattaphum Khantiviriya**

**Age** 62 years old

**Nationality** : Thai

**Date of Appointed** :  
12 September 2014 (9 Years 3 Month)

**Position** :

- Independent Director
- Member of Audit Committee
- Member of Nomination and Remuneration Committee
- Member of Risk Management Committee
- Member of Strategic Committee

**Percent of Company's shares**

**At 31 Dec 2023** :

-None-

**Criminal record in the past 10 years** :

-None-

**Education** :

- Master of Business Administration Kasetsart University

**Training** :

**Thai Institute of Directors**

- Audit Committee Program class 8/2005
- Director Certification Program Class 100/2008
- Role of the Compensation Committee Class 6/2008

**Experience** :

**Listed Company 3 Company**

**Communication & System Solution PCL.**

- 2014 - Now Independent Director / Member of Audit Committee / Member of the Nomination, Remuneration and Corporate Governance / Member of Risk Management Committee
- 2018 - Now Member of Strategic Committee

**More Return PCL.**

- 2013 - Now Director

**IT City PCL.**

- 2019 - Now Director

**Other Company (Not listed company)**

-None-



**Assoc.Prof.Prapart Praisuwanna**

**Age** 67 years old

**Nationality** : Thai

**Date of Appointed** :  
1 January 2015 (9 Years)

**Position** :

- Independent Director
- Member of Audit Committee
- Member of Risk Management Committee
- Member of Strategic Committee

**Percent of Company's shares**  
**At 31 Dec 2023** :  
-None-

**Criminal record in the past 10 years** :  
-None-

**Education :**

- Master of Engineering (Electrical Engineering)  
King Mongkut's Institute of Technology Ladkrabang

**Training :**

**Thai Institute of Directors**

- Director Certification Program Class 119/2009
- Financial Statements for Director 20133

**Other Training**

- Leadership Development Program, 1997
- Public Directors Institute (PDI) Class 6/2011
- Senior Executive Program, Capital Market Academy (Class17)
- Advance Master Management Program (AMM), Class 1

**Experience :**

**Listed Company 3 Companies**

Communication & System Solution PCL.

- 2015 - Now Independent Director / Member of Audit Committee
- 2018 - Now Member of Strategic Committee
- Feb 2023 - Now Member of Risk Management Committee

CPT Drives & Power PCL.

- 2013 - Now Chairman

Bangkok Sheet Metal PCL.

- 2014 - Now Chairman of Audit Committee

**Other Company (Not listed company)**

-None -



**Mr.Vuthichai Duangratana (Ph.D.)**

**Age** 67 years old

**Nationality** : Thai

**Date of Appointed** :

23 February 2017 (7 Years 2 Month)

**Position** :

- Independent Director
- Member of Audit Committee
- Member of Risk Management Committee
- Member of Strategic Committee

**Percent of Company's shares**

**At 31 Dec 2023** :

250,000 shares

(0.02% of paid up capital  
and total voting rights)

**Criminal record in the past 10 years** :

-None-

**Education :**

- Ph.D.of Economy, Universite de Paris, France

**Training :**

**Thai Institute of Directors**

- Director Certification Program Class 198/2014
- Advanced Audit Committee Program (AACP) Class 23/2016
- Board Nomination and Compensation Program Class 5/2018
- Design Thinking Deep Dive for Executive Board 2019

**Other Training**

- Executive Management Program Class 52/2007
- Defense of the state, private and political Class 6/2013
- Financial & Fiscal Management Program ' For Senior Executive Class 1/2014
- Executive Course Capital Market Academy Class 20/2015
- Global Business Leadership Program Class 2/2017
- Tourism Management Program for Executives (TME) Class 1/2017
- Design Thinking Deep Dive for Executive Board 2562
- Escalating Board Perspective for Optimum Business Expanding

**Experience :**

**Listed Company 2 Companies**

**Communication & System Solution PCL.**

- |                  |  |
|------------------|--|
| • 2017 - Now     | Independent Director / Member of Audit Committee |
| • 2018 - Now     | Member of Strategic Committee                    |
| • Feb 2023 - Now | Member of Risk Management Committee              |

**PTG Energy PCL.**

- |              |   |
|--------------|---|
| • 2017 - Now | Chairman of NRC and Director / Chairman of Audit Committee / Independent Director |
|--------------|---|

**Other Company (Not listed company) 2 Companies**

**Stamford International University**

- |              |   |
|--------------|---|
| • 2023 - Now | Expert member of the University Council |
|--------------|---|

**Ministry of Tourism & Sports**

- |              |  |
|--------------|--|
| • 2023 - Now | - Advisor to the Executive Board of Special Areas for Sustainable Tourism Administration (Consultant Management) |
|              | - Sub-Committee for Monitoring the Strategic Operations  |
|              | - Expert member of the National Tourism Policy Committee   |



**Mr.Opas Tiyawattanaroj**

**Age** 58 years old

**Nationality** : Thai

**Date of Appointed** :

8 August 2005 (18 Years 8 Month)

**Position** :

- Director
- Executives Director
- Member of Risk Management Committee
- Member of Strategic Committee
- Managing Director Telecommunication Group

**Percent of Company's shares**

**At 31 Dec 2023** :

56,339,711 Shares

(4.79% of paid up capital  
and total voting rights)

**Criminal record in the past 10 years** :

-None-

**Education** :

- MBA of Bangkok University

**Training** :

**Thai Institute of Directors**

- Director Accreditation Program Class 50/2006
- Director Accreditation Program Class 92/2011

**Experience** :

**Listed Company 1 Company**

**Communication & System Solution PCL.**

- 2005 - Now Director
- 2011 - Now Executives Committee
- 2012 - Now Member of Risk Management Committee
- 2013 - Now Managing Director Telecommunication Group
- 2018 - Now Member of Strategic Committee

**Other Company (Not listed company) 1 Company**

**Neon Worx Communication (Thailand) Co.,Ltd**

- 2015 - Now Director





### Mr. Kittirat Mekmanee

Age 57 years old

Nationality : Thai

Date of Appointed :

8 August 2005 (18 Years 8 Month)

Position :

- Director
- Executives Director
- Member of Risk Management Committee
- Member of Strategic Committee
- Managing Director Business Group

Percent of Company's shares

At 31 Dec 2023 :

30,058,756 Shares ,  
(2.56% of paid up capital  
and total voting rights)

Criminal record in the past 10 years :

-None-

#### Education :

- MBA of University of the Thai Chamber of Commerce

#### Training :

##### Thai Institute of Directors

- Director Accreditation Program Class 50/2006
- Director Accreditation Program Class 92/2011

##### Other Training

- Public Economy Administration for Executives, Class 11, King Prajadhipok's Institute
- Democratic politics for senior management King Prajadhipok's Institute (Class 20)
- Senior budget executive (Class 8) Budget Bureau
- Advanced Master of Management Program (Class6) Faculty of Public Administration NIDA
- The Executive Program in Energy Literacy for a Sustainable Future (Class 17) Thailand Energy Academy

#### Experience :

##### Listed Company 1 Company

##### Communication & System Solution PCL.

- |              |                                     |
|--------------|-------------------------------------|
| • 2005 - Now | Director                            |
| • 2011 - Now | Executives Committee                |
| • 2012 - Now | Member of Risk Management Committee |
| • 2013 - Now | Managing Director Business Group    |
| • 2018 - Now | Member of Strategic Committee       |

##### Other Company (Not listed company) 1 Company

##### C.S.S.Energy Co.,Ltd

- |              |          |
|--------------|----------|
| • 1997 - Now | Director |
|--------------|----------|



**Ms. Panida Sawatwannarat**

**Age** 60 years old

**Nationality** : Thai

**Date of Appointed** :

8 August 2005 (18 Years 8 Month)

**Position** :

- Director
- Executives Director
- Member of Nomination, Remuneration and Corporate Governance Committee
- Member of Risk Management Committee
- Member of Strategic Committee
- Managing Director of Finance - Accounting

**Percent of Company's shares**

**At 31 Dec 2023** :

3,341,688 Shares  
(0.28% of paid up capital  
and total voting rights)

**Criminal record in the past 10 years** :

-None-

**Education** :

- MBA, Kasetsart University

**Training**:

**Thai Institute of Directors**

- Director Accreditation Program Class 37/2005
- Director Certification Program Class 60/2005

**Other Training**

- Advanced Certificate Course in Public Economics Management for Executives No.12 of KPI
- Technical for preparation and submission of B1As the announcement of the NACC 2013 from FAP
- High-level finance and public finance management Class 3/2016
- Strategic CFO in Capital Markets 2017
- Course impact of new financial reporting standards about contracts made with customers and effective rental contracts To prepare financial reports of the company
- Advanced Certificate Course in Politics and Governance in the Democratic Regime for Senior Executives, Class 23
- TLCA CFO CPD Course No. 6/2021 titled "ESG Integration in Sustainable Investing
- Top Executive Program in Commerce and Trade (TEPCoT) Class 14
- CFO refresher

**Experience** :

**Listed Company 1 Company**

Communication & System Solution PCL.

- |              |   |
|--------------|---|
| • 2005 - Now | Director                                    |
| • 2011 - Now | Executives Committee                        |
| • 2012 - Now | Member of Risk Management Committee         |
| • 2013 - Now | Managing Director of Financial - Accounting |
| • 2018 - Now | Member of Strategic Committee               |

**Other Company (Not listed company) 2 Companies**

C.S.S.Energy Co.,Ltd

- |              |          |
|--------------|----------|
| • 1997 - Now | Director |
|--------------|----------|

Neon Worx Communication (Thailand) Co.,Ltd

- |              |          |
|--------------|----------|
| • 2005 - Now | Director |
|--------------|----------|



**Ms.Nongnuch Temeesrisuk**

**Age** 60 years old

**Nationality** : Thai

**Date of Appointed** :  
8 August 2005 (18 Years 8 Month)

**Position** :

- Director
- Executives Director
- Member of Risk Management Committee
- Member of Strategic Committee
- Managing Director of Management
- Corporate Secretary

**Percent of Company's shares**

**At 31 Dec 2023** :  
1,502,928 Shares  
(0.13% of paid up capital  
and total voting rights)

**Criminal record in the past 10 years** :  
-None-

**Education** :

- Bachelor of Accounting of Ramkhamhaeng University

**Training** :

**Thai Institute of Directors**

- Director Accreditation Program Class 37/2005
- Director Certification Program Class 60/2005
- Advanced Audit Committee Program Class 20/2014

**Other Training**

- Certificate of "Basic and regulations of Company listed Class 6/2011
- Company Secretary Program Class 27/2008
- ESG Data Driven Organization Lecture and ESG Data Platform Introduction

**Experience** :

**Listed Company 1 Company**

Communication & System Solution PCL.

- 2005 - Now Director
- 2011 - Now Executives Committee
- 2013 - Now Managing Director of Management
- 2013 - Now Corporate Secretary
- 2018 - Now Member of Strategic Committee
- Feb 2023 - Now Member of Risk Management Committee

**Other Company (Not listed company) 2 Companies**

C.S.S.Energy Co.,Ltd

- 1997 - Now Director

Neon Worx Communication (Thailand) Co.,Ltd

- 2005 - Now Director

#### **Scope of Authority and Responsibilities of the Corporate Secretary**

1. Preparing and storing important documents
  - a) The registration of The Company's directors.
  - b) The invitation letter and minutes of the Board of Directors Meeting.
  - c) The invitation letter and minutes of the Shareholders Meeting.
2. Reports of conflicts of interest filed by directors and executives.
3. Executing additional duties about governance as assigned by the Board of Directors.



### Mrs.Nutcharee Pukeaw

**Age** 54 years old

**Nationality** : Thai

**Date of Appointed** :

8 September 2011 (13 years)

**Persons assigned to be directly responsible for overseeing bookkeeping**

Being an accountant who has qualifications and conditions of being an accountant in accordance with the rules prescribed in the notification of the Department of Business Development.

**Education** :

- MBA. Ramkamhaeng University
- Bachelor of Business Administration in Accounting Ramkamhaeng University

**Percent of Company's shares**

**At 31 Dec 2023** :

227,421 Shares  
(0.019% of paid up capital and total voting rights)

**Criminal record in the past 10 years** :

-None-

### Training :

- Professional Controller Certification Program Class 1/2013
- Financial Model 1-Fundamentals of Finance Class 1/2015
- Access to key financial reporting standards and understanding of auditors' reports 2/58
- Business Combinations and Advanced Consolidated Financial Statements (Workshop) For members and guests.
- Accounting Management for Planning and Decision Class 3/2016
- Deferred Income Tax : Accounting Principles and Taxes, Similarities and Differences, Class 2/2017
- Build understanding of the drafting principles of Financial Reporting Standard TFRS 16, version 2/18
- Tackle new revenue recognition criteria according to TFRS 15 for next business, 3/19 edition.
- Taxation on international transactions Class 1/2019
- Management accounting for planning and decision making Class 2/2019
- Keypoint that the bookkeeper needs to know in the preparation of accounts and the auditor's report.
- Accounting Practices for Foreign Currency Transactions
- Summary of TFRS for NPAs Needed and Changes in 2021
- Financial Reporting Trends 2021
- Finance Transformation Consol & Reporting
- Digital Assets
- Investment/M&A
- Trends, MD&A direction, key points to consider and strategies for successful M&A.
- Advance Transfer Pricing and Accounting Standards 2023.
- Cases found from the auditor's audit of the accounts. Accounting errors that accountants should not miss.
- TFRS 2023, Batch 2/2023 (Subunit 202).
- Strategic Management Accounting Class 1/2023.
- Techniques for valuing companies that are appropriate the business in the present age.
- Prompt Biz system helps manage Trade Payment & Supply chain.
- Leading Through change
- Thai Financial Reporting Standards (TFRS) 2023 and interesting accounting issues for listed companies

### Experience :

#### Listed Company 1 Company

#### Communication & System Solution PCL.

- 2011 - 2017 Account Manager

#### Other Company (Not listed company) 1 Companies

#### C.S.S.Energy Co.,Ltd

- 2011 - 2017 Account Manager
- 2018 - Now Assistant Managing Director of Accounting

Attachment No.2: Details of the Directors or Executives of the Company, subsidiaries, associates and related company

Subsidiaries										
	Mr.Sompong Kangsawiwat	Mr.Opas Tiyawattanaoj	Mr.Kittirat Mekmanee	Ms.Panida Sawatwannarat	Ms.Nongnuch Temeesrisuk	Assoc.Prof. Pitipat Chataccaraphat (Ph.D.)	Mr.Chattaphum Khantiviriya	Assoc.Prof. Prapart Praisuwanna	Mr.Vuthichai Duangratana (Ph.D.)	Mrs.Nucharee Pukeaw
Communication & System Solution PLC.	C,I,IV,RI,X	I,V,RII,X	I,V,RII,X	I,V,VII,RII,X	I,V,X,S	II,VI	III,VII,RII	III	III	A
C.S.S. Energy Co.,Ltd.	C		I	I	I					
Neonworx Communications (Thailand) Co.,Ltd.	C	I		I	I					
Namsor Hydro Power Co.,Ltd.	I									

Remark :

C - Chairman of the Board of Director

I - Director

II - Chairman of the Audit Committee

III - Member of Audit Committee

IV - Chairman of Executives Committee

V - Executives Committee

VI - Chairman of the Nomination and Remuneration & Corporate Governance

VII - Member of Nomination and Remuneration & Corporate Governance

RI - Chairman of Risk Management

RII - Member of Risk Management

SI - Chairman of the Strategic Committee

SII - Member of Strategic Committee

S - Corporate Secretary

X - Executives

A - Account Manager

### Attachment No.3: Details of Head of Internal Audit

As the Audit Committee Meeting No.1/2023 held on 27 February 2023, Approved The Riskless Solutions Co.,Ltd (IA) that is an independent company to be Inspect and keep track of the company's internal control system. The Riskless Solutions Co.,Ltd Internal Audit assigned Mr.Sornron Thongprasert to be the main responsible in the performance of duties, the internal auditor of the company. Details are as follows;

Name - Surname	Age	Education	Shares in company %	Relation among Family with other Directors and Executives	Experience in the past		
					Period	Position	Company
Sornron Thongprasert	46	- Bachelor of Business Administration with a major in Accounting, Burapha University - Master of Mass Communication Administration (MCA), Thammasat University <u>Certificate</u> - Certified Internal Auditor (CIA) (The Institute of Internal Auditors) - ISO/IEC27001:2022 Information Security Management System (ISMS) Lead Auditor  - Data Protection Certificate (Certified by ICDL)	None	None	2016 – Present	Managing Director	Riskless Solutions Co.,Ltd., co-sourcing or outsourcing internal audit, risk management and assessing internal control system services.
						Internal Audit Outsource	<u>Public Company</u> - Communication & System Solution PLC and affiliated company ("CSS") - Agripure Holdings PCL and affiliated company ("APURE") - Delta Paint Public Company Limited ("DPAINT") - Tirathai Public Company Limited ("TRT")  <u>Non-Public Companies</u> - Grandline Innovation Co., Ltd - Thonglor Pet Hospital Co., Ltd - River Kwai International Food Industry Company Limited - Eagles Air & Sea (Thailand) Company Limited

Name - Surname	Age	Education	Shares in company %	Relation among Family with other Directors and Executives	Experience in the past		
					Period	Position	Company
		- Professional Qualification Institute (Public Organization): TPQI)) - CAC SME Auditor (CAC SME IA Certification, The Thailand's Private Sector Collective Action Coalition Against Corruption) - Forensic Accounting Certificate (FAC) (Thailand Federation of Accounting Professions) <u>Training</u> - Information Security Management System (ISO/IEC 27001) for Internal Auditor (IIAT) - Adopting data science & automation in internal audit (IIAT) - IA Clinic - IT Audit Priorities and trends (IIAT)					- Yongsanguan Group Company Limited - CTI Cold Chain Company Limited - CTI Food Supply Company Limited - DSJV Chemical Company Limited - SOMPASOOK Company Limited <u>Foundation</u> The Mae Fah Luang Foundation Under Royal Patronage
					1999 - 2016	Internal audit manager	Well known in garment and textile industry company.
						Internal audit director	Well known in feed, farm and food industry public company.
						Senior Internal audit manager	Well known in hospitality industry public company.
						Internal audit manager	Manufacturing of the automotive and residential air conditioner products and parts industry public company.
						Internal audit supervisor	Asia's leading health and beauty retailer.
						Internal audit supervisor	Asia's leading health and beauty retailer.

### Attachment No.4 Assets used in Business

## Property, plant and equipment

The Company and its subsidiaries have land, plant and equipment. listed as follows:

Items	Net book value (THB Million)	Type of ownership	Obligation
	31 Dec 2023		
<p>1. Land consists of</p> <ul style="list-style-type: none"> <li>- Land title no. 93838, area 12 rai - 49 square wah, location: Bang Phra, Sriracha district, Chonburi.</li> <li>- Land title no. 88429, area 8 rai - 2 ngan - 6.30 square wah, location: Banmai, Pakkred district, Nonthaburi.</li> <li>- Land title no. 2977, area 15 rai - 80 square wah, location: Chumphon, Phon Phisai, Nong Khai</li> <li>- Land title no. 34799, area 1 ngan - 95 square wah, location: Banmai, Pakkred district, Nonthaburi. (Make purchase contract on February 3, 2022)</li> <li>- Land title no. 34800, area 2 ngan - 6 square wah, location: Banmai, Pakkred district, Nonthaburi. (Make purchase contract on April 20, 2023)</li> <li>- Land title no. 16288, area 1 ngan – 4 square wah, location: Ladprao district, Bangkok.</li> <li>- Land title no. 16289, area 1 ngan - 4 square wah, location: Ladprao district, Bangkok.</li> <li>- Land title no. 16290, area 60 square wah, location: Ladprao district, Bangkok</li> </ul>	137.20	<p>Owned by the Company</p>    <p>Owned by the Company</p>  <p>Owned by the Company</p>  <p>Owned by a subsidiary</p>	<p>Be burdened guarantee</p>    <p>-None-</p>  <p>-None-</p>  <p>Be burdened guarantee</p>
<p>2. Building consists of</p> <ul style="list-style-type: none"> <li>- Office building and storey warehouse, location: No.59 Moo 7, Bangphra, Sriracha, Chonburi</li> <li>- Office Building (Head Office), location: No.329 Moo.3, Banmai, Pakkred, Nonthaburi.</li> <li>- Office Building, location: No.10 10 Soi Nakniwas 47, Ladphrao, LatPhrao, Bangkok.</li> </ul>	122.31	Owned by the Company	Be burdened guarantee
3. Office decorating items	6.63	Owned by the Company and its subsidiaries	None



Items	Net book value (THB Million)	Type of ownership	Obligation
	31 Dec 2023		
4. Tools and equipment	5.22	Owned by the Company and its subsidiaries	None
5. Office equipment	9.85	Owned by the Company and its subsidiaries	None
6. Vehicles	19.62	Owned by the Company /purchaser/ financial lessee	Under hire-purchase and finance leases
7. Equipment installed as per contract	-	Owned by the Company	None
8. Asset under transfer	1.34	Owned by the Company	None

**Remarks :**

1. As at December 31, 2023, certain plant and equipment items have been fully depreciated. but still active The book value before deduction of accumulated depreciation of such assets amounted to approximately 106 million baht, respectively.
2. Some assets are assets under finance leases and hire purchase contracts in which the Company is the financial lessee and the lessee. The net book value as of December 31, 2023 is approximately 20 million baht.
3. The equipment installed under the contract is energy-saving lamps and light bulbs according to the Smart Way project of the Energy Engineering Institute. Kasetsart University and Electrical System Development Division Provincial Electricity Authority, which has jointly set policies regarding measures to save public electricity. By assigning the company to invest in installing light fixtures that have the potential to save energy and maintenance for a period of 10 years, and the company will receive compensation for the electricity saved during that period. And now the ownership has been transferred to Kasetsart University. 2 phases are complete, 1 phase remaining.

## Real estate for investment

As of 31 December 2023, the Company and its subsidiaries have real estate for investment which can be shown as follows:

Items	Net book value (THB Million)	Type of ownership	Obligation
	31 Dec 2023		
Office Building Fl.3  area 148 Square Meters Location : No.10 Soi Nakniwas 47,Ladphrao, LatPhrao, Bangkok,	1.3	Owned by a subsidiary	

## Material part of the contract

### 1) Lease contract of warehouse

#### Lease contract of warehouse in Pakkred district, Nonthaburi

Parties	:	Mrs. Pornpimol Dechkhamhaeng (as a "Lessor") a person not related to the Company
	:	Communication & System Solution Public Company Limited (as a "Lessee")
Date of contract	:	1 January 2022
Asset of lease	:	Land, land title no. 22687, 22695, 22696, located on Tiwanont Road, Ban Mai Sub-district, Pakkred District, Nonthaburi, the area approximately 600 sq. wah. The purpose is to use the land for storage.
Rental rate	:	40,000 THB /month.
Term of contract	:	3 years start from 1 January 2022 to 31 December 2024
Conditions of contract	:	The Lessor agrees to renew the contract for another period of 3 years from the date of expiration under the same conditions. And 1 December 2023, both parties agreed to cancel the lease agreement on 31 January 2024.

## **Attachment No.5 Policy and practice guidelines for corporate governance and business ethics.**

The Company has established policies and guidelines for good corporate governance and business ethics in accordance with the principles of good corporate governance for listed companies for the year 2017 to be a manual that sets guidelines for the conduct of directors, executives and employees of the company at all levels. The Board of Directors has reviewed the corporate governance policy and business ethics annually to have a review of the details set out in the policy and business ethics to be up-to-date and to comply with good corporate governance principles for listed companies.

However, shareholders can view details of corporate governance policy. (full version) and business ethics (full version) more conveniently through the company's website [www.cssthai.com/Investor Relations/Corporate Governance](http://www.cssthai.com/Investor%20Relations/Corporate%20Governance).

## Attachment No.6 Report of the Audit Committee

The Audit Committee has been assigned to perform duties and responsibilities in accordance with the charter determined by the Board of Directors with significant duties and responsibilities, such as review for accurate and reliable financial reporting reviewing to have appropriate internal control and internal audit systems. Review of compliance with relevant laws consider and propose to appoint the auditor and determine the remuneration of the auditor of the company and subsidiaries. Which may propose to appoint the same auditor or can terminate the same auditor consider the acquisition and dispose of assets. Including connected transactions or transactions That may have conflicts of interest to be in accordance with the law. Reviewing and giving comments to plans and scope of internal auditing and operations of the internal auditor as well having the management set up a process for reporting clues or complaints of stakeholders appropriately. For the performance report of the Audit Committee for the year 2022 which can be summarized as follows;

1. Audit Committee There were a total of 4 meetings in 2023, with the Chairman of the Audit Committee and the four Audit Committee members being all independent directors. and attended all meetings every time This represents 100 percent of meeting attendance in 2023 and performance has been reported to the Board of Directors on a quarterly basis. and the Audit Committee is independent in carrying out its assigned missions. They meet with relevant executives and consult with the auditor on a quarterly basis. To request observations regarding the financial statements and the internal control system in accounting, without finding any significant deficiencies and/or abnormalities at all. Each member of the Audit Committee attended the meeting as follows:

Name - Surname	Position	Type of director / expertise
1. Assoc.Prof.Pitipat Chataccaraphat (Ph.D.)*	Chairman of Audit Committee	Independent Director/Expert in accounting and finance
2. Mr. Chataphum Khantiviriya	Member of Audit Committee	Independent Director/has expertise in finance, investment and law
3. Assoc.Prof.Prapart Praisuwanna	Member of Audit Committee	Independent Director/Expert in engineering and technology
4. Mr. Vuthichai Duangratana (Ph.D.)	Member of Audit Committee	Independent Director/Expert in international trade and law

2. Has reviewed the quarterly and annual financial statement and consolidated financial statement and its subsidiaries for 2023 which was of opinion that the Company correctly and adequately prepared and disclosed the essence information in the financial statement pursuant to the general accepted accounting standards.
3. Has defined the scope of the audit to cover the major risks and the adequacy of the internal control of the Company and its subsidiaries. However, it is advisable to Executives to fix bugs and improve the management system and provide more appropriate. In the year 2023, appointed of the Riskless Solutions Co.,Ltd (the internal Audit) which is independent company from the outside Responsible for checking and monitoring the internal control of the company. Riskless Solutions Co.,Ltd appointed Mr.Sornron Thongprasert is responsible for the major in the internal audit of the company. However, The Company has set the internal auditing sector of the company. The Committee assigned Miss Panida Sawatwannarat representing to the internal auditor by liaise with the firm performing which the Company hires to perform on internal Audit Unit reports its auditing work and give advice to the Audit Committee Directly to improve upon the recommendation of the independent evaluation other internal control system. The audit committee reviewed the annual audit plan as well as the prevention of corruption of the company by providing recommendations and following up on significant issues to be addressed in order to achieve adequate governance and internal control in accordance with COSO standards; with advice recommendations to internal auditors and management for the sake of improving operations. Including assessing the adequacy of the internal control system of the

Office of the Securities and Exchange Commission of Thailand (SEC) found that it is sufficient and suitable for the Company's business operations.

4. Reviewed and gave importance to the administration in accordance with the principles of good corporate governance in accordance with the relevant laws. By emphasizing the accuracy and completeness of information disclosed to all stakeholders equally and able to refer and examine it transparently.
5. Has reviewed the acquisition and disposition of assets transaction Including connected transactions or transactions that may have conflicts of interest The benefits occurred in the year 2023 and saw that the transaction had normal business prices and terms in general.
6. Efficiency Review and the effectiveness of the risk management system The Risk Management Committee is responsible for considering the structure. Risk Management Framework Policy Risk Management Manual risk management plan Risk review and monitoring of the company's risk management results The Company's risk management is sufficient.
7. Has conducted self-assessment of the audit committee both group and individual in the year 2023 by jointly considering the evaluation results and specify ways to improve work efficiency and effectiveness.
8. Has considered nominated the auditors and Remuneration of auditors fee for the year 2023 by the auditor selected features and performance remained good throughout. The Audit Committee preferred to the Board of Directors to propose to the Shareholders' Meeting for consideration and approval to appoint Mr. Preecha Arunnaral, certified public accountant registration no. 5800; or Mr. Vatcharin Pasarapongkul public accountant registration no. 6660 or Mrs. Chonlaros Suntiasvaraporn, certified public accountant registration no. 4523 of E.Y. Office Limited, to be the Company's financial auditor. Has qualified as an auditor Listed companies as required by the Securities and Exchange Commission And the stock market To be the auditor of the company and its subsidiaries By determining the auditor's remuneration for the year 2023 for the company in the amount of 1,950,000 baht, and the audit fee for the subsidiary in the amount of 955,000 baht, total amount 2,905,000 baht,.An increase of 5.3% from 2022, which is considered to be an appropriate compensation.
9. The audit committee can perform its duties according to the charter without being limited by scope. Able to request information without restriction It is also the person who approves the appointment, transfer, termination of the head of the internal audit department or other department responsible for the internal audit.

The Audit Committee has performed duties and responsibilities specified in the Charter of the Audit Committee. by using knowledge Sufficient caution, prudence and independence in providing constructive suggestions for the benefit of all stakeholders equally The audit committee has performed its duties completely according to the charter.

(Assoc.Prof.Pitiphat Chataccarapat)

Chairman of the Audit Committee



Communications & Systems Solution PCL.

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