



# 56-1 ONE-REPORT 2023

The Practical Solution Public Company Limited






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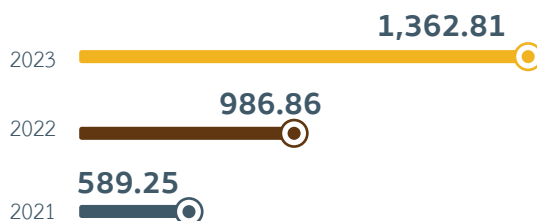




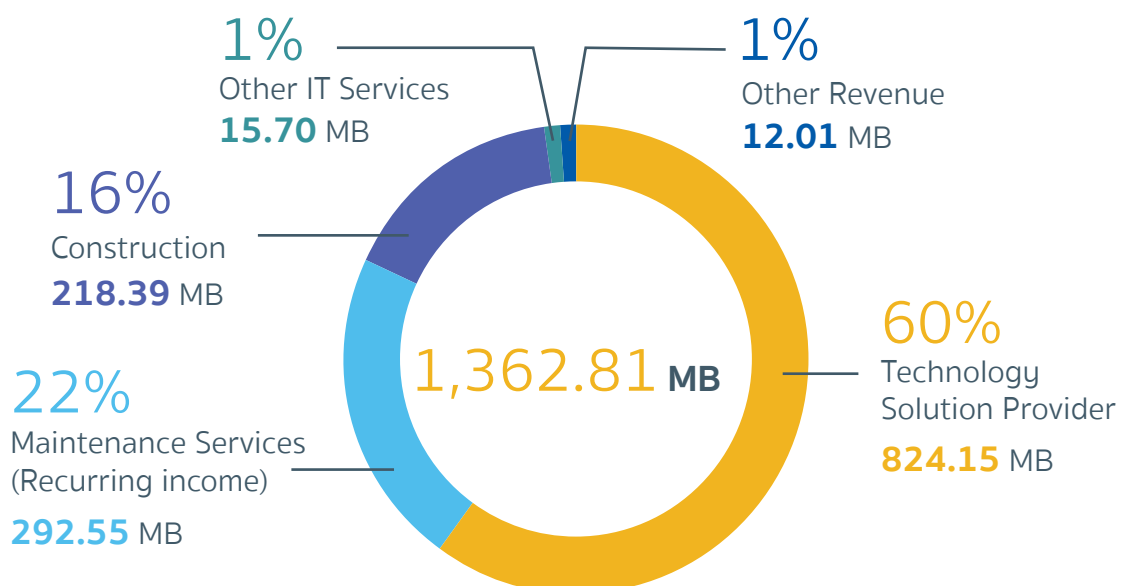
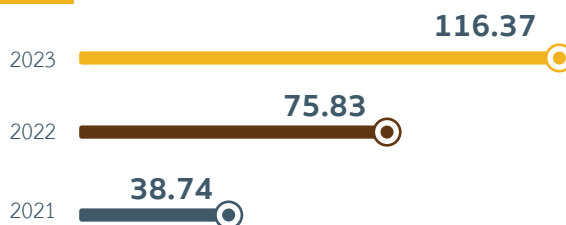
# Financial Highlights



## Total Revenue (THB mil)



## Net Profit (THB mil)





Financial Highlights	2023	2022	2021
Financial Position			
Total Assets	1,098.57	890.08	774.21
Total Liabilities	532.14	435.90	367.03
Total Shareholder's Equity	566.42	454.18	407.18
Performance			
Total Revenues	1,362.81	986.86	589.25
Total Expense	1,210.01	892.87	544.29
Net Profits	120.34	73.82	36.94
Profit (loss) attributable to shareholders of the parent company	116.37	75.83	38.74
Financial Ratio			
Gross Profit Margin (%)	26.48%	26.35%	31.14%
Net Profit Margin (%)	8.83%	7.48%	6.27%
Return on Assets (%)	12.10%	8.87%	5.32%
Return on Equity (%)	23.58%	17.14%	9.39%
Earnings per Share (Baht/Share)	0.33**	0.22**	0.12**
Debt to Equity Ratio (Time)	0.94	0.96	0.90
Book Value per Share (Baht/Share)	1.51**	1.33**	1.28**

\*\*We adjusted the weighted average number of shares issued during the year

## Message from the Chairman and Chief Executive Officer



Mr. Anocha Wongrungroj

Chairman of the Board of Directors

Mr. Bunsom Kitkasetsathaporn

Chief Executive Officer

In 2023, the risk on the Thai economy affected from the external factors such as the inclining of world economy, the trade war between the People's Republic of China and the United States of America have shown lower growth of the Thai economy than expected. However, the Thai economy yet still expanding in the private sector consumption, the private sector investment as well as the tourism industry which are the main factors in driving the economy. As you can see that many organizations, both private and

government sectors have given the importance of Thailand as productivity base, the expansion of the investment in automobile and spare parts industry, the electronic industry as well as tourism. The Government Policy has given the support in the investment of many industries as well as the continuous investment in the country infrastructure, however, the Thai economy still facing the challenge of inflation rate, money exchange rate, the increment of energy cost as well as the rapid changing of new technology.

However, our company as the expertise in providing consultancy regarding technology design, solution provider and installation of technology information system have set up the business strategy in supporting the various situations by using our growing strong points and the advancement technology in order to assist our clients to move forwards from the digital disruption era by providing best technology solutions inclusive of Blockchain, Artificial Intelligence (AI), high speed connection on 5G and Virtual Reality (VR). With the intention to move towards our business strategy thus in 2023, we have won big portion of the business from government sector in technology information system, communications and the expansion of cyber security system comprehensively, including the providing knowledge in full working process for our clients to understand and realize the risk and how to protect and handle the cyber bully situation.

The Company still gain the trust from our existing clients and be able to enlarge our client ports both in the private and government sector. We also have been given the importance in Risk Management on both internal and external factors in every process. We have also arranged the satisfaction survey according to ISO 9001 in order to meet the client criteria including

delivery satisfaction and after sale services with best quality. Not only on business strategy we also give our interesting into our human resources, given the chance for people development in their career path and upgrade the training in every level as well as our business partners within the process of supply chain in order to move forward the Thai Economy. Thus, given the growth in the Company performance at continuous total income of 1,362.81 M Bht. increased by 376.95 M Bht. than the year 2022 and gained net profit of 116.37 M Bht, increased by 40.54 M Bht. than the year 2022.

In 2024, the Company will move forwards to the business of Cyber Security Comprehensive Cycle with Base Construction, Infrastructure, Innovative Technology in Productivity and new technology within the existing clients and new clients both private and government sectors. The Company will explore new opportunities in new projects and expand our business into mergers and acquisitions with growing companies. We will giving the best share profits to our share holders and build strong growing of TPS. In addition, we will strive for sustainability excellence according to Environmental, Social and Governance (ESG) guidance for the growth and success of our business.

“

Lastly, in the name of the Director of the Company, Board of the Directors, the Management and the employee, we wish to thank you all whom share with us the success of the Company and your continuous contributions in the development of the Company.

We will continue our developing service and increasing our abilities in competitive business for the benefits of our shareholders and all stakeholders and willing to involve in the development of the community and environmental harmony in order to strive for the best growth of the company under the good governance and integrity everlasting.

”



# Report on changes in securities holding of directors and executives for the year 2023

Name-Last Name		Position	Number of shares held as of Dec 31, 2022	Number of shares held as of Dec 31, 2023	Number of shares changed Increase / Decrease in 2023	Shareholding Proportion in the Company (%)
1. Mr. Anucha	Wongrunroj	Chairman of the BOD / Independent Director / Chairman of the Nomination and Remuneration Committee / Member of Audit Committee	300,000.00	375,000.00	75,000.00	0.11
Spouse and underage children			-	-	-	-
2. Mr. Bunsom	Kitkasetsathaporn	Director / Chairman of the Executive Committee / CEO / Member of the Nomination and Remuneration Committee	110,200,000.00	110,200,000.00	-	31.07
Spouse and underage children			19,920,000.00	19,920,000.00	-	5.62
3. Mr. Matee	Witawasiri	Director / Executive Director / Executive Vice President - Operations / Member of Risk Management Committee	32,000,000.00	32,000,000.00	-	9.02
Spouse and underage children			19,500,000.00	19,526,263.00	26,263.00	5.50
4. Mrs. Jarunya	Kitkasetsathaporn	Director / Executive Director / Executive Vice President, Human Resources and General Administration	19,920,000.00	19,920,000.00	-	5.62
Spouse and underage children			110,200,000.00	110,200,000.00	-	31.07
5. Ms. Aumaporn	Sengsui	Director / Executive Director / Executive Vice President - Sales / Member of Risk Management Committee	7,617,600.00	7,617,600.00	-	2.15
Spouse and underage children			-	-	-	-

Name-Last Name		Position	Number of shares held as of Dec 31, 2022	Number of shares held as of Dec 31, 2023	Number of shares changed Increase / Decrease in 2023	Shareholding Proportion in the Company (%)
6. Mr. Wuttichai	Chartisaranuwat	Director / Independent Director/ Chairman of the audit committee / Member of the Nomination and Remuneration Committee	300,000.00	375,000.00	75,000.00	0.11
Spouse and underage children			-	-	-	-
7. Mrs. Ratchanee	Pattanalertphan	Director/ Independent Director/ Member of the Audit Committee/ Chairman of the Risk Management Committee	300,000.00	375,000.00	75,000.00	0.11
Spouse and underage children			-	-	-	-
8. Mr. Thongchai	Subin	Senior Vice President – Technical Support	2,004,480.00	2,050,440.00	46,960.00	0.58
Spouse and underage children			10,500.00	10,500.00	-	0.003
9. Mr. Nuttawut	Jantasittiphol	Senior Vice President – Technical Expert	2,250,000.00	2,425,556.00	175,556.00	0.68
Spouse and underage children			-	-	-	-
10. Mrs. Daonapa	Sukduang	Senior Vice President – Accounting	240,000.00	279,394.00	39,394.00	0.08
Spouse and underage children			-	-	-	-
11. Ms. Supawadee	Thirachat	Senior Vice President - Finance	144,000.00	171,904.00	27,904.00	0.05
Spouse and underage children			144,000.00	168,293.00	24,293	0.05
12. Ms. Nuntharat	Thammanuchsorn	Senior Vice Present, Sales	351,840.00	478,704.00	126,864	0.13
Spouse and underage children			-	-	-	-



## Part 1

# Business operations and results Group Structure and Operation



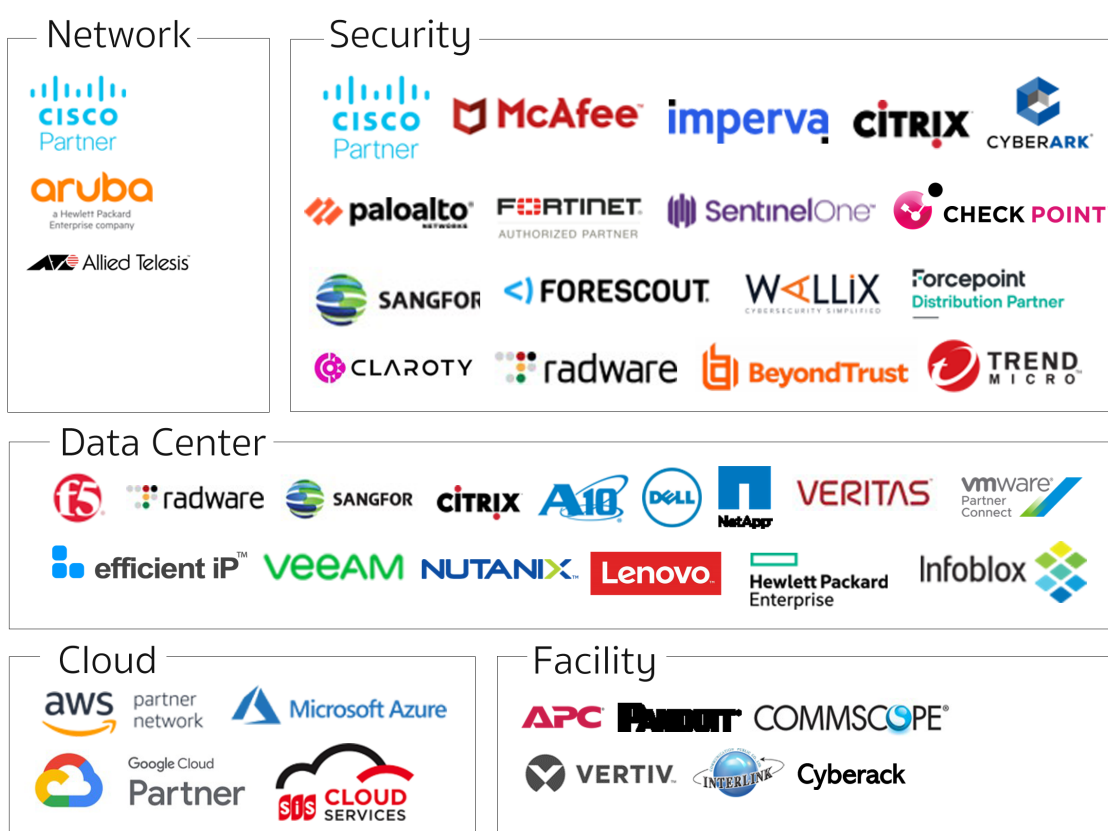


# Group Structure and Operation

## Policy and Overview of Business Operation

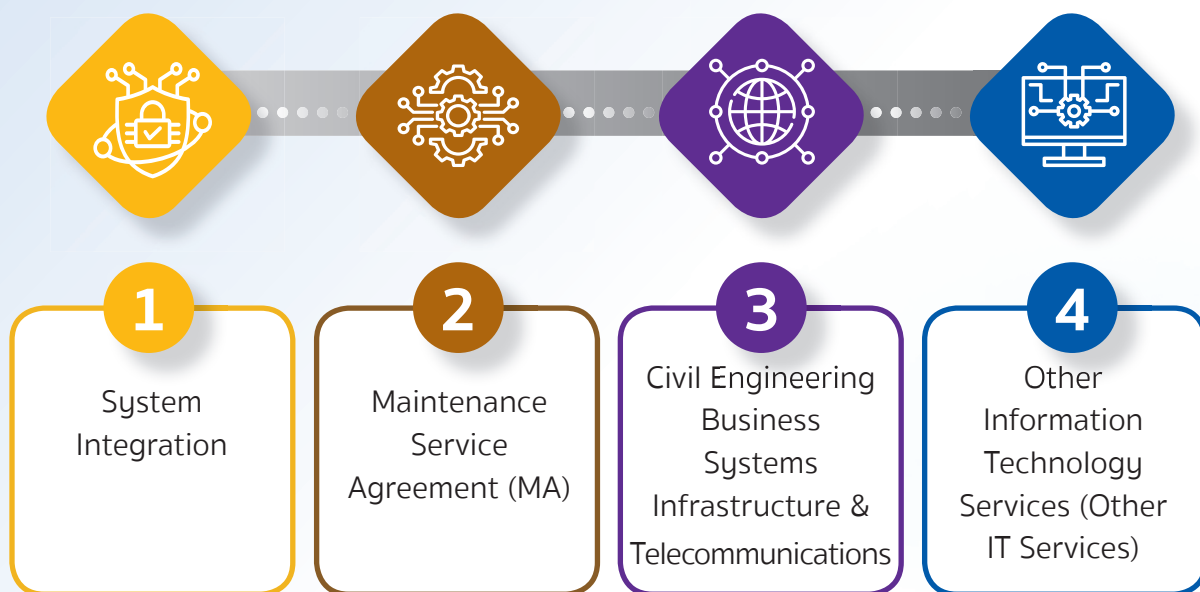
The Practical Solution Public Company (TPS) operate as Technology Company with the service on distribution and installation of equipment and accessories for basic technology communications and technology solutions provider which are important to the digital era such as cyber security services, design and giving consultation on software development for high innovation. Apart from this, the Company also provide services on maintenance the equipment and accessories as well as technology communications system after sales service. We specialize in the product or solution with efficiency and of high quality under international standard in order to provide our client's requirements and supports all business level from small operation to big operation both private and government sector including state enterprises.

The Company have been appointed as business partner with high technology product owner such as Cisco, Palo Alto Network, Fortinet, Nutanix, Dell, HP and SolarWinds, etc. The Company give the importance and leverage our servicing standards according to our contract with every product owner which have been our business partner in order to gain trust from our clients in our servicing and delivery the installation with high standard of products. Presently, the Company have been given the business level to Gold Certified Partner with Cisco whom are our big world class technology solutions apart from that we also encourage our employees to develop their knowledge and capacity in every product of our business partners.



Presently, our clients come from government and private sectors in every industry, automobile, petrochemical industry, electronic industry, medical servicing, education, finance and insurance industry.

The Company focus and give the importance in basic knowledge of technology communications in digital era in order to give the best solution and support the sustainability of the organization and our company also give the importance of digital technology, especially in the cyber security thus we have signed agreement with our business partners who are world class product owner and giving importance to the basic technology system and basic of cyber security, such as Cisco, Palo Alto Networks and Fortinet. The Company have our own specialists who received high certificate from each product such as CCIE(Cisco Certified Internetwork Expert) which is the highest product certificate in networking and cyber safety with international standards thus this is our strength point of company in giving trust in servicing especially in providing consultation on design and installation including after sales service thus during the past we have been given the responsibility on many projects from small size value hundred thousand baht to medium and large scale project value hundred million baht of which we have been supporting on our client strategy in technology communications and digital solutions until now. Presently, the Company provide services into 4 main areas.



1

### System Integration



- 1) Computer Network Infrastructure
- 2) Wireless LAN
- 3) Cyber Security
- 4) Unified Communication
- 5) Data Center Solution
- 6) Network Management System

2

### Maintenance Service Agreement (MA)



The Company provides system maintenance services to clients to ensure that customers can operate their business continuously. The service is divided into 3 main categories as follows:

- 1) Preventive Maintenance
- 2) Collective Maintenance
- 3) Warranty

3

### Civil Engineering Business Systems Infrastructure & Telecommunications



The Company provides Fiber Optical Communication systems, Underground Cable, Electrical System Installation with years of experience in telecommunications infrastructure service by a team of engineers and technicians with experience and expertise. Modern machinery equipment and high safety standards

4

### Other Information Technology Services (Other IT Services)



Other services provided by the Company include cabling service and maintenance and repair services at the onsite service on the date, time and place agreed with the customer and make the payment on a one-time basis and software system design and development.





## Vision, Mission, and Business Goals

### Vision

#### **The company drives business with technology (Tech-Company)**

and leader system integrator to provide integrated information technology solutions with efficiency, effectiveness and high-quality products.

The Company aims to provide excellent services with punctuality and experts to meet all requirements and achieve the business goals of customers as if they were corporate partners.

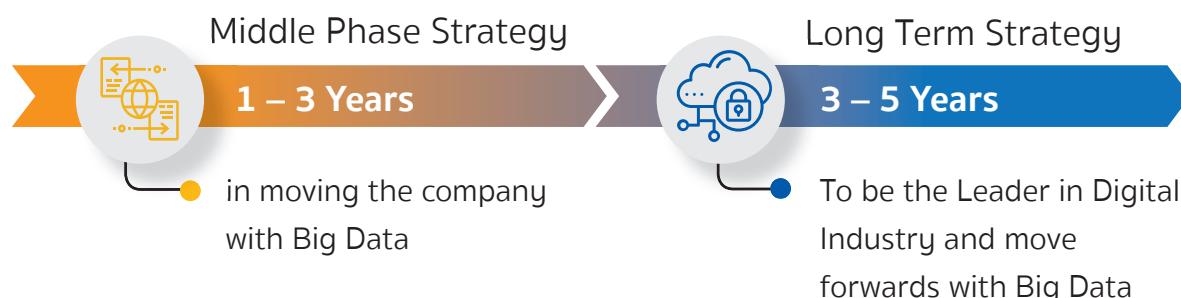
### Mission

#### **The Company targets to become a leader in delivering information technology solutions and services in Thailand**

to meet all needs of businesses of different levels of customers from individuals, organizations to the national level with maximum satisfaction in products and services.

## Strategy Goals

The Company remain the three important objectives in operating our company i.e. expanding new opportunities for new business and at the same we improve our value and develop our relationship with our existing clients by giving the best service with high world class quality products in order to build sustainable performance and move towards Technology Company (Tech Company) as our strategy and to reach our objective as following details:



### Middle Phase Strategy (1-3 Years)

in moving the company with Big Data

#### Strategy 1

**To develop the company with Big Data and ready to expand new clients**



#### Strategic Goals

- Increase our sales and income base of technology communications and cyber security of new clients.
- Income from providing Cross Architecture Solution service among existing clients and expand more in new clients including our income from maintenance service and after sales service.
- Given the comprehensive services on best solution of technology both in Network Operation Center and Security Operation Center and be able to develop for more income from our services to existing clients and new clients.
- Build our brand and image in the business of cyber security services and basic technology communications in digital era.
- Provide new solution and services in developing our relationship with our business partners apart from basic technology communications, such as, Block Chain, AI, Data Analytic as best solutions.
- Develop new products and new services by using digital technology and be able to response and support all requirements from our clients.



### Strategy Implementation Guidelines

- Push and promote a culture in our organization to use technological tools in all activities and processes.
- Develop services solutions with high technology, such as, AI/ML, Big Data, Data Analytics by coordination with our business partners in order to meet our client's requirements in all aspects.
- Build more income and increase our profits at the most. The Company objective is to increase sales consistency and provide new products to keep up with changes in the new era and manage costs to achieve maximum profits.
- Develop Solutions, such as, Modernize Security Operation Center (Modern SOC) services in order to meet the client's requirements at the point and be able to cover all solutions to varieties of clients.
- To build business networks and finding new opportunities in IT business investment, such as, AI, LLM, Data-Drive and Modeling in order to meet the requirement in this digital era.
- Build new customer base. The Company find opportunity to build new clients by using Digital Marketing solution and new technologies.
- Increase New Business. The Company find opportunity to increase in new business in order to achieve continuous profits.

## Strategy 2

**Deliver best service with reliable world class products with high value.**



### Strategic Goals

- The clients receive our service with satisfaction on continuing sales service as well as after sales services.
- Service providing on Cyber Security with high standard in technology communications.
- To develop our human resource to gain more efficiency and be able to adjust to new changes in rapid technology.





### Strategy Implementation Guidelines

- Develop in service provider on Big Data to our client most benefits and be able to develop on using data analyst.
- Giving consultancy with understanding on client's requirement and straight to the point and provide dept consultation and best solution provider as professionalism to the highest benefits of our clients.
- Train our employees to encourage in having service mind in our business and give the best delivery client relations and increase the Company image.
- To build understanding and awareness on cyber security and encourage the strength of service mind for the sustainability of our client relationship.
- To promote and develop our people skill in various abilities and be able to adapt themselves for the changing of new technology.
- To find the balance point between the productivity and employee supervision in order to build flexibility during the work process and build the knowledge culture as one family environment.
- To promote in using digital technology with efficiency and be able to adapt for the efficiency and highest quality in the working process.



### Long Term Strategy (3-5 Years)

To be the Leader in Digital Industry and move forwards with Big Data



### Strategy Goals

- To become known as leading organization in the digital era with high quality for clients and business partners.
- To build strong customer relationship and continuing for new business on Technology in the Digital Era.
- To become the organization with creativity and initiative culture and encourage all employees on digital knowledge.
- To provide digital platform in order to support and serve main business with ecosystem in digital Important Business Partners.
- Giving guideline technology solutions in order to support corporate social responsibility, environment and be one of the business sustainability.



### Strategic Guideline

- To develop employee and give policy in digital working process.
- To develop basic infrastructure to support digital working and coordinate with business partners in digital solutions and develop new digital learnings and be able to increase profits.
- To encourage understanding the vision and importance of corporate governance and put into practice and find more opportunity in business networks among digital technology in order to support the corporate social responsibility and to be part of the environment in running the business with integrating technology towards sustainability.

## Corporate Culture

### Have the family environment

Pay attention to the value of employees as members of the family. Listen and always open the opportunity for employees.



### Learning culture

Provide knowledge and continuously improve the quality of staff. Give employees the opportunity to use their knowledge and abilities to develop themselves.

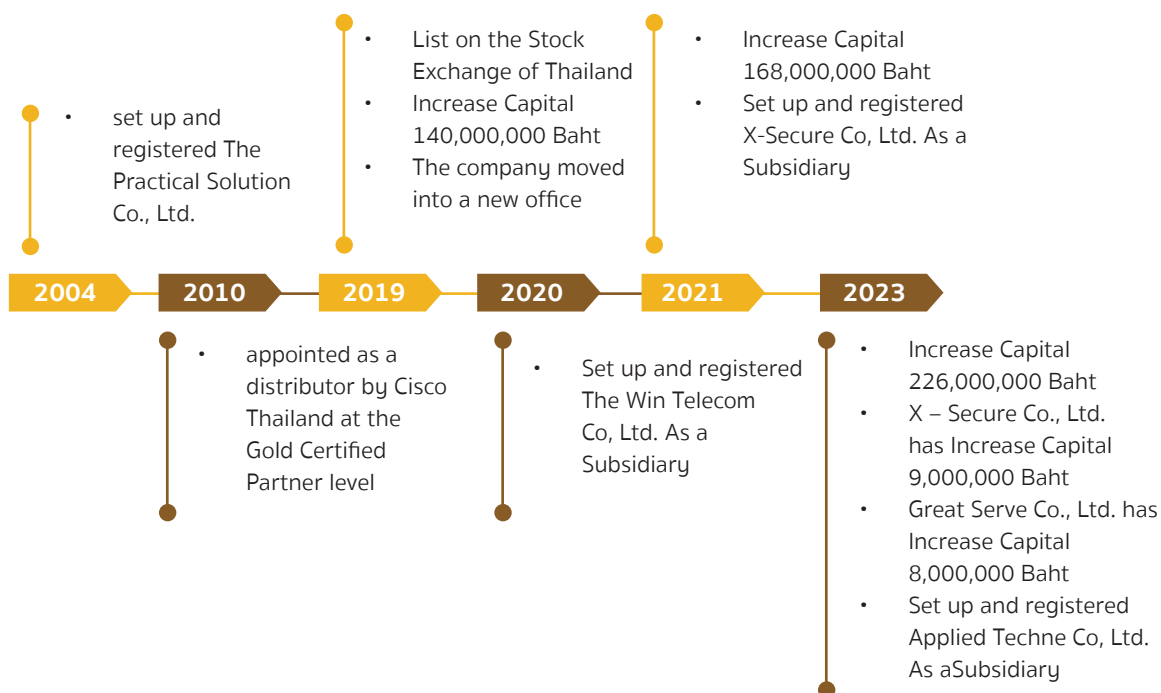
### Value for customers

Adhere to customer services and have flexibility on both internal and external operations for the highest satisfaction of customers.

### Strong financial performance

Operate business continuously and sustainably.

## Major Changes and Development of the Company



## Business Operations



2021

**On July 9, 2021**, the Company set up and registered X-Secure Co., Ltd. as a subsidiary. X-Secure will provide a comprehensive computer network security service or managed security service (MSS). X-Secure will focus on the consultation and design of computer network systems, providing services on cyber threat surveillance and solution as Cyber Security Operation Center (CSOC) & Cyber Security Incident Response Team (CSIRT) having staff on duty 24 hours a day, equipped with advanced tools, technology, and cutting-edge innovations such as artificial intelligence (AI) and machine learning (ML), etc., including access to manage and prevent cyber threats quickly and efficiently. In addition, X-Secure will also develop People (personnel) and create the working Process for the current customers to understand, realize and be able to encounter or respond to disastrous situations so that they can manage the IT systems safely from cyber threats in a sustainable manner.

2023

**On 4<sup>th</sup> August 2023**, the Company have registered Applied Techne Co., Ltd. As our subsidiary to service on business related to all types of rail system including the purchase, findings and installation of trains, trams, and all kinds of machinery including stimulator for trains and all rails system.



2021

**On March 30, 2021**, the shareholders' annual general meeting (AGM) 2021 resolved to approve the Company's increase of the registered capital from THB 140,000,000 to a new registered capital of THB 168,000,000 by issuing 56,000,000 new ordinary shares at a par value of THB 0.50 per share, with a paid-up registered capital of THB 167,999,936.

**On July 9, 2021**, the Company established a subsidiary under the name of X-Secure Company Limited with registered capital of THB 3,000,000, divided into 30,000 ordinary shares, at the price of THB 100 per share, the Company holding 60% of X-Secure total shares. X-Secure provides services and sells a complete range of computer security products.

2022

The Practical Superb Solution Co., Ltd., a subsidiary of the company, registered a name change to Great Serve Co., Ltd. on June 29, 2022, and increased shareholder ratio from 49.98 percent to 99.98 percent.

**On September 30, 2022**, at the Extraordinary General Meeting of Shareholders No.2/2022, approved to the company to increase registered capital from THB 167,999,936 which can be divided into 335,999,872 ordinary shares to THB 209,999,920 which can be divided into 419,999,840 ordinary shares, at the par value of THB 0.50 per share, by issuing not exceeding 83,999,968 newly issued ordinary shares, at the par value of THB 0.50 per share.

2023

**On April 20, 2023**, X-Secure Co., Ltd., as a subsidiary of the Company, increased registered capital from THB 3,000,000 to THB 9,000,000 by issuing 90,000 new ordinary shares with a par value of Baht 100 per share.

**On April 20, 2023**, Great Serve Co., Ltd., as a subsidiary of the Company, increased registered capital from THB 1,000,000 to THB 8,000,000 by issuing 80,000 new ordinary shares with a par value of Baht 100 per share.

**On April 27, 2023**, the 2023 Annual General Meeting of Shareholders approved the Company to increase registered capital from THB 209,996,032 to THB 226,769,025.50 by issuing 33,599,987 newly ordinary shares, at the par value of THB 0.50 per share.



## Standards and Awards



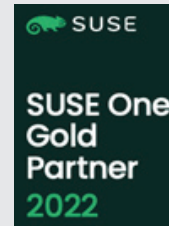
2021



In 2021, the Company was in partnership with Hewlett Packard Enterprise (HPE) and has been appointed as a Silver HPE Partner Ready Solution Provider for HPE Fiscal Year 2022.



In 2021, the Company was in partnership with Aruba, a Hewlett Packard Enterprise company, and has been appointed as a Business Partner HPE Partner Ready for Aruba: Networking Program for HPE Fiscal Year 2022.



The Company has coordinated with SUSE as a partner to strive to offer solutions for customers who focus on Software solutions.

2022



The company entered into a Partnership with Allied Telesis.



The company entered into a Partnership with Checkpoint.



The company received the Cisco: FY22 Technical Excellence of the Year, an award received from “Cisco Engage Thailand Innovating for the Future”, for excellence in technological capability and expertise which guarantees that the company TPS has exhibited great problem-solving abilities by smoothly finding the simple solutions to difficult problems which has created customer confidence in the abilities of TPS.

The company has created specialized teams for Cyber security by focusing on human resource development, product supply, solution design, and consulting.



The Company participated in “2023 Next: FUTURE TRANSFORMATION Thailand Partner Appreciation Event” and received the “FY22 Top Territory Partner of the Year” award. The award guarantees the highest number of sales to commercial customers.



The Company was appointed as a Platinum Innovator in the Solution Provider section with Palo Alto Network



The Company was appointed as an Innovator in MSSP (Manage Security Service Provider) with Palo Alto Network



The Company was in partnership with Veritas and has been appointed as a Silver Partner



The Company participated in Cisco Partner Appreciation Event 2023 during 28-30 September 2023 and received the “FY23 Cross Architectural Partner of The Year” award, an award guarantees TPS’ potential in cross-architecture sales capabilities such as network, datacenter, cybersecurity, collaboration.

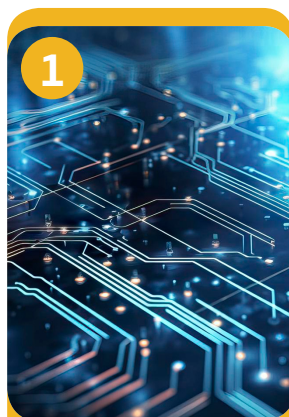
## Nature of Business

The Practical Solution Public Company Limited (TPS) operate the business as Tech Company by servicing distribution and installation of equipment and accessories of structural system in information technology and communications including information technology solutions provider (ITP) which is vital for the business in this digital era, such as, cyber security, design and consultation services on high technology software development. In addition, the Company provides maintenance and after sales service. We emphasize on the production solutions with high quality and efficiency with world class standard in order to deliver and support the client business in every dimension from small to large both private and government sector, as well as state enterprises.

The Company has teamed with knowledge and experience in information technology for so long and understanding clients' business. Therefore, they can help and support all levels of customer groups by bringing efficient information technology systems to support various operational processes in customers' business with full efficiency in order to maximize customer satisfaction.

## Details of Products and Services

The company provides consulting, design, procure, install and distribute products and equipment related to information technology (Information Technology Solutions Provider: ITP) which can classify details of products and services according to revenue structure into 4 main groups as follows:



1  
System  
Integration



2  
Maintenance  
Service  
Agreement



3  
Civil Engineering  
Business in  
the areas of  
Infrastructure and  
Telecommunications



4  
Other  
Information  
Technology  
Service

The Company offers product solutions to customers into 7 categories as follows:

## System Integration

### 1 Computer Network Infrastructure



Computer Network Infrastructure is necessary for many organizations. It works as backbone for IT system which is used to communicate with each other. Our company focuses on improving our staff knowledge and technical expertise in various IT products and technology to keep up with the technology that is advancing every day. Our company has teams that are expertise in various technology and IT solutions such as computer network backbone, WAN Network, Cabling system, etc. We are also focusing new technology like Software defined solution which can match our customer business requirement for example software defined network (SDN) which is a network automation system and be able to manage the road network with flexibility and of high quality, simplify the complex network system and respond the drive of organization rapidly in the digital era with high efficiency.

### 2 Wireless LAN



Wireless technologies are used to facilitate the connection of devices into networks. Through wireless technology, the company consists of specialists who provide expert installation, advice, and suitable recommendations for customers. Current Wi-Fi technologies are in Wi-Fi 6 and would soon enter into the age of Wi-Fi 6E. Wi-Fi technologies are in a stage of improvement and uses 6 GHz frequencies that could provide faster and more stable connections in order to fit with future use cases. Intel and Broadcom are currently improving communications standards with next generation Wi-Fi 7 which uses the same 6 GHz frequency standard as the current Wi-Fi 6E. Primary industry groups that would benefit from the use of Wi-Fi 7 include firms involved with AR technologies, which require 16K resolutions (current standards are at 4K – 8K), along with the gaming industry, which would benefit from faster response times.

### 3 Cyber Security



Cyber security holds great importance for agencies, including government, enterprises, and private firms, which compute and store large amounts of information within computers and other related equipment. This information is often quite sensitive and includes intellectual property, finances, personal data, and international



data. Unauthorized access and exposure of a firm's information can lead to negative effects. Cyber security, also known as IT (Information Technology) security, is the practice of protecting cybernetic information through the implementation of defensive measures on information contained in server computers and mobile phones against malefactors. Cyber security methods will reduce risk of internet attacks which could impact the work process, hardware, software, and information. Furthermore, such methods could also provide protection from Cyber threats at both the individual and organizational levels. Cyber security is seen as integral component of threat prevention as it creates a stable and safe environment for information. Cyber Security can be subdivided into the following four categories:



**Network Security** : Protective systems or measures taken on computer networks against network attacks.



**Application Security** : Security that focuses on software and related components, most effective protection occurs at the design phase, before real implementation.



**Information Security** : Protection of the security and privacy of collected and forwarded information. Mostly consists of customer and personal information which includes real names, addresses, contact information, and even credit card information. This information is incredibly valuable and effective protection against any data leaks could greatly impact organizational trust.



**Operational Security** : Security measures implemented on information that is considered assets. Examples include setting the boundaries of network access and defining where and how information should be safely stored.



**Extended Detection and Response(XDR)** : Extended Detection and Response (XDR) is the cyber security solution to help the organization in detection and responses to threats with high efficiency. XDR operate by combining information from various sources throughout the organization even the client computers server system or networks. The system will analyze the information of threats sign and warning the supervisor of the system timely before the damage occurs.

## 4 Unified Communication



Unified Communication has great importance in the present. The COVID-19 pandemic increased organizational demand for centralized communication systems in order to comply with restrictions required by the pandemic. Current Unified Communication (UC) technologies are used for communication methods including digital meetings with face-to-face communication with visual and/or sound channels with the ability to share content along with large scale digital meeting rooms. These technologies can also facilitate communication between different devices and different locations allowing for communication at practically everywhere at anytime. Through effective widespread access to communication, people are no longer forced to commute which has noted benefits in reducing logistic expenses, accidents, and pollution.

## 5 Data Center Solution



Data Center System is fundamental infrastructure consist of resources and system for example hardware server, storage, network device and supporting system. It is necessary to provide automatic allocation and configuration of resources for continue support business application to serve business requirement in time with efficiency, stability, continuity and secure. The system needs to support the increased numbers of data, server storage and network connectivity requirement. Therefore, to support the number of data that will be increased by time, the data center equipment such as servers, data storage or backup software is necessary for many companies.

## 6 Network Management System



Network Management System able to centralize network control, monitoring and alert when some devices occur a malfunction or a failure. System administrator able to get immediately notify and able to fix problem quickly. The main features of Network Management System is continue network monitoring and reporting network usage statistics such as Traffic statistics, Clients usage etc. Able to graph display for analytic and planning for network expand. Administrator able to check and fix problem from centralize. Including software installation, system configuration from remote site for services and network management has reliable performance and long term usable.



Operation Center for Security of Technology System is the operation to monitor the security of information systems, protect and monitor the organization's important system or equipment from intrusion or unauthorized access in case of security incidence such as intrusion of the information system or change of resource without authorization, the operation center for security of technology system will analyze, monitor and correct the case happening to reduce the impact and damage of the organization to a mild level.

## Maintenance Service Agreement: MA

The company provides system maintenance services to customers. The maintenance service contract will be approximately 1 -5 years, including the repair service, replacement of damaged equipment at the installation point. This service is divided into 3 main categories as follows:



The Company can provide maintenance services to ensure the smooth operation of the system both while working as normal and after an unusual event, including sit-in service at the client office. The Company has an expert engineering team with training and certificate from product owners. The Company can serve customers quickly and fulfill customers' requirements.

In addition, the Company has a service to send employees to sit-in at the client's site to provide services and system maintenance and solve problems immediately according to the agreed contract with customers.

## Civil Engineering Business in the areas of Infrastructure and Telecommunications

The Company have set up The Win Telecom Co, Ltd as our subsidy to serve our clients in civil engineering services for the design and installation of the infrastructure and telecommunications, such as, fiber optical communication system, underground cable, electrical system, etc. With expertise and past experience in the service of infrastructure and telecommunications, our engineer and technician team are able to deliver the service on new machine system and of high security on designing and installation of the infrastructure and telecommunications timely with security and efficiency.

## Other Information Technology Services

Other services provided by the company include cabling service and maintenance and repair services at the onsite service on the date, time and place agreed with the customer and make the payment on a one-time basis.

In addition, the Company provides software design and development services. Due to the Company oversee that the hardware business related to information technology is stable, the Company is looking for new business opportunities and foresee the growing trend in system design and development services. Therefore, the Company expands the business to software.

## Strengths of Products and Services

### 1. Target Customer

Target customers of the company consists of both governmental and private firms. Private customer firms include a variety of industries from the telecommunication, automotive, oil and refineries, cement, hospital, financial, academic, and logistic sectors. Governmental costumer agencies, including ministries, departments, state enterprises, and other government agencies, demand products and services on information technology in order to accommodate standard functions and to improve the safety of the firm's information systems.

Private companies and government agencies customers can be divided into various groups as follows:



### 1) General private companies

The general private company customers of the Company consist of public companies listed on the Stock Exchange of Thailand, multinational companies, limited companies, hospitals and private health agencies, and private educational institutions etc.

### 2) Government agencies

The government agency customers of the company consist of government agencies, state enterprises, hospitals and government health agencies, and public educational institutions that have procurement methods under government regulations.

## 2. Distribution Channels

The Company has a sales team that specializes in providing fast and complete service. Sales department is responsible for finding new customers and sustaining existing customers by contacting and negotiating with customers directly. The Company's sales department can be divided into 2 parts: (1) Sales and (2) Telesales. Each sales member will take care of customers without dividing by customer group or type. Sales staffs will be responsible for customers from the beginning and will continue to look after those customers in order to maintain their relationship. Telesales will be responsible for calling new customers to offer products and solutions.

For government agency customers, sales department will follow up procurement announcements from government agencies. There are 3 methods of procurement by government agencies as follows:

- 1) Invitation method is that government agencies will invite general entrepreneurs who meet criteria specified by government agencies to submit proposals. The invitation method can be classified in 3 ways as follows:
  - 1.1) Electronic market (E-Market) can be divided into 2 types as follows:
    - a. Quotation
    - b. Electronic auction
  - 1.2) Electronic bidding (E-Bidding)
  - 1.3) Price examination
- 2) Selection method is that government agencies will invite only entrepreneur who meets criteria specified by government agencies. Participants must not be less than 3 to submit the proposal except that there are less than 3 qualified entrepreneurs.
- 3) Specific method is that government agencies will invite a particular entrepreneur who meets criteria specified by government agencies to submit proposals or negotiate prices, including directly purchasing materials from entrepreneurs.

For private companies, sales department will contact the staff of the information technology department for future projects and present products and services. There are 2 methods of procurement by private companies as follows:

- 1) Quotation
- 2) Electronic auction (E-Auction)

For private company customers, sales team and a technical consultant will introduce the new technical and systems to customers in order to convince customers to realize benefits of using various systems in working. Then, if customers are interested in products and services, the sales department will enter into price negotiations and contract signing.

## Competitive Strategy

The Company focuses on growing business with strategic depth. We care for customers and believe in doing business with customers as long-term partners. We try to build credibility and expand business with existing customers and potential customers to enhance growth. The Company searches for good products and develops personnel towards professionalism, in order to deliver good products and professional services to customers. We try to build customer satisfaction and good alliance relationship in the long run. The Company has set a strategy for competition as follows:

### Product Sourcing and Management

#### New Products Sourcing

Products and equipment that the Company supplies to most customers are Cisco products. The Company has been certificated at the Gold Certified Partner level since 2010 (with certification review every year). The unique feature of Cisco products is the strength of effective communication network. This is considered the heart of a good information technology system because if the system is not working continuously, it may damage the customer's business as a result.

However, in order to reduce the risk of relying solely on products from Cisco, the Company also uses network products and services from other leading manufacturers such as HP Aruba, NetApp, Palo Alto Networks, VMware, Fortinet, Dell EMC, Lenovo or SolarWinds, etc. Cisco does not have terms or conditions to prohibit the Company from selling products and services from Cisco's competitors.

#### Comparison table of product selection from various hardware and software manufacturers

The company has selected hardware and software from leading manufacturers in order to meet customers' specifications and provide high satisfaction to customers. Each hardware and software manufacturer has different expertise in products and services of each solution. The Company can divide hardware and software according to the expertise of each manufacturer in the following table:

Product	Cisco	Fortinet	Palo Alto	Checkpoint	HPE	Dell EMC	NetApp	Nutanix
<b>Hardware</b>								
Server	☑				☑	☑		☑
Storage					☑	☑	☑	☑
Network Security	☑	☑	☑	☑				
Wireless	☑							
Networking Devices and Router	☑							
Conference	☑							
IP Phone	☑							

Product	Cisco	Solarwinds	Veeam	CyberArk	Wallix	NetApp	Forcepoint	XDR
<b>Software</b>								
Server Monitoring		☑	☑					
Network Management	☑	☑						
Management, Control, Monitoring System and Follow Privileged Accounts				☑	☑			
Data Loss Prevention (DLP)							☑	
End Point (End Point Security)								☑

Source: Company Information

### Provision of new solutions and specialized services

The company has organized a specialized Cyber security team for the express purpose of supplying and servicing customer demands for Cyber security. The team conducts solution design and develops contingency plans along with implementing technological tools and procedures designed to prevent and respond to potential attacks on network equipment, information, infrastructure, systems or programs which may be damaged by the unauthorized access of third parties. Furthermore, the team also provides surveillance services. Cyber security solutions will be an important factor that responds to the needs of the market, and it is one of the solutions that would remain trending in the future which would continually create competitive opportunities for the firm.

### Services

We aim at providing excellent service and have gained satisfaction from the customers. We take good care of our customers and have continuously developed our personnel accordingly. We are quick to solve problems, flexible and try hardest to serve customers the best. We believe in working with customers in the long run, maintaining good relationship with old and new customers.

In the event that the Company is unable to provide resources in a timely manner or in some projects that require personnel with specific expertise or high experience, the Company will recruit subcontractors. Subcontractors will carry out some projects that are worthwhile in terms of keeping the costs down such as cable installation, including the projects that need high manpower in a short period of time or repetitive work at a certain time. The Company works together with partners based on sincerity, honesty and synergy of a long-term partner, as such enabling us to deliver good service to customers.

## Customers

The Company focuses on keeping long-time customers & current customers and increasing new customer base by providing services that cater to their needs, selecting good quality products suitable for their needs, and providing professional service without focusing on price competition, inclusive of quality of service to build trust, while continuously expanding new business for the Company.

**Existing customer base:** Focusing on understanding, accessing, maintaining good relationship with customers. The Company always assess customer satisfaction in order to analyze and improve on both the modern products selection and services in response to the demand continuously.

**New customer base:** Focusing on selecting quality products and servicing by professional teams to support all the needs end-to-end and to build trust in working together with the customers to become partners on a long-term basis.

### 3. Price Policy

#### 1) System Integrator

The Company determines sales and service prices by mainly referring to the cost of the project. The Company will consider procuring appropriate products in terms of price and technic, including planning for effective project management at the lowest cost. The project cost includes the cost of equipment and installation services, plus an appropriate margin (Cost-Plus Pricing). In addition, the Company determines prices by considering projects that can be extended or ordered additional equipment in the future and consider the competitive conditions of that project. The Company has set a target of gross profit margin for each project. If the project has been evaluated to have more gross profit than specified gross profit, the sales department can approve the project. The salesperson can offer the price that is lower than the specified gross margin, but it must be approved according to the authority limit. The Company also has a discount policy for customers to increase competitiveness with competitors.

In terms of financial leases, the Company will determine sales and services prices with interest charged on installments for products and services throughout the contract in addition to the general offering price.

#### 2) Maintenance Service Agreement and Other IT Service

For maintenance service agreement and other IT services, the Company will determine price by referring to the cost of procurement of products and services plus an appropriate gross margin (Cost-Plus Pricing), including considering former prices offered to customers and adjusting prices based on the amount of purchase, service conditions and other conditions such as payment terms delivery period, warranty period, shipping and taxes, etc.



# Industrial Situation and Competition

## 1. Overview of the digital transformation situation in Thailand

The transformation to digital system is the process of the organization to combine all technology information of every part of the business into one. This transformation provide value to our customer on a basic basis. Many organizations bring the technology digital as innovation to change the culture and work process in order to adjust to the changing requirement of the customers. Following are the sample of the transformation to digital system:

- The Company set up digital solutions with application on mobile phone and e-commerce platform.
- The Company move the client's computing infrastructure on to Cloud Base System.
- The Company use adopting smart sensor to reduce operating costs.

From the survey, the transformation of organization to digital system indicates the difference in every year during 2021 to 2023. Most of the organization have rushed the process to transform the organization into digital system. In 2021 during first period of the coronavirus Covid-19 pendant, some organizations were not succeeded in develop their business efficiency came from lack of experience and delay in the process. During 2022 and 2023 many organizations have commenced to change their strategy and chose the digital transformation system that suit their organization's requirement and be able to increase the success to digital transformation thus have shown the past experience and the selective technology. In 2023, there were digital disruption in the middle level.

The key challenge in the digital transformation is the budgetary reserves during the economic recession after the halt of the coronavirus Covid-19 pendant. The way out is to hire outsource IT resource with Cloud platform to reduce Cost, apart from the Personal Data Protection Act (PDPA) which challenge due the personal issue risks.



### **The Digital Transformation in Thailand divided into 4 main categories:**

- The digital structure base in Thailand have been developing since 2022 as most of the internet users is at 80% more over than the average of internet users in South East Asia which are 72%. Apart from that Thailand has the highest broadband access rate at 85% per capita.
- The digital economic in Thailand has been growing continuously. In 2022, the digital economic in Thailand is 2.1 billion Baht equivalent to 22% of the total gross domestic product (GDP) from digital business, such as, e-commerce business, digital service and digital roaming.
- Thailand bring in the social network and have been widely used, for example, during the covid-19 pendant, application on reservation for covid-19 vaccine, knowledge system and applying digital to improve the quality of life.
- Thailand develops into digital government continuously, for example, e-government services. use the data link from government agencies and quality bureaucratic development.

The future trend of digital transformation in Thailand have been anticipated for continuity as digital business has been rapidly grown and widely used of the social network as well as the Thai government has developing for digital government continuously.

### **Important technology trends will have a strategic impact on business and organizations**

Over the next 3-5 years, these trends able be divided into 3 approaches:

1. Artificial Intelligence (AI) will become the important factor in business and organization operation as Gartner has anticipated that AI will be the vital equipment in moving forward of the growth and innovation of the business.
2. Sustainability will play the important role increasingly as vital challenge for business and organization. Gartner has anticipated that most of the business will learn the important of the sustainability of the technology development.
3. Customer Experience is increasingly important and become the vital part of the competitive strategy of the business. Gartner has anticipated that the concentration in technology development will better increase customer experience.

Technology Trends are divided into:

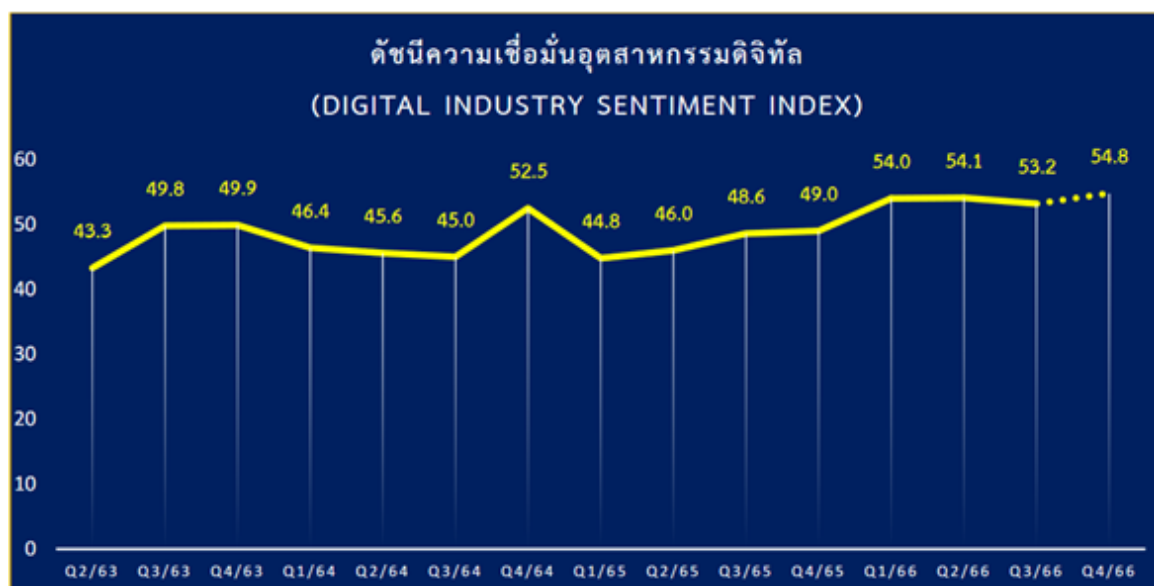
1. AI Trust, Risk and Security Management (AI TRISM) model will help support the governance, fairness, reliability, strengths, transparency and data protection by AI technology working process.
2. Continuous Threat Exposure Management (CTEM) provides a system and practical approach for improving cyber security. Emphasis is placed on creating a balance between diagnosis and action. It assists of scoping: to access risks, discovering: identify vulnerabilities and risk contingent prioritization: prioritize threats by considering the seriousness and probability of inspection. Validation: confirming that the discovered threat is real and dangerous, and mobilizing forces, Mobilization: taking action to resolve threats or reduce their impact. CTEM is a very useful approach for organizations looking to continuously and effectively improve their cyber security.
3. Sustainable Technology is the priority vital for the modern organization. Sustainable Technology assist the achievement in developing environment, social and governance and balance the ecosystem and human rights in the long term. Gartner has anticipated that most organization will increase their move forward to use sustainable technology in their business which is the key importance to the business and their stake holders. Within 2027 the impact of sustainable technology will have a part in its compensation to the Chief Information Officer up to 25%

4. Platform Engineering Gartner has anticipated that within 2026, approximately 80% of the software development organization will set up Platform Engineering Team with their duty to develop the internal system, such as, servicing, parts and equipment to remake for use in development and delivery well design application platform and be able to deliver customer experience as self-service and friendly user both internal or business partner. This will assist the worker work effectively, reduce difficulties and less process.
5. AI – Augmented Development will help software developer in design, write the program and software testing with AI tools and bring the power of AI to develop more software developer with better coding, faster and less mistakes. Gartner has anticipated that AI – Augmented Development will increase their importance as part of the Software Development Strategy of the organization.
6. Industry Cloud Platform comes to the industry to give flexibility to the user to choose their service or equipment according to their needs and suitable to the modern organization. Gartner has anticipated that Industry Cloud Platform will help the growth of the industrial business more than 50% and the organization will use the platform in driving the business forward.
7. Intelligence Applications (AI) will be the importance base of modern application to give effectiveness and assist the organization on automatic system which give effectiveness in many parts of the working process. Intelligence Applications is the software that combine AI and Machine Learning to develop the customer experience, the users and giving the product owner to more understand the needs of the users.
8. Democratized Generative AI in trend to help everyone to reach the complexity of the Big Data more effectively and given the new creative idea to organizations on product prototype, customize content, increase effectiveness, reduce cost. With the generative AI, the technology will develop rapidly and giving the changing of the world thus any organization that brings in this technology have the chance to succeed in the future.
9. Augmented-Connected Workforce is the guideline to increase effectiveness in working process of the human with AI technology for work smart and be able to correct the complexity under the automatic system, such as AR, VR and IOT. Gartner has anticipated that Augmented Connected Workforce will be vital to work process, continually thus in 2027 by 25% of Chief Information Officer will use this strategy to reduce the time of induction program to new important position by 50%
10. Machine Customers is the process in connecting with our client by using AI technology supporting the work rather the person and customers be able to negotiate, buying products and received automatic service. Gartner has anticipated that the approach trend with the support of GenAI, the transaction will be increased by billion dollars. These affect the business and organization in every industry, thus the business and organization must be incorporated with this challenge.

## 1. Overview of Thailand Digital Industry Market

Information and Communication Technology (ICT) is well accepted among social activities in the managing of technology information and communication and with the disruption of the Covid-19 pandemic it has been increasing on the usage of technology to develop and encourage for innovation of the business and organization. In 2017 Thailand commenced the digital development in innovation digital technology policy to get Thailand out of the economic and social development trap. Apart from this the Economic and Social Development Act 2017 has shown the important support to the goal in industry development with innovation, investment for the economic and social benefits including the digital development of the country.

From the survey in Digital Industry Sentiment Index in quarter 3/2023 by the Digital Information Office has shown that 400 digital organizations in 5 small industries giving confidence in innovation of digital technology i.e. 135 companies in hardware and smart device as 33.7%, 130 companies in software companies as 32.5%, 56 companies in digital service as 14%, 48 companies in digital content as 12% including 31 companies in telecommunication as 7.8%, respectively. The Index Survey duration has been between 1st July to 15th September in 2023 has shown the digital industry sentiment index been dropping in quarter 3/2023 because the investor concerns of the fundamentals of economy in Thailand and the lack of confidence in pushing forward the policy of the coalition government, therefore slowed down the investment, coupled with the increased cost and an increase in interest rates according to government policy. It is the factor that affects the supplies of the entrepreneurs as well as the demands are affected by the trading partner side, especially in China and the US, the two top trading partners with Thailand thus slow down the export business. With the change of working process caused the less need in some of the hardware device from the last quarter, however, the digital industry in the country is still growing with the demands in tourism and government disbursement cycle, though the lack of confidence from entrepreneurs show smaller in scale.



Index Comparison in Digital Industry Sentiment during 2020 to 2023, resource from Digital Industry Sentiment Index by Digital Economy Promotion Agency



The disruption of digital business from the survey have shown operation of business during quarter 3/2023 as following:

- **Digital talent is insufficient to meet demand in terms of quantity and quality:** The requirement of digital expert is increasing according to the growth in overall industry, however, the suitable expertise are hard to find especially in the industry of entrepreneurship.
- **High Competitive Digital Marketing:** With the increase in digital business competitor thus the entrepreneur is in need to adjust and adapt the research on technology and innovation to develop their product and service for differentiate or low costly than the competitor, however, large entrepreneur are prepared for the monetary investment and resources than the small size entrepreneur thus the competitive market in small size entrepreneur has become less or turn into part of the bigger size entrepreneurship.
- **Access to capital and lack of liquidity:** Most of the business are small and access to loan source of funds which need consideration for lending, in the same time, their business with the government on liquidity problem caused from long provide investment support or find funding sources including monetary and fiscal measures for the digital entrepreneur by stimulating the economy, reducing interest rates, suspending debt payments, and extending terms of repayment debts.
- **Customer decreased and the purchasing power decreased:** Some of the micro entrepreneurs faced the difficulty in achieving the goal from the competitive market and from the adjustment of the cost reduction plan of some customers.

However, there is an anticipation that the business in the industry group given more confidence in the economy more than 50% base from the Digital Economy Promotion Office. The information index shows the confidence on digital industry by diving into group i.e. hardware and smart device at 53.3%, software industry at 59.9%, digital servicing group at 51.6%, digital content group at 50.9% and telecommunications industry at 51.9% The survey has shown that the digital entrepreneur are still concerns in many issues from many factors, such as, the unclearness of the development and support on the Startup Enterprise Act and in the meantime, the digital content service has become decreasing from the uncertainty of the game entrepreneur in the country which affect the Draft Law of the New Movie and Game Act restricts competition among domestic game industry operators. In addition, the entrepreneur in digital communications industry concerned on 5G Network limitation usage situation as well as the environmental factor of the Government Sustainable Development Goals which delay the consideration of investment from many investors.

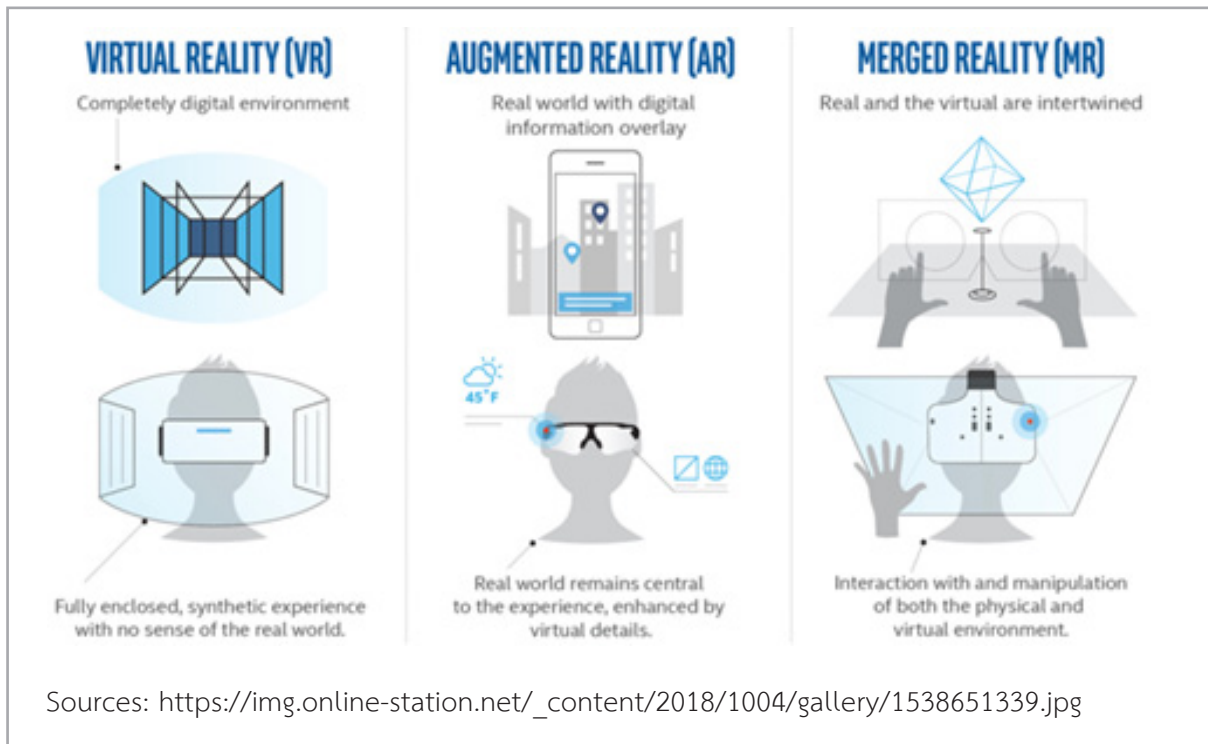
## **2. Technology Trends that impact to the Communication industry**

Presently, nations are driven to develop digital societies which has made “online communication” a necessity for life in the present year. Changing behaviors have caused changing business practices in the age of the digital society. Online marketing has morphed along with developments in technology changing from the websites and emails of Web 1.0 to the present era of Web 2.0 which uses the channels of Facebook, Instagram, Twitter, and Line among others.

Even though current online channels are well-suited for customer and supplier needs, the need for experiencing hands-on realistic virtual products has remained a constant avenue for improvement in communication technologies. It is believed that Web 3.0 would allow customers to seamlessly demo and feel the products in the digital world as they function in the physical world.

This philosophy has caused many business executives, such as Facebook’s Mark Zuckerberg and Epic Games’s Tim Sweeney, to view that the improvement of the Metaverse to the age of Web 3.0 would more readily respond to the needs of the customer when compared to the Metaverse in Web 2.0.

The improvement of the Metaverse is an interdisciplinary technological field with the following components:



Virtual Reality (VR) is perhaps the most famous of the aforementioned technological fields. VR is extremely realistic with the ability to fool the human nervous system to believe that the body is now occupying an environment or world in a different reality. The head-mounted display (HMD), or virtual reality glasses, can transport users to a virtual world and sounds as generated by computers. Controllers connected to the console or PC can then allow users to move and interact with this world.

## Overview of VR Technologies



Sources: <https://vrphone.in.th/content/article/surgical.php>

Augmented Reality (AR) will show digital information that would overlay the real world as shown by the exemplary case of Pokémon GO. Augmented Reality is still centered on the real world but augments it using digital information which could allow users to engage with material at another level and embellish the real world and local environment.

Mixed Reality combines the real world with components from the digital world. In Mixed Reality, users can interact with both real and virtual objects through next generation technologies for visual and haptic simulation. Mixed Reality allows users to see and touch the local environment with the user's own hands without the need for the removal of the Mixed Reality glasses. This technology can allow users to interact with the real world with one foot (or hand) while engaging with the virtual world with the other limbs which could blur the line between the real and imaginary and has the potential to completely reinvent how people work and play in the present day.



Sources: <https://thegrowthmaster.com/blog/vr-ar-mr-metaverse>



Overview of MR Technologies

- **AI or Artificial Intelligence**

Artificial Intelligence (AI) is a set of programs developed to think, analyze, plan, decide, and learn things at the genius level. At present, artificial intelligence is applied in many forms including programming, robotics, automatic manufacturing labor replacement (e.g. cars), and writing human defined prompts. AI has been used to perform human functions such as becoming influencers through writing reviews on social networks.

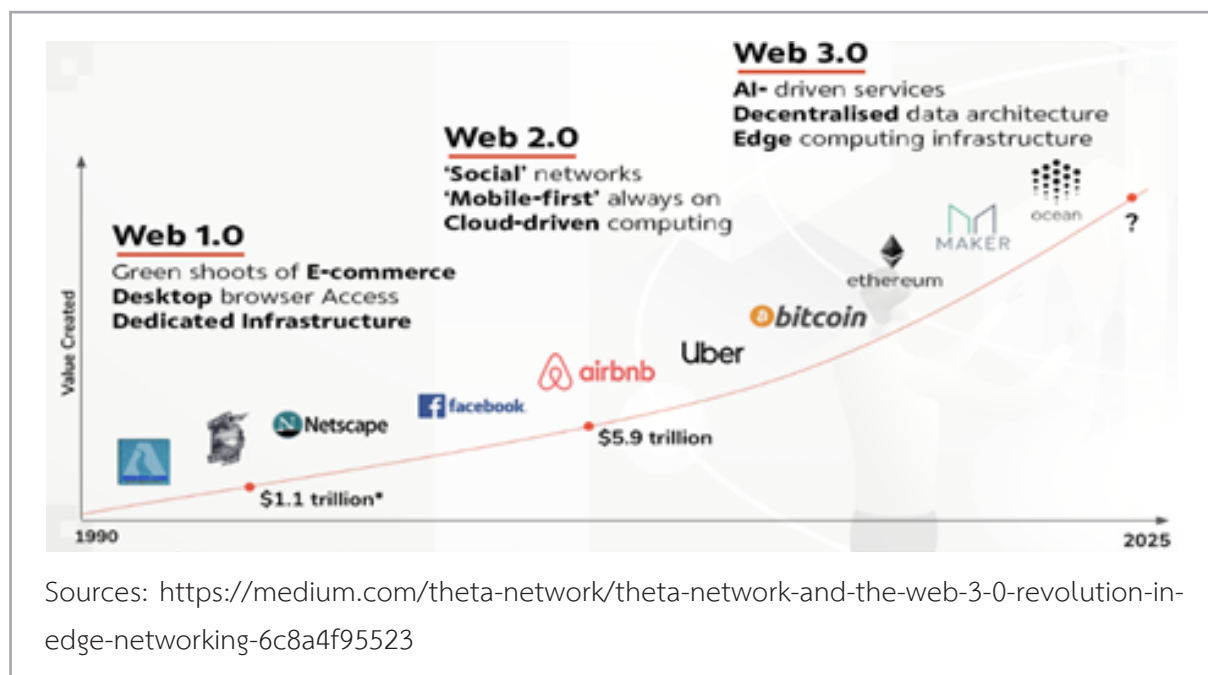
AI is currently being improved by techniques from both Machine Learning and Deep Learning in order to analyze and manage novel threats from the internet in order to protect user security and privacy. AI will be used to improve the capabilities of Digital Twin or applied in unison with other technologies such as Cloud Computing in order to increase processing capabilities for more expedient and accurate work.

- **Internet**

The internet is an integral component in the improvement of the Metaverse. The current Metaverse exists in Web 2.0 and developers believe that evolving into “Web 3.0” would be an important part of completing the Metaverse. Web 3.0 believes in a decentralized internet with the inclusion of a myriad amount technologies including blockchain and decentralized autonomous organizations (DAO) which are technologies developed through the key features of Cryptocurrency allows for the distribution of power. Such technologies are free from the control of all centralized governments and as such possess a high degree of security and privacy.

Web 3.0 is still in the development phase and is dependent on the development of other component technologies including artificial intelligence (AI), edge computing, decentralized data networks, and 3D graphics.

Overview of Website Development During 1990-2025



- **Blockchain**

Blockchain is technology used to create and drive digital economies in the virtual world. Blockchain uses distributed ledger technology which does not pass through a centralized body wherein all transactions performed in the blockchain would be checked and spread out into nodes which are distributed throughout a network from a single or multiple organizations. This decentralization allows the blockchain to possess a high degree of security and privacy in gathering business transaction information along with transferring assets and information. It also facilitates buying, selling, and exchanging of digital assets, furthermore blockchain allows for the usage of digital currencies. Every time a transaction of Bitcoin occurs, the transaction would be recorded into the Bitcoin blockchain and distributed into a massive amount of computers in the network. This method makes it dramatically more difficult for Cyber attacks to occur.

Blockchain would become more efficient when used concurrently with other technologies such as IoT, 5G or 6G, and edge computing which allows for more efficient computation and information transfer for first generation Blockchain technologies. Currently, blockchain is used in many industries including finance (MarcoPolo Network), food (IBM Food Trust), etc. Blockchain through cloud services would make give more convenience to users of the service.

Overview of the Blockchain Mechanism



Sources: <https://www.researchgate.net/>



- **cybersecurity**

Presently, the users are able to access the big data information through communication technology with high speed, no time limit and no space limit, in the meantime, big data information of users are risked for threats, steal and destroy i.e. the stolen on financial transaction information, creating virus to attack the operation system, etc. If there is lack of efficient cyber security, the cyber threats will damage the operation users, thus the cyber security system has been developed in parallel with the digital technology development.

Cyber Security System is essential in every industry and is an urgent need in financial and banking industry. Since presently, many countries given financial liberation for foreign investors, including the trading and intranet banking via smart phone, thus financial institutes require the development in the transaction system in parallel with the security system in order to gain confidence from the customers thus show the growth in e-commerce and e-banking overall system.

In 2023, the information survey from Palo Alto Network shows the cyber security system incidence in Asia, shows that Thailand has been facing high risk, at least 22% increase, more than 50% increase from the past and finding the risk in internet device and the attack type concern the most is Malware at 57% risk and pretend to be the account owner at 57% risk as well as code attack at 53% thus with the situation, the Cloud application has become of more service.

However, in comparison with other countries in Asia, Thailand is better in risk of cyber threats as we have upleveled our expertise in this area. There are only 37% findings of risk cyber security but Thailand still remain lower risk rate among other countries in Asia.



## Revenue Structure

The Company's main revenues come from revenues from sales and services. Revenues can be divided into 4 main groups consisting of

- 1) Revenue from System Integration (SI)
- 2) Revenue from Maintenance Service Agreement (MA)
- 3) Revenue from Civil Engineering Business Systems Infrastructure & Telecommunications
- 4) Revenue from Other Information Technology Service (Other IT Service)

The revenue structure of the Company during 2021 – 2023 is as follows:

Business	Year 2021		Year 2022		Year 2023	
	THB Million	%	THB Million	%	THB Million	%
<b>Revenues from Sales and Services</b>						
1. Revenue from sales and installation of IT systems	374.98	63.64	651.42	66.01	824.15	60.47
2. Revenue from after-sales service of system maintenance (MA)	186.30	31.62	234.84	23.80	292.55	21.47
3. Revenue from Telecommunications engineering work	11.12	1.82	73.30	7.43	218.39	16.03
4. Revenue from other IT services	10.72	1.88	16.83	1.71	15.70	1.15
<b>Total Revenue from Sales and Services</b>	<b>583.12</b>	<b>98.96</b>	<b>976.38</b>	<b>98.94</b>	<b>1,350.79</b>	<b>99.12</b>
Other Revenue*	6.13	1.04	10.48	1.06	12.02	0.88
<b>Total Revenue</b>	<b>589.25</b>	<b>100.00</b>	<b>986.86</b>	<b>100.00</b>	<b>1,362.81</b>	<b>100.00</b>

Note: \*Other revenue includes interest income from operations and financial lease, gain (loss) from sales of assets, gain (loss) from exchange rate and gain (loss) from short-term investments etc.

According to the company's revenue in 2021–2023, it can be categorized into 2 types of business sectors, which are private companies and government agencies, details is as follows.

Type of Customer	Year 2021		Year 2022		Year 2023	
	THB Million	%	THB Million	%	THB Million	%
<b>1. Revenue from sales and installation of IT systems</b>	374.98	100.00	651.42	100.00	824.15	100.00
Private Companies	288.90	77.04	437.38	67.14	430.74	52.26
Government Agencies	86.08	22.96	214.04	32.86	393.41	47.74
<b>2. Revenue from after-sales service of system maintenance</b>	186.30	100.00	234.84	100.00	292.55	100.00
Private Companies	126.66	67.99	152.90	65.11	170.69	58.35
Government Agencies	59.64	32.01	81.94	34.89	121.86	41.65
<b>3. Revenue from Telecommunications engineering work</b>	11.12	100.00	73.30	100.00	218.39	100.00
Private Companies	11.12	100.00	73.30	100.00	197.49	90.43
Government Agencies	-	-	-	-	20.90	9.57
<b>4. Revenue from other IT services</b>	10.72	100.00	16.83	100.00	15.70	100.00
Private Companies	9.95	92.80	15.55	92.39	14.58	92.88
Government Agencies	0.77	7.20	1.28	7.61	1.12	7.12

## System Integration

The Company provides consulting, design, procure, install and distribute products and equipment related to information technology by offering various important solutions to both public and private customers in 2 types as follows: (1) General trade and (2) Financial lease. In 2021 – 2023, the Company has revenue structure in 2 types as follows:

Type of Revenue	Year 2021		Year 2022		Year 2023	
	THB Million	%	THB Million	%	THB Million	%
<b>Revenue from sales and installation of IT systems</b>						
1. Normal	312.58	83.36	572.91	87.95	762.10	92.47
2. Financial lease agreement	62.40	26.64	78.51	12.05	62.05	7.53
<b>Total revenue from sales and installation of IT systems</b>	<b>374.98</b>	<b>100.00</b>	<b>651.42</b>	<b>100.00</b>	<b>824.15</b>	<b>100.00</b>

## Environmental Impact

-None-

## Backlog

As of December 31, 2023, the Company has a backlog in the amount of THB 2,109 million, which will gradually be recognized as revenue in 2024.

## Future Projects

The Company Business Plan is to extend our services comprehensively in technology communications as following projects:

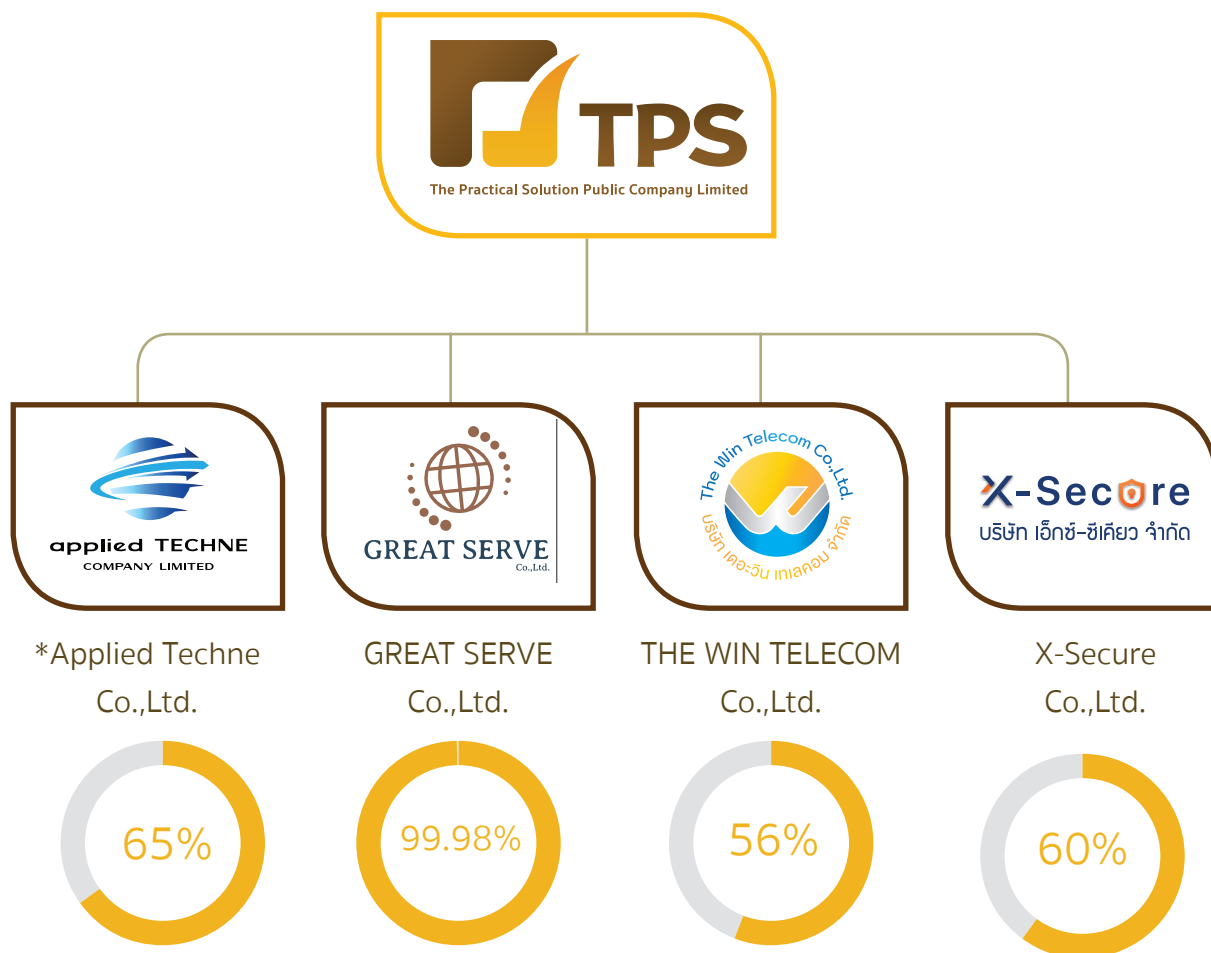
- 1. ISO27001:2022** the objective is to build confidence on our services to clients and operate our business by uplevel the security, confidentiality, completion and prompt for use on the information by using the ISO 27001:2022 (ISO/IEC 27001 Information Security Management System – ISMS as standard on cyber security and information security for protection and risk management on company information including the process of operation and maintenance the security process plus reporting the risk and adverse effects reports. This project investment budget is at 1,600,000 Baht and it is expected to be completed by mid of 2024.
- 2. Installation of Solar Cell on roof Project** The objective is to save energy and reduce electricity cost and reporting to support the Environmental, Social and Governance (ESG) activity which is the important function to help solve the environmental and social issues which wildly increasing at present and may lead to risk management of the business. The Company set up plan on environmental issue by managing the power usage withing the building at the head office of the Practical Solution Public Company with the starting project on installation of the solar cell on roof at 2,000,000 Baht and expecting the completion within 2024.

## Shareholding Structure of the TPS Group

The structure of the Company and Subsidiary is as Follows

Characteristics of the Structure of the Company and Subsidiary Structure of the Company

The Practical Solution Public Company Limited  
was listed as a public company on July 9, 2019



Note\* = Company registration and establishment Applied Techne Co.,Ltd. As a subsidiary in the amount of registered capital 10,000,000 Baht on August 4, 2023.



## Details about Company's Securities and Shareholders

### 1. Securities

As of 31 December 2023, the company has registered and paid-up capital of 226,796,025.50 Baht, and paid-up capital of 177,353,651 Baht to 354,707,302 ordinary shares with a par value of 0.50 baht per share. Listed on the Stock Exchange of Thailand (SET) by use the stock abbreviation "TPS"

### 2. Shareholders

The major shareholder structure as of 31 December 2023 is summarized as follows.

List of Shareholders	Number of common shares	Percentage (%)
<b>1. Kitkasetsathaporn Family</b>	<b>156,408,600.00</b>	<b>44.09</b>
1.1 Mr. Bunsom Kitkasetsathaporn	110,200,000.00	31.07
1.2 Mrs. Jarunya Kitkasetsathaporn	19,920,000.00	5.62
1.3 Ms. Romnalin Kitkasetsathaporn	4,587,300.00	1.29
1.4 Ms. Wipha Kitkasetsathaporn	50,000.00	0.01
1.5 Mr. Pramuanchai Chunsard	10,925,000.00	3.08
1.6 Mrs. Wanna Lapsongphol	5,646,800.00	1.59
1.7 Mr. Ar Saetae	5,000,000.00	1.41
1.8 Ms. Uthaiwan Chunsard	30,000.00	0.01
1.9 Ms. Phoungpen Saetae	49,500.00	0.01
<b>2. Witawasiri Family</b>	<b>53,238,763.00</b>	<b>15.00</b>
2.1 Mr. Matee Witawasiri	32,000,000.00	9.02
2.2 Ms.Udomluck Jaisuekul	19,526,263.00	5.50
2.3 Mr. Montree Witawasiri	650,000.00	0.18
2.4 Mr. Prapat Witawasiri	462,500 .00	0.13
2.5 Mrs. Sirinporn Witthawasiri	600,000.00	0.17
<b>3. Mr. Mongkol Prakitchaiwattana</b>	<b>11,423,200.00</b>	<b>3.22</b>
<b>4. Thai NVDR Company Limited</b>	<b>9,121,220.00</b>	<b>2.57</b>
<b>5. Ms. Wareeporn Udomkunthum</b>	<b>8,180,000.00</b>	<b>2.31</b>
<b>6. Mr. Phakhin Laokumnert</b>	<b>8,100,000.00</b>	<b>2.28</b>
<b>7. Ms. Aumaporn Sengsui</b>	<b>7,617,600.00</b>	<b>2.15</b>
<b>8. Ms. Darin Sanitwong Na Ayutthaya</b>	<b>5,000,000.00</b>	<b>1.41</b>
<b>9. Ms. Janchay Wetpanya</b>	<b>4,585,000.00</b>	<b>1.29</b>
<b>10. Mrs. Waewkanee Assoratkul</b>	<b>4,444,500.00</b>	<b>1.25</b>
<b>Minor Shareholders</b>	<b>86,588,419.00</b>	<b>24.43</b>

### 3. Other Securities

The Warrants Holders shall be entitled to rights as prescribed in the Terms and Conditions.

Type of warrants	The warrant to purchase ordinary shares of The Practical Solution Public Company Limited No. 1,
Type of warrants	Name of holder specified and transferable.
Term of the warrants	2 years from the date of issuance of the warrant. The warrant issuance date is October 19, 2022 (warrant expiration date the rights will fall on the last exercise date of October 18, 2024, and the warrants will expire on the next day.)
Number of the warrants issued	Not exceed 83 , 999 , 968 units.
Number of Ordinary Shares Reserved for Exercise of the Warrants	Not exceed 83,999,968 shares (at par value of THB 0.50 Reserved for Exercise of the shares), representing not exceeding 25.00 percent of Warrants total issued and paid-up shares of the Company (335,999,872 shares).
Exercise Ratio	One unit of the Warrant has rights to purchase 1 newly issued ordinary share
Exercise Price	THB 1.20 per unit
Allocation Method	Allocate to existing shareholders of the Company by specifying List of shareholders who entitled to receive the Warrants (Record Date) on 10 October 2022 at the ratio of 4 existing ordinary shares to 1 unit of the Warrants (any fraction shall be discarded).
Offering Price	THB 0.00 per unit.
Issuance Date	19 October 2022

1<sup>st</sup> exercise on March 31, 2023

Number of exercised warrant	18,198,560 units
Number of remaining warrants	65,793,632 units

2<sup>nd</sup> exercise on September 29, 2023

Number of exercised warrant	508,870 units
Number of remaining warrants	65,284,762 units

#### **4. Dividend Policy**

The Company has a dividend policy to pay dividends to shareholders at the rate of not less than 40% of net profit after tax and all reserves specified by law. Such dividend payments are subject to changes depending on necessity and other suitability as the Board of Directors deemed appropriate. The Company will consider operating results, cash flow, financial liquidity, financial position, investment plan, required working capital to manage and expand the business, economic conditions, and other factors. Annual dividend payout shall be approved by the Shareholders' Meeting, except interim dividend which may be approved by the Board of Directors occasionally when the Company's profit allows doing so. In such a case, the interim dividend payout shall be reported to the next Shareholders' Meeting.

# Risk Management

## Enterprise Risk Management Policy

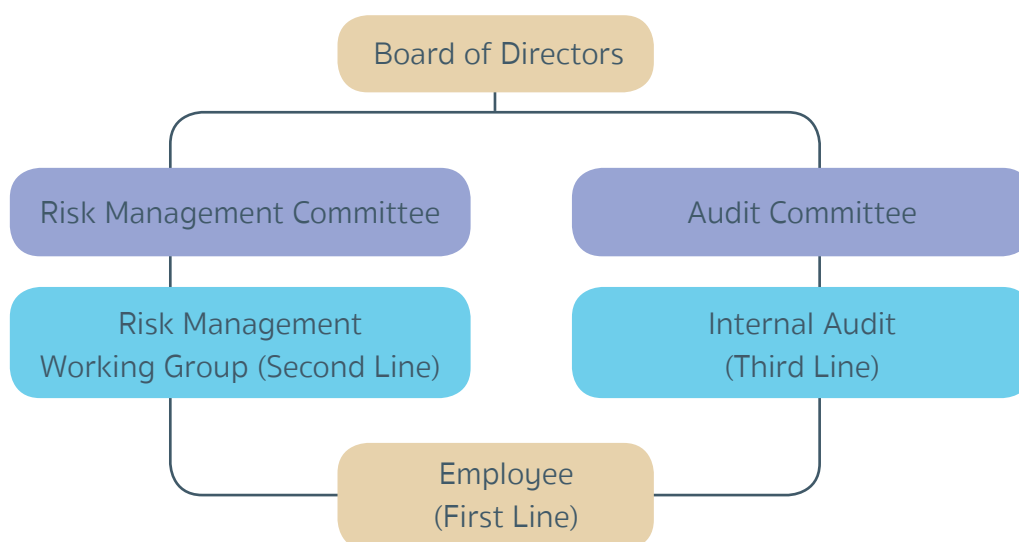
### 1. Overview

The Practical Solution Public Company Limited (“the Company”) realizes that risk management is an integral part of good corporate governance, which is the basis to help achieve the Company’s objectives. Identifying and managing risks help companies make better decisions, and foresee opportunities, as well as being able to mitigate the impact from significant events that may occur to shareholders. Risk means the chance of an event that might happen and affect the Company’s objectives. The risks can be measured from the impact and probability that will occur.

### 2. Objectives

Risk Management Policy (“This Policy”) has the following objectives.

- 1) To set up a harmonious operational framework for the Company’s risk management process to be implemented enterprise wide.
  - Risk Management Framework



- 2) To ensure that such risk control duties & responsibilities are properly specified.

### 3. Scope

This Policy is applicable to each and every operation, including management and all employees of the Company.

### 4. Risk Management Policy

- 1) The Company operates its business under acceptable risk to achieve the Company’s objectives and meet the expectations of the stakeholders, by specifying that the risk management be a part of the preparation of the annual business plan, the day-to-day management and decision-making, including management process of various projects.
- 2) All management and employees of the Company are risk owners, responsible for identifying and assessing the risks of the department under responsibility, including setting appropriate measures to manage risks.

- 3) The risks that affect the achievement of all of the Company's objectives must be managed as follows:
  - Identify risks in a timely manner.
  - Assess the probability of risks and impact if such events occur.
  - Manage risks in accordance with the set risk management criteria, taking into consideration the costs involved and the benefits that will be derived from managing such risks.
  - Monitor & supervise to ensure that the Company's risks are properly managed.
- 4) The risks that may affect the Company's business plan and strategy which are all considered high-level and very high-level risks must be reported to the Risk Management Committee, Audit Committee, and the Board of Directors for acknowledgment.
  - The Company communicates by providing training to new employees and announcing via E-mail to all employees of the Company.

## 5. Responsibilities

The policy shall apply to all operations, include executives and all employees of the company.

### Board of Directors

- overall duties & responsibilities to regulate & supervise the risk management within the Company.

### Audit Committee

- Supports the BOD in performing risk management duties by reviewing to ensure that the risk management system is appropriate and effective.

### Risk Management Committee

- Establish appropriate and adequate risk management policies. Efficient and supervised to have an overall risk management process at an acceptable level.

### Risk Management Working Group

- Consists of agency executives are responsible for ensuring that the major business risks are identified and evaluated regularly, including specifying effective risk management measures.

Position in the organization	Position in the Risk Management Working Group
Chief Executive Officer	Chairman of the Risk Management Working Group
Executive Vice President - Operations	Vice-Chairman of the Risk Management Working Group
Executive Vice President – Human Resources& General Administration	Vice-Chairman of the Risk Management Working Group
Executive Vice President - Sales	Vice-Chairman of the Risk Management Working Group
Senior Vice President - Accounting	Vice-Chairman of the Risk Management Working Group
Senior Vice President - Finance	Vice-Chairman of the Risk Management Working Group
Senior Vice President – Technical Expert	Vice-Chairman of the Risk Management Working Group
Senior Vice President – Technical Support	Secretary of the Risk Management Working Group
Vice President of All Departments	Risk Management Working Group
Company Secretary	Risk Management Working Group
Internal Audit Department	Observer



The Risk Management Working Group is responsible for ensuring that the major business risks are identified and evaluated regularly, including specifying effective risk management measures, with responsibility for the following matters:

- Set up a risk management policy, risk management strategy & measures in order to propose to the Board of Directors for consideration and approval.
- Consider & review the risks and guidelines for managing the Company's risks as already assessed by the risk owners, as well as providing recommendations for improvements.
- Regulate & supervise the effectiveness of the Company's risk management process, by continuous follow-ups and reviews.
- Report high-level risks and very high-level risks to be acknowledged by the CEO, Executive Committee, Audit Committee, and the BOD.
- Regularly review this Policy.

#### **Internal Audit Department**

- responsible for reviewing the effectiveness of the internal control to pass the annual internal audits.
- Follow up on improvements and fix bugs detected by the Internal Audit Manager.
- Attend meetings and provide opinions on the effectiveness of the internal control system.

#### **All Executives and Employees**

- responsible for implementing the risk management measures specified by the Working Group.
- Reporting the results of the implementation of risk management measures shall be considered as part of the job duties, and all employees must communicate appropriately and promptly to the Working Group.

### **6. Risk Management Process**

The Company has a policy to manage various risks that affect the Company by considering both internal and external factors so that the risk remains at an acceptable level and is suitable. The Company's management has established the corporate risk management process as follows:

#### **6.1 Setting objectives**

Enterprise risk management starting from identifying risks, assessing risks, to formulating risk management measures is carried out to enable the organization to achieve results in the missions, objectives and goals specified under the principle that the Company will operate its business under the principle of good corporate governance, vision, and corporate values only.

#### **6.2 Determining the level of risk appetite**

Risk appetite level is the scope that the management determines the level of scope of the decisions and the impact of the decisions acceptable by the certainty that within such scope the organization can still operate sustainably and achieve the set objectives. Risk appetite level may be defined as wordings or a message that has been shown to executives and related persons for acknowledgment and with the same understanding. The risk appetite level should also comply with the risk assessment criteria shown in Section 6.4.

### 6.3 Identifying risks

Risk management process must have a regular review and consideration of all aspects of risk factors, both internal and external, inclusively covering strategic risk, financial risk, administrative risk, legal compliance risk, information technology (IT) risk and other operational risks as well as corruption risk. The Company has categorized the risk groups that need to be considered, as follows:

Table 1 Shows the basic risk groups (The company will disclose and assess significant risks.)

Risk groups	Definition
<b>Strategic risk</b>	<ul style="list-style-type: none"><li>• Risk of wrong execution of the strategic plan, such as inability of conducting M&amp;A according to business plan</li><li>• Risk of making mistakes such as investment, time, resources that should be used in other areas</li><li>• Risk of damage from disruption or replacement of products</li><li>• Risk of damage from the return on investment not meeting the target</li><li>• Risk of damage from project implementation in terms of time, quality and budget</li></ul>
<b>Supply chain risk</b>	<ul style="list-style-type: none"><li>• Risk of damage from the shortage / inaccessibility of the necessary resources</li><li>• Risk of damage due to lack of necessary competent personnel</li></ul>
<b>Human resource risk</b>	<ul style="list-style-type: none"><li>• Risk of damage due to lack of necessary competent personnel</li><li>• Risk of excessive losses in operations, or inefficient use of the property</li></ul>
<b>Operational risk</b>	<ul style="list-style-type: none"><li>• Risk of cost damage higher than that of competitors: raw materials, labor, expenses, time</li><li>• Risk of excessive losses in operations or inefficient use of the property</li></ul>
<b>Reporting risk</b>	<ul style="list-style-type: none"><li>• Risk of loss from wrong decision-making or lack of information for decision making</li><li>• Risk of damage due to leak of important information</li></ul>
<b>Fraud risk</b>	<ul style="list-style-type: none"><li>• Risk of damage from giving and receiving bribe</li><li>• Risk of damage from improper use of corporate assets / stealing</li><li>• Risk of damage from intention of tampering / covering up of financial statements and reports</li></ul>

Risk groups	Definition
<b>Financial risk</b>	<ul style="list-style-type: none"> <li>• Risk of damage resulting from not receiving payment</li> <li>• Risk of damage from financial cost higher than that of competitors</li> <li>• Risk of damage due to lack of liquidity</li> </ul>
<b>IT risk</b>	<ul style="list-style-type: none"> <li>• Risk of damage from unauthorized access to information systems</li> <li>• Risk of damage from computer access without permission</li> <li>• Risk of damage in the development of information systems not meeting the purpose</li> <li>• Risk of damage due to the inability to recover the information system in the specified time</li> <li>• Risks of damage from technological changes</li> </ul>
<b>Disaster and uncontrollable risk</b>	<ul style="list-style-type: none"> <li>• Risk of damage from natural disasters</li> <li>• Risk of damage from crime</li> <li>• Risk of damage from other external factors such as politics, economy, etc.</li> </ul>
<b>Reputational risk</b>	<ul style="list-style-type: none"> <li>• Risk of damage to reputation and social acceptance</li> </ul>
<b>Customer satisfaction risk</b>	<ul style="list-style-type: none"> <li>• Risk of damage from non-standard products or service quality</li> <li>• Risk of damage from failure to comply with the customer agreement</li> </ul>
<b>Compliance risk</b>	<ul style="list-style-type: none"> <li>• Risk of damage from unlawful practice</li> </ul>

Remark : The Company plans to increase ESG risk group in 2024

In this regard, for risk management to be carried out effectively, the organization is required to identify the cause of the risk. Identifying risks and causes can be done by using tools and operating methods such as

- Joint meeting to discuss and exchange ideas (Brainstorming)
- Use of information from experts together with external auditors and internal auditors e.g. internal auditors report, etc.
- Opinion poll
- Use of statistical data e.g. product return statistics, etc.
- Use of tools to analyze problems e.g. Fish-bone diagram, or Bowtie Analysis

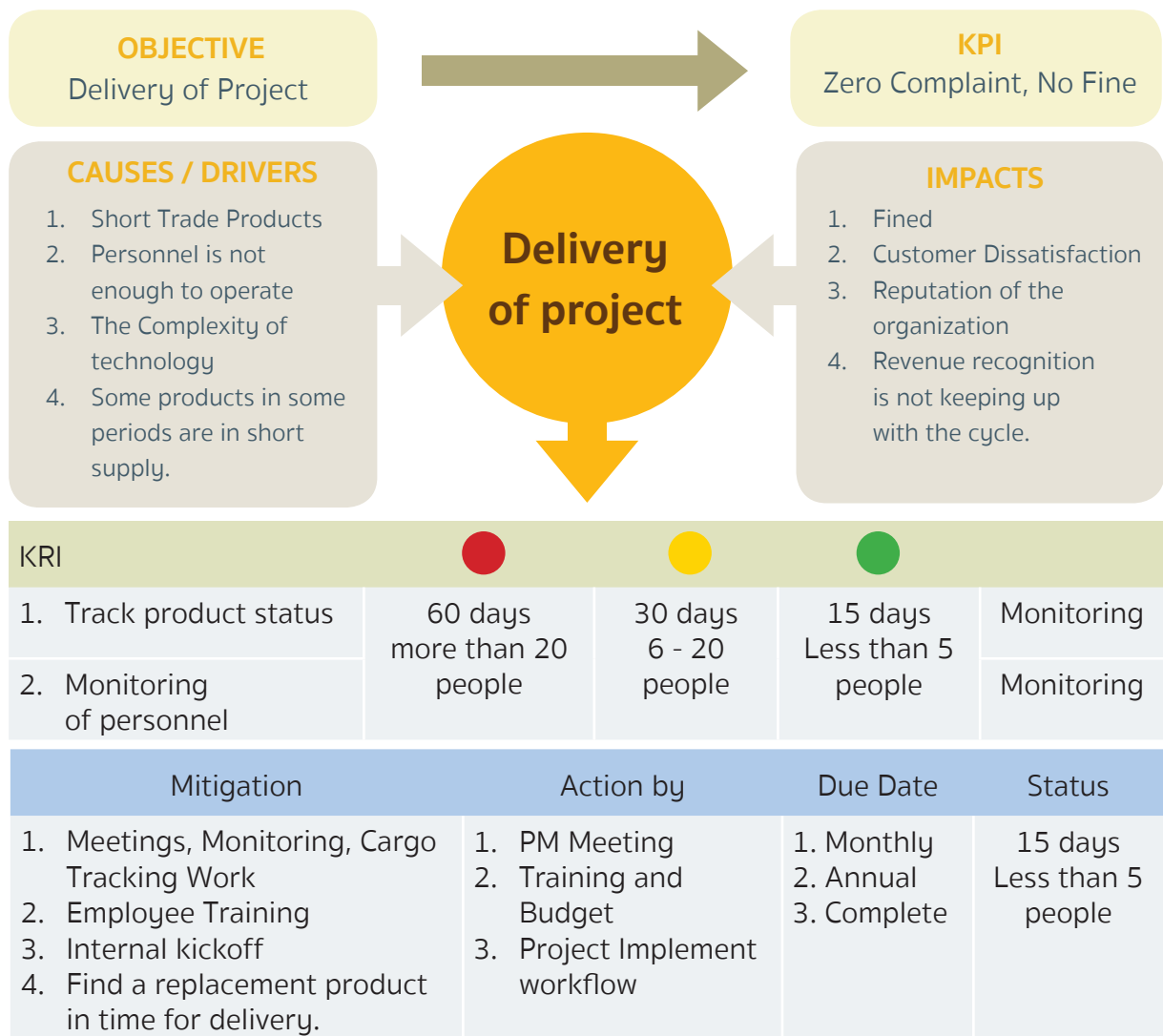


Chart 1: Example of using Bowtie Analysis to analyze the causes of risk

#### 6.4 Risk level assessment and acceptable risk appetite levels

Risk assessment is determined from likelihood and impact if the risk occurs by using calculations: risk level = impact x likelihood. The acceptable risk appetite level is a level of risk with risk value ranging from level 1 to 8, while a risk value of 9 or higher is a risk that the Company must deal with urgently.

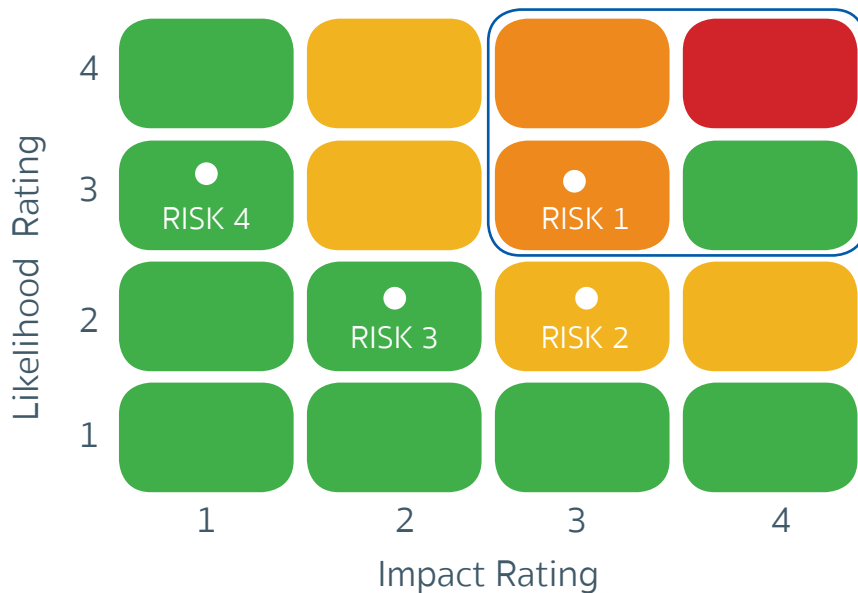


Chart 2 shows the acceptable risk appetite level (blue line)

From the chart above, Risks 3 and 4 are considered acceptable appetite levels of risks. Risk 2 is the risk that the company has to be on alert, while Risk 1 is a critical risk that the Company must take action to quickly reduce the likelihood or impact to an acceptable level asap.

Table 2 shows the degree of impact

Level 4	<ul style="list-style-type: none"> <li>Loss of competitiveness and may not be able to continue the business operation</li> <li>Loss of property, personnel and resources indirectly in the amount of THB 5,000,000 or more, or causing interruption of operation for more than 1 day</li> <li>Information in the information system is materially inaccurate and detected, e.g. inaccurate financial statements and being fined by the government agency</li> <li>Damage from THB 5,000,000 up</li> <li>The Company has been criticized by the press and social media for more than 5 days or questioned by government agencies.</li> <li>Losing important customers, accounted for a sales amount of THB 5,000,001 or more</li> <li>The Company was prosecuted until it was unable to continue its business.</li> </ul>
Level 3	<ul style="list-style-type: none"> <li>Loss of competitiveness that affects market share and customers resulting in lower-than-expected growth of 10% or more.</li> <li>Loss of property and resources indirectly from THB 500,000 – THB 5,000,000 or causing 8-hour interruption of operation</li> <li>Information in the information system is significantly inaccurate but can fix or can clarify</li> <li>Damage ranging from THB 500,000 – THB 5,000,000</li> <li>The Company has been criticized by the press and social media from 3 - 5 days</li> <li>Losing important customers for the amount of sales from THB 500,000 – THB 5,000,000</li> <li>The Company was prosecuted until the business for more 3 days, or received a fine of THB 500,000 or more</li> </ul>



Level 2	<ul style="list-style-type: none"> <li>• Loss of competitiveness, affecting market share and customers, resulting in lower-than-expected growth from 1-10%</li> <li>• Loss of assets and resources indirectly in the amount ranging from THB 100,000 - THB 500,000 or interruption of operation for 4 hours</li> <li>• Information in the information system is significantly inaccurate and has been detected by internal personnel.</li> <li>• Damage ranging from THB 100,000 – THB 500,000</li> <li>• The Company has been reported in the press and social media from 1-3 days.</li> <li>• Losing important customers for the amount of sales from THB 100,000 - THB 500,000</li> <li>• The Company was prosecuted until the business had to cease 1-3 days, or received a fine of THB 100,000 - THB 500,000.</li> </ul>
Level 1	<ul style="list-style-type: none"> <li>• Slightly lost competitiveness</li> <li>• Loss of property and resources indirectly equal to less than THB 100,000</li> <li>• The information in the information system is slightly inaccurate.</li> <li>• Damage is less than THB 100,000.</li> <li>• The Company has received complaints from villagers in the nearby area or people who have been affected.</li> <li>• Received notification of order cancellation, and reduced debt for customers less than THB 100,000</li> <li>• The Company was fined for less than THB 100,000.</li> </ul>

Table 3 shows the frequency levels

Frequency	Annual Frequency	Probability	Loophole
4	Frequent: occurs every month	Almost certain: chance of occurrence 90% up	Having no preventive measures to support or solve problems
3	Likely: occurs quarterly	Likely: chance of occurrence 65% - 90%	Having measures to prevent risks but insufficient or ineffective
2	Possible: occurs every half- year	Possible: chance of occurrence 35% - 65%	Having measures to prevent risks sufficiently and effectively at a certain level
1	Unlikely: occurs every year or more often	Unlikely: chance of occurrence 1% - 35%	Having measures to prevent risks sufficiently and effectively, very reliable

## 7. Meeting of the Risk Management Working Group and preparation of risk management reports

The Risk Management Working Group has the duty to organize meetings to monitor the results of risk management, and to review the appropriateness of the risk management plan and joint risk management processes. The meeting will be held every quarter. The secretary of the Working Group is responsible for recording the minutes of the meeting.

The secretary and Working Group members are also responsible for preparing risk management reports to be presented to the Chief Executive Officer for approval and present to the Board of Director meeting for acknowledgment.

# Risk Factors

## Assessment by Degree of Risk and Risk Acceptance

### Operation Risk

#### **Dependency with Main Business Partner (CISCO)**

The appointment of the Company as business partner from our product owner has been the important factor in the business management. The duration of business partner contract usually lasts 6 months to one year and continuing every 6 months or annually if the Company manage to fulfill the agreement with our product owner. Thus, if there is any change in the conditions and the Company cannot meet the product owner's requirements this might affect the Company's income and profits.

Presently, the Company have signed the agreement with the product owners as our business partners such as Cisco, NetApp, Palos Alto, Networks, VMware and Fortinet thus the Company have gained the privilege on product discount, marketing support, training and promotions. However, the Company have no rights as representative nor agreement as sole distributor, this will affect the Company performance should the agreement has not been extended, especially among the competitive market. Cisco is our Gold Certified Business Partner, thus the Company must maintain the important agreement on having at least 4 specialists whom passed the CCIE Certificate within 4 solutions, at least. During the past, the Company have been able to maintain 7 specialists of CCIE high certificate with expertise in the 4 solutions in order to control the risk and develop their competitive quality since the Company have been maintaining our standard and have been extended our contract with Cisco for more than 10 years. Moreover, with our long and good relationship with Cisco, the Company has speculated that Cisco will extend our agreement continually.

However, the Company should search for more opportunities to engage contract with more product owners aside from Cisco, such as HPE-Aruba, NetApp, Palo Alto Networks, Veritas, VMware and Fortinet which are group of well known products and are accepted as international standard quality in order to lower the risk of having just one big business partner and be able to improve competitive ability in the market.

At present, the Company have been appointed by other product owners since 31st December 2023, altogether 9 companies i.e. NetApp, Palo Alto Networks, VMware, Fortinet, HPE, Aruba, Nutanix and Veeam. The Company have speculated that the diversification should not occur if we be able to have more opportunities as business partners with other product owners than Cisco only and hopefully our engineering technician are able to serve our clients with other products within 3 months, so far, we have not been affected by this risk.

The Company has been appointed as a distributor from other product owners as of 31 December 2023 with a total of 9 companies including NetApp, Palo Alto Networks, VMware, Fortinet, HPE, Aruba, Nutanix, CyberArk, Veeam. The Company has the opportunity to become a business partner with additional product owners in the future in order to diversify the risk if the contract of a business partnership is not renewed by some product owners. In addition, if there is a force majeure that may cause the Company is canceled or not renewed contract from Cisco, the Company needs to switch to other partners, the Company believes that the Company's engineers are able to change to provide services for other products within the period of not more than 3 months. In the past year, the Company has not been affected by this risk.

## **Dependency on major customers**

The Company's main revenues come from consulting, designing, procuring, installing, and distributing products and equipment related to information technology to major customers in both public and private organizations. Due to the nature of the Company's business, most of the projects are proposing quotations or bidding for government projects. If the Company wins the bidding or is selected for a large project, it may affect the Company's revenues significantly.

The Company realizes the risk of relying on major customers. Therefore the Company tried to expand its customer base to diversify the risk including expanding the service to Maintenance Agreement (MA) which can generate stable revenue. MA helps the Company to reduce the impact of the uncertainty of revenue from projects which depends on the ability to win the bidding and budgeting from government and private agencies. From the past track record, the Company is acceptable by private clients because the Company is able to provide services to meet customer requirements and deadlines and also able to comply with various conditions from customers. In addition, The Company is a business partner with a well-known international product owner, thus the Company can offer quality products and services to meet the standards and price that is suitable for the budget of the customers. The Company also provides great after-sales service in order to continually create relationships with customers. In the past year, the Company has not been affected by this risk.

## **Project delivery**

The Company has the policy to focus on selling products and services to maximize customer satisfaction by delivering quality products and services on time. Normally, the projects from the beginning until the completion and delivery to the customers last an average of 3 – 6 months. If the Company is unable to operate and deliver the project as specified in the contract, the Company may have to pay fines to customers as agreed in the contract. This will result in the Company having higher costs and expenses and affecting the Company's gross profit margin including affecting the image and credibility of the Company.

For products and services projects of both government and private companies, if the Company is unable to supply products for customers in time as specified in the contract, there will be a daily fine of approximately 0.1 – 0.2 percent of the value of products and services. For a maintenance agreement project, if the equipment or system fails more than the specific hour in each month, there will be an hourly fine as specified in the contract.

However, if the company has hired subcontractors for any projects, the Company can negotiate to collect fines from subcontractors when the late delivery is caused by subcontractors.

The Company has a risk prevention system for project operations and delivery by specifying methods of working on various projects systematically with discussions, coordination, and planning between all relevant parties, including customers, product suppliers, and all employees involved, etc. The Company also has periodic monitoring and inspection of project delivery in order to operate and deliver the project as planned. In addition, the Company has developed software within the organization to assist in the management and control of the project, strengthen systems and work standards to help reducing the risks from these factors.

## Human Resource Risk

### Dependency on key management

Company was started the business by Mr. Bunsom Kitkasetsathaporn and Mr. Matee Witawasiri in 2007. Both of them are executives with knowledge and expertise in technology for over 20 years. They also have good relationships with both suppliers and customers. In addition, both executives also understand the nature of the Company. For these reasons, both executives are able to drive the Company to have consistently good performance. Therefore, if there is a change in management, it may affect the Company.

However, both executives are major shareholders. They have policies and guidelines for managing the Company to grow continuously in the long run. In addition, the Company still has the policy to improve the knowledge and ability of employees to inherit the management position. This can help reduce the risk from dependency on key management.

### Dependency on key operation employee

The information and communication technology business highly depend on qualified human resources in terms of engineering and project operation, because they have to be a consultant and receive customer requirements in order to design the system to meet customer requirements, including procurement and installation of equipment, testing, and system maintenance. All of these tasks require the skills, expertise, and experience of engineers. Therefore, if the engineers resign or the company doesn't have enough engineers for operations, it may affect the Company's business.

In order to reduce the risk, the Company has a policy of providing compensation and benefits that are comparable to other companies in the same industry, including providing ongoing training and knowledge to motivate and retain engineers to work with the Company in the long term. The Company also has a plan to continuously recruit engineers to support the expansion of the business or promptly replace resigned engineer. In the past year, the Company has not been affected by this risk.

## Financial Risk

### Risk relating to instability of revenue

The Company provides consulting, design, procure, install and distribute products and equipment related to information technology which has the main revenues based on the project as follows: (1) Revenues from System Integrator and (2) Revenues from Other IT Services. Revenues from most projects are generated in accordance with the client's investment plan. Therefore, if customers delay the investment in information technology, it may affect the Company's performance. In addition, the ability to win the bidding, find new customers, and maintain the existing customer base are important factors that affect revenue instability. To mitigate the risk, the Company focuses on increasing the revenue proportion from the Maintenance Agreement (MA) which has more consistent revenue than the revenue from the project. MA increases more continuous income to the Company since the agreement has the tenor between 1 – 5 years, which helps the Company to stabilize revenue.

### Risk relating to foreign exchange rate risk

The nature of business is to provide consulting, design, procure, install and distribute products

and equipment related to information technology. It is necessary to order products and services from partners with foreign product owners and directly from foreign product owners. In addition, The Company has revenues from selling products and services to customers located in foreign countries. Therefore, the Company will receive revenues from sales and services in foreign currency, while the Company's income is in Thai Baht currency, thus the Company will have the risk from fluctuation in the foreign exchange rate, which may affect the performance and profit margin. However, the Company prevents the risk of exchange rates by including an allowance for exchange rate fluctuations in the calculation of costs of goods and services for determining sales prices to support the risk of exchange rate fluctuation.

## Compliance Risk

### **Personal Data Protection Act, Year 2019 (PDPA)**

The risk from non-compliance with the law or incomplete compliance whereas by changing the rules or regulations will affect the reputation of the Company, being punished and paid a fine which will lose the business opportunity thus the Company has given the importance of Personal Data Protection Act, year 2019 which effective since June 1st 2022. The Company have realized the risk of personal data thus we must work in every process according to the Protection Act, year 2019 by giving the training regarding the Personal Data Protection Act, year 2019 to our Management and all employees, create and publicize the Policy for our Management and employees to understand and follow the procedure.

### **Financial Standard**

The requirements or standards of the Federation of Accounting Professions have to be developed and changed frequently in order to be consistent and equivalent to the international financial reporting standards. These requirements may affect the internal management process of the Company in order to compliance with the standards i.e. the Financial Report Edition 9 regarding the financial tools and Edition 15 regarding the Company profits from the client contract. The Company have realized the risk factor regarding the financial reporting standards thus we have given the understanding to our finance and accounting team regarding the required standard and be able to adapt for use on our working process and financial management to compliance with the standards and required Act of Law.

## IT Risk

### **Cyber Security**

Since the Company have mainly engaged in the technology information system business and bring in the technology communications in every work process to gain more efficiency thus it comes to the risk of cyber security in different area such as the hacking on information software, malware protection and hacking through other cyber channel thus led to the leakage of information or lost of data that put the business on hold which affects our performance and image. In order to avoid the loss of business opportunity and business competition in the market, the Company must follow the Information Security Policy under international standard and cyber security plan, information management plan for business continuity and be able to cope and respond to cyber threats by practicing cyber security training and exercises annually plus encouraging the technician engineering and sales persons to attend innovative technology seminars regularly and well adapt for use in our services with innovation and supports for the rapid technology changes.

# Driving Business for Sustainability

## 1. Policy and Goals for Sustainability Management





The Practical Solution Public Company Limited places importance on sustainable business development by considering environmental, social, and governance (ESG) in accordance with the expectations of stakeholders and the criteria of the Stock Exchange of Thailand. This is in line with the Company's business direction and strategy, as well as in line with the United Nations Sustainable Development Goals (SDGs). Economic, social and environmental practices with morality, ethics and ethics. It will bring benefits to the public along with the company's growth in parallel. We also recognize the importance of sustainable business growth under social responsibility. (Corporate Social Responsibilities)







## 2. Managing the Impact on Stakeholders in The Business Value Chain (VALUE CHAIN)

The company gives importance to the management of stakeholders in the business value chain because it is aware of the importance stakeholder opinions in the efficient development of company operations and to build faith for vendors, customers, business partners, and stakeholders under corporate governance.



Stakeholder	Stakeholder Expectation	Meeting Stakeholder Expectations
<b>Stakeholders within the Organization</b>		
<b>Shareholder</b> 	<ul style="list-style-type: none"> <li>• Good Corporate Governance</li> <li>• Growth in Financial Performance</li> <li>• Equal treatment and provision of information to all shareholders</li> <li>• Goals and direction for the future operations of the organization</li> <li>• information disclosure and transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Conducting business in accordance with good corporate governance principles</li> <li>• Arranging the Annual General Meeting of Shareholders in accordance with the AGM Checklist</li> <li>• Prepare Annual Report (56-1 One Report)</li> <li>• Opportunity Day</li> <li>• Good and consistent return on investment</li> </ul>
<b>Employee</b> 	<ul style="list-style-type: none"> <li>• Training and development for skills and knowledge</li> <li>• Safety, occupational health services, and appropriate workplace environments</li> <li>• Stability and career advancement</li> <li>• Appropriate welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Organizing training according to the plan every year</li> <li>• Having a providence fund, life and health insurance, and annual health checks</li> <li>• Having fair returns</li> <li>• Implementing an appropriate internal environment in the company that is happy, comfortable, convenient, and has sufficient equipment for employee work</li> <li>• Encourage employees to understand ethics and roles and duties</li> </ul>
<b>Stakeholders Outside the Organization</b>		
<b>Commercial Competitors</b> 	<ul style="list-style-type: none"> <li>• No infringement of the intellectual property of competitors</li> <li>• Conducts business with transparency and fairness within the framework of trade competition</li> </ul>	<ul style="list-style-type: none"> <li>• Complying with relevant laws and agreements</li> </ul>
<b>Public/ Society</b> 	<ul style="list-style-type: none"> <li>• Happy coexistence and good quality of life</li> <li>• Assistance in various fields that is beneficial to society and community</li> </ul>	<ul style="list-style-type: none"> <li>• Cultivating awareness of social responsibility and environment for employees</li> <li>• Providing mutual assistance and good cooperation</li> <li>• Support in activities that contribute to the public interest</li> <li>• Do not support any activities that pose a threat to society</li> </ul>

Stakeholder	Stakeholder Expectation	Meeting Stakeholder Expectations
<b>Creditor</b> 	<ul style="list-style-type: none"> <li>Pay interest and repay principal within the specified period</li> <li>Transparency in business operations</li> </ul>	<ul style="list-style-type: none"> <li>Strictly complying with the terms and conditions of contracts</li> </ul>
<b>Government/Regulatory Agencies</b> 	<ul style="list-style-type: none"> <li>Compliance with the laws</li> <li>Correct business conduct, transparent and with rigor</li> </ul>	<ul style="list-style-type: none"> <li>Complying with the laws, rules, and regulations relating to business operations with transparency and rigor</li> <li>Responding to government policies</li> </ul>
<b>Vendor</b> 	<ul style="list-style-type: none"> <li>Fair, transparent, and equitable business competition</li> <li>Follow the rules and regulations of good agreement</li> <li>Long-term cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Conducting business with transparency and fair competition</li> <li>Complying with trade terms and contracts</li> <li>Do not request, receive or give any benefit dishonest with commercial</li> <li>Communicate continuously through electronic media and telephone</li> </ul>
<b>Customer</b> 	<ul style="list-style-type: none"> <li>Quality products and services</li> <li>Punctual product delivery</li> <li>Accurate and effective information communication</li> <li>Responsive customer relations that would listen and respond to customer needs</li> <li>Customer Confidentiality</li> </ul>	<ul style="list-style-type: none"> <li>Conducting at least yearly satisfaction surveys</li> <li>Complying with trade terms and contracts</li> <li>Constant customer appointments</li> <li>Reviewing the service regularly</li> </ul>

### 3. Environmental Sustainability Management

#### 3.1 Environmental Policies and Practices

The company places importance on environmental sustainability and has set policies to creating a corporate culture that understands the value of the resources used, encourages each other to take care of the environment, and sustainably uses resources to maintain the quality of the environment surrounding the company and local communities. The company also seeks to operate and control the production of products and services with strict compliance to laws relating to environmental preservation. Previously, the company conducted management that took into account the safety of the environment in all business processes. Furthermore, the company places importance on managing the use of natural resources for maximum efficiency.

#### 3.2 Environmental Performance

The company values and committed to reduce its negative impact on the environment. With the work environment is an office building, the company has set a short-term environmental goal to

reduce water resources within the organization by 1% compared to the previous year, as well as a long-term goal to reuse the water used in the organization. To contribute to the most efficient use of water.

The company has continuously provided training courses related to environmental, occupational health, and safety for employees to ensure everyone is aware of the importance and practices guidelines correctly.

### Summary of Environmental Performance

Power Management	Units	2021	2022	2023
Electricity consumption	cubic meter	248,000	263,000	275,000
Water consumption	cubic meter	2,601	3,346	2,906
Total electricity expenses	Baht	1,024,413.69	1,212,129.98	1,531,646.88
Total water expenses	Baht	38,685.23	48,485.27	43,986.79

#### • Power Management

The company has raised awareness and campaigned for employees of the company to efficiently use energy within the organization. The company organized campaign activities for employees to help save electricity through various channels with the goal of reducing electricity bills by at least 1% every year for instance, reducing the use of passenger elevators, reducing electricity usage, reducing the use of air conditioners by setting the on-off time between 8.00 – 18.30 hrs., reducing office equipment usage and Separate switch on-off light Spot. In 2023, the company had a total electric consumption of 275,000 kilowatts, an increase of 12,000 kilowatts, or 5 percent, In 2023, Due to an increase employee, organize activities within the company and welcome customers and investors who visit the company. As a result, electricity consumption increased from last year, but the Company continued to strive to reduce electricity consumption.

Company Electric  
Consumption in 2023  
(Kilowatts)



Increase from 2022  
**5%**

#### • Increase from 2022

The company does not operate in manufacturing or is an establishment that requires a great use of water. As such, the water bill does not vary much from original amounts. The company does have policies to regulate water management which include campaigns to ensure employees would not leave running after use, check water distribution systems within the building and to repair or place any defective components, along with more efficient wastewater management, In 2023, the company had a total water consumption of 2,906 cubic meters, an increase of 440 cubic meters, or 13%, when compared to the previous year. Due to the company's economical water use campaign, water consumption has decreased from the previous year.

Company water  
Consumption in 2023  
(Unit: Cubic Metre)



decrease from 2022  
**13%**

- **Measurement of Office Lighting in order to meet Standards**

The company has rigorously measured light intensity and analyzed the working conditions, taking into account the nature of the work, in order to comply with environmental laws. Routine monthly inspections by safety officers are performed and have found that the company passes the standard criteria as defined by the law.

- **Greenhouse Gas Management**

The core business of the company does not directly contribute to the emission of greenhouse gases in the same vein as industrial factories, however some of the company's business operations are likely to emit greenhouse gases, such as the use of electricity in buildings, electricity consumption in air conditioners, and fuel consumption for logistics and transport. At present, the company has not yet measured the total amount of greenhouse gas emissions from its business operations with certification from the relevant agencies. The company is process of researching the matter through data collection in order to ensure that the company is managing energy and greenhouse gases effectively.

## 4. Social Sustainability Management

### 4.1 Social Policy and Practice

The company has policies in place to conduct business with social and environmental responsibility by practicing good governance through conducting moral business, respecting the human rights, giving importance to the egalitarian treatment of the labor force, and to take into account the responsibilities towards stakeholders both inside and outside the organization.

The company values employees as valuable and important resources and treats them with equality and fairness. The company has does not discriminate between gender, age, educational institution, race, and religion for employment, compensation, and promotion. The company instead focuses on taking care of overseeing safety and the workplace environment in order to facilitate proper working operations, attain employee satisfaction, and promote personnel improvement. In order to ensure that the company employees have the opportunity to develop their potential and grow to be an important force in driving business further.

Additionally, the company has instilled the value of sustainability by encouraging employees to care for society and the environment. Through volunteering, our employees aim to continuously deliver value to both human society and the natural environment.

### 4.2 Social Performance

#### Staff and Labor

The company strictly adheres to human rights principles from the moment of employment to caring for long-term employees and personnel in order to ensure that all members of the staff and labor feel a sense of familial bonding with the organization. In 2022, the company has the following key employee operations:

- **Respecting Human Rights**

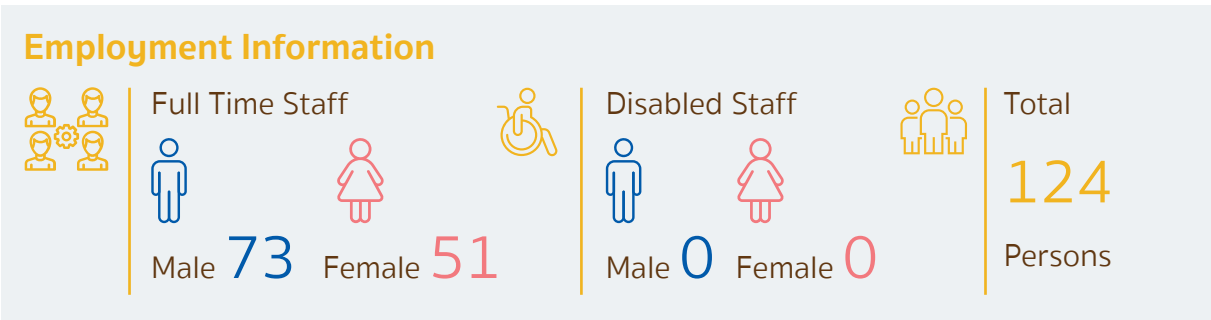
The company has created policies to support and respect the defense of human rights by treating related parties, whether employees, members of the local community, or members of the local society, with respect. The company shows respect in accordance to the fundamental human rights

of equality and freedom. The company does not discriminate in terms of race, nationality, religion, language, skin color, sex, age, education, physical, condition, or status. Furthermore, the company takes care to ensure that business operations are not involved in any human rights violations such as child labor, sexual harassment, and among other. Additionally, the company promotes the monitors in order to ensure compliance with human rights requirements by providing opportunities for relevant parties to express opinions and providing compliant channels for victims of human rights violations in order to take the appropriate remedies.

• **Fair Labor Practices**

The company is aware of the importance of human resource development and fair labor practices for they are factors that will increase the future value of the business and strengthen the competitiveness and sustainability of the organization. The company has set the follow policies and guidelines:

- 1) Respect employee rights according to human rights principles and comply with labor laws.
- 2) Provide fair hiring processes and employment conditions along with determining fair remuneration and workplace merit evaluation under a fair performance evaluation process.
- 3) Promote personnel development by organizing training, seminars, orientations along with sending personnel to attend seminars and academic conferences in various related fields in order to develop the knowledge, abilities, and skills while instilling good attitudes, morality, ethics, and teamwork. Furthermore, the company also supports the development of the organization and human resources by focusing on creating efficient work processes with clearly defined roles and responsibilities for the employees with appropriate returns, developing a system for evaluation, and increasing employee workplace performance.
- 4) Provide various welfare benefits for employees as required by law, such as social security, and otherwise, such as through health insurance and accident insurance. Furthermore, the company provides various types of financial support to employees through methods such as employee subsidies for the funeral of deceased parents.
- 5) Implement conditions that allow for employees to work safety and practice good workplace hygiene. Provide measures to prevent accidents and strengthen employee safety senses through training, hygiene, workplace maintenance in order to ensure safety and stability at work.
- 6) Give opportunities for employees to express their opinions or make complaints about unfair practices or wrongful acts while protecting employees who report such matters.



- **Employee Training**

The company always realizes that its personnel are valuable resources that can be developed to help the organization accomplish its goals. Therefore, the company continuously promotes and develops the knowledge and skills of employees at all levels. Continuous development of skills, knowledge, and abilities has further instilled corporate culture, values, and ethics.

In 2023, the company organized 64 employee training courses to increase work skills and employee potential, with an average training time of 8.5 training hours per person per year which exceeded the initial goal of 8 training hours per person per year.

No less than



8 training hours  
for **124** Employees  
or **100%**

- **Safety, Occupational Health, and Working Environment**

In 2023, the company continuously improved the efficiency of safety operations in order to reduce the risk of illness, injury, or death and to suitably take care of the quality of life for employees and workers. The company adapted to the office environment and followed fire safety protocols. In addition, the company organized fire drills in order to create guidelines for employees to learn preventive procedure and to comply with the Ministry of Interior's announcement on prevention and elimination of workplace fires for safety which requires employers to arrange fire drills and fire evacuation drills at least once a year.



In addition, the company arranges an annual health check-up for all employees. The company has also created a gym to encourage employees to take care of their physical health regularly. In regard to the working environment, the company provided a suitable working environment by measuring and evaluating features such as lighting, indoor air quality, and working room temperatures regularly.

The company did not have any accidents or injuries that could cause missing work in 2023, representing a rate of 0 percent.



Accident Rate  
**0%**  
Workplace Injuries  
that required  
Injury Leave  
**0%**



- **Employee Engagement**



The company focuses on developing good relationships with the organization by increasing effective communication channels to employees, valuing the work of employees, and creating and developing good attitudes between employees and the organization. When employees have love and commitment for the organization, high performance follows. In 2023, the company has a total of 124 employees and an employee turnover rate of 7.2 percent or 9 people. The company aims to make the resignation rate less than 5 percent

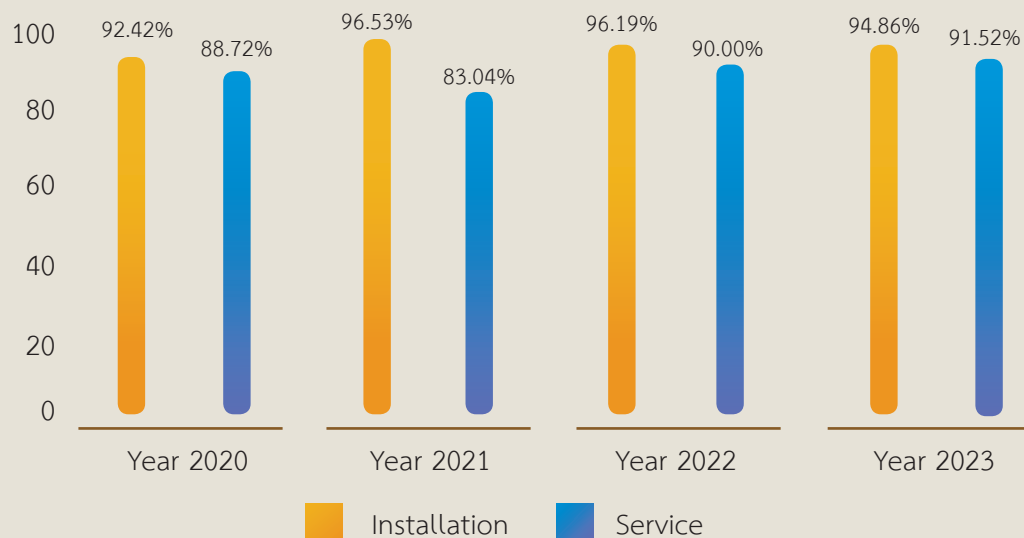
- **Customer Responsibility**

The company is committed to improving the products and services of the company and other affiliates for the highest satisfaction and benefit of customers. The company aims to treat customers with responsibility, honesty, and attentiveness with the following:

- 1) The company takes into account the quality, standards, and production efficiency of its product. The company aims to produce products that are safe and meet international standards along with developing a service system that allows customers to use the products and receive quality services in order to have maximum satisfaction.
- 2) The company adheres to fair marketing and has policies to ensure customer receive accurate information about the company's products and services without distortion, ambiguity, or exaggeration in order to ensure that customers have accurate and sufficient information to make purchasing decisions.
- 3) The company takes into account customer safety and strives to provide customers with safe quality products and services according to international standard and regulations in addition to adhering to local laws. Furthermore the company aims to always design, create, and develop products and services to give customer confidence in the quality, standards, and safety.
- 4) The company has established a customer relations system to communicate with customers that includes a system that efficiently receives complaints on product quality in order to more readily respond to customer needs.
- 5) The company will keep customer information confidential and would not abuse the information in any way.

The company has and will continuously develop products and services to meet customer satisfaction with responsibility, honesty, and morals. In 2023, the company has conducted customer satisfaction survey and provides a summary below.

Work Type	Points of Satisfaction
<b>Installation</b> 	Overall Project Performance Sale and Marketing Timely Deliveries Product and Solution Performance Stall Technical Expertise
<b>Service</b> 	Overall Service Performance Ease of Use in Contacting for Help Troubleshooting Duration Solution Status Communication Efficacy of Problem Solving or Received Information Knowledge and Competence of Technical Staff



The company aims to have satisfaction at least 80 and 70 percent satisfaction in installation and service work respectively. In 2023, results were on target and the company was not notified of any complaints from customers. In addition, the company bought survey results to meetings with relevant parties in order to analyze and improve products and services to increase long-term customer satisfaction.

## Community and Society

The Company operates business within the framework of good governance. with transparency and accountability. The Company is committed to being a Good Corporate Citizen in conducting business sustainably under Corporate Social Responsibilities, taking into account the impact on business operations on all stakeholders.

In addition, the company contributes to the development of communities and society. Promoting quality of life to be able to live in harmony with society and communities is the Company's goal. as follows;



The Practical Solution Public Company Limited donated scholarships, school supplies and consumables to Makut Kiriwan School for the Blind (Khao Yai). Moo 303, Makut Kiriwan Khao Yai School for the Blind, Pong TaLong Subdistrict, Pak Chong District, Nakhon Ratchasima on January 27, 2023 to give children the opportunity to receive continuous education and alleviate the economic burden of parents



TPS activity to make and off-season offering of robes and other needs to monk and merit with Bua Santi Wiwekaram Buddhist Park Bureau



TPS activity to make and off-season offering of robes and other needs to monk and merit with Suwanrangsee temple

The Practical Solution Public Company Limited (TPS) to make and off-season offering of robes and other needs to monk and merit with Bua Santi Wiwekaram Buddhist Park Bureau, Rai Kao Subdistrict, Sam Roi Yot District, Prachuap Khiri Khan Province, donate amount of 200,000 baht on November 12, 2023 and Suwanrangsee temple, Ron Phibun District, Nakhon Si Thammarat Province, donate amount 200,000 baht on 19 November 2023



### TPS supports donation of early childhood development equipment to day care centers with Public Health Center 3 Bang Sue

The Practical Solution Public Company Limited (TPS) supported digital TV as an educational video media and donated indoor playground rides and money for preparing lunch materials to Public Health Center 3 Bang Sue, Techawanit Road, Bang Sue Sub-district. Bang Sue Bangkok On November 21, 2023, early childhood children in day care facilities can safely exercise with indoor playgrounds every day. Have appropriate physical, intellectual, and age-appropriate development.



### TPS donated supplies and renovated the school

The Practical Solution Public Company Limited (TPS) has renovate old and damaged school buildings such as ceilings, roofs, pillars, toilets, sinks, playgrounds, and provided fans. Sports equipment, TV used to conduct remote teaching via satellite and scholarships to Ban Nong Krot School The event was held in Tha Maka District, Kanchanaburi Province on December 2-3, 2023 to provide children with a pleasant school with complete teaching equipment



# Management Discussion and Analysis

## Executive Summary

Presently, the Company divide our business into 3 sectors (1) Distribution and IT Technology Solutions, The Company provide solution consultation, project design, selection, installation and distribution of IT products and accessories by providing various solutions for our clients both governmental and private sector especially products from Cisco which is best known in IT system technology as international leader especially in the US and other business partners in software and hardware comprehensively. (2) Maintenance and after sales servicing to maintain our client relationship of which we have the best team to provide the service both mobility and on-site. (3) Tele-communication service provider by outsource team upon pushing underground electrical conduits and communications cables. (4) Other information service business including cabling services and on-site maintenance services according to agreed time and date with timely payment plus project design and software development.

The Company is in business partner with the well-known IT technology product owner, Cisco and other distributor on IT software. Our company is specialized in specific area thus received Gold Certificate Partner from Cisco and are able to deliver client's requirements in good terms. Apart from that our company is also be able to maintain good relationship as business partner and providing variety of services i.e. leasing term services in maintaining service including after sales services and be able to deliver work on time thus during the past the company be able to gain trust and acceptance from our leading clients both in governmental and private sectors in many industries , such as communications industry, automobile industry, gas and oil industry, cement industry, hospitalizations, financial institute, education institute and logistic company. Apart from the above, the Company also expand our business into solution design project and software development in order to gain business comprehensively.

Company Performance	year 2021		year 2022		year 2023	
	Mil. Baht	%	Mil. Baht)	%	Mil. Baht	%
Revenues from Sales and Services						
1. Revenues from System Integrator	374.98	63.64	651.42	66.01	824.15	60.47
2. Revenues from Maintenance Services	186.30	31.62	234.84	23.80	292.55	21.47
3. Revenues from telecommunications engineering	11.12	1.89	73.30	7.43	218.39	16.03
4. Revenues from Other IT Services	10.72	1.82	16.83	1.71	15.70	1.15
Total Revenues from Sales and Services	583.12	98.96	976.38	98.94	1,350.79	99.12

Company Performance	year 2021		year 2022		year 2023	
	Mil. Baht	%	Mil. Baht)	%	Mil. Baht	%
Other revenues*	6.13	1.04	10.48	1.06	12.01	0.88
Total revenues	589.25	100.00	986.86	100.00	1,362.81	100.00
Costs of sales and service	401.51	68.86	719.12	73.65	993.10	73.52
Selling expenses	28.08	4.77	39.63	4.02	53.56	3.93
Administrative expenses	114.24	19.39	134.12	13.59	163.35	11.99
Total expenses	543.83	92.29	892.87	90.48	1,210.01	88.79
Gross Profit	181.61	31.14	257.26	26.35	357.69	26.48
Operating Profit	45.41	7.71	93.98	9.52	152.80	11.21
Financial costs	0.45	0.08	1.37	0.14	1.72	0.13
Profit before income tax expenses	44.96	7.63	92.62	9.39	151.08	11.09
Income tax expenses	8.02	17.83	18.80	20.30	30.74	20.35
Net profit for the period	36.94	6.27	73.82	7.48	120.34	8.83
Net profit attributable to the parent company	38.74	6.57	75.83	7.68	116.37	8.54

Note: \*Other revenues include interest income from operations and financial lease, gain (loss) from sales of assets, gain (loss) from exchange rate and gain (loss) from short-term investments etc.

The main income of the company come from our distribution and system solution project proposal with reasonably price for our client or by bidding presentation thus the company income may vary each year depending on winning projects which depending on yearly budget of our clients both governmental and private sectors. However, the income from our maintenance servicing and after sales service are continuous and regular than the income from distribution business and maintenance servicing of one to five years which add up our company strength though the company still concentrate on providing solution project and after sales service at the same time. We also gain more income from the technology communications business which including pushing underground electrical conduits and communication cables providing by our sub-contractor thus make our income from the maintenance service and after sales service increasingly.

In 2023, the company have gained income from distribution and servicing by 1,350.79 million Baht, increased by 374.41 million Baht thus equivalent to 38.35%

According to the ability to deliver the big project on time and more income from maintenance and after sales service which is the recurring income, the Company are able to increase more income annually including the income from technology communication business with small sector which have grown obviously comparing to the past year by 16% of the total income, given increase in gross profit by 100.43 million Baht or 39.04 %, The Company's gross profit margin in 2023 was 26.48%, an increase compared to 2022.



The company have gained net profit in 2023 at 116.37 million baht, increased by 40.54 million baht or increased by 53.46% from the year 2022 with main factor from the increase of income from distribution and services and the increase in net profit at 8.83% proving the ability in raising the profit from higher sales growth and the ability to balancing costs and company expenditure well.

## Financial Position

Financial Position	year 2021		year 2022		year 2023	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Current assets	477.25	61.64	531.48	59.71	741.69	67.51
Non-current assets	296.97	38.36	358.59	40.29	356.88	32.49
<b>Total assets</b>	<b>774.21</b>	<b>100.00</b>	<b>890.08</b>	<b>100.00</b>	<b>1,098.57</b>	<b>100.00</b>
Current liabilities	262.86	33.95	304.89	34.25	395.47	36.00
Non-Current liabilities	104.17	13.46	131.01	14.72	136.67	12.44
<b>Total liabilities</b>	<b>367.03</b>	<b>47.41</b>	<b>435.90</b>	<b>48.97</b>	<b>532.14</b>	<b>48.44</b>
Shareholders' equity	407.18	52.59	454.18	51.03	566.42	51.56
<b>Total liabilities and shareholders' equity</b>	<b>774.21</b>	<b>100.00</b>	<b>890.09</b>	<b>100.00</b>	<b>1,098.57</b>	<b>100.00</b>

The total assets of the company since 31<sup>st</sup> December 2023 equivalent to 1,098.57 million baht, increased by 208.49 million baht as 23.42% The main difference come from the increase of trade accounts receivable about 74.12 million baht, assets arising from contract as accrued income increased by 82.23 million baht according to the growth of company management of the lease receivables by 12.08 million baht from big project and the increase of the rights of use assets by 8.46 million baht. In 2023, there are 7 automobile leasing agreement for the main company and 6 automobile leasing agreement for our sub-contractor including other financial contract that awaiting the pay off debts on normal term according to the contract

The company total debt as of 31<sup>st</sup> December 2023 equivalent to 532.14 million baht, increased by 96.24 million baht at 22.08% increase. The differ comes from the increase of trade accounts payable approximately 62.02 million baht because the increase payment terms of product from big project and debt from contract as false income increased to 69.61 million baht.

As of 31<sup>st</sup> December 2023, the shareholders portion equivalent to 556.42 million Baht, increasing by 112.24 million Baht at 24.71% Since the Company have registered the paid-up capital from exercising the rights under the warrant to purchase common shares (TPS-W1) and converted into common shares, thus the Company have increased the paid-up capital and can make more profits on this.

# 1) Performance Analysis

- Revenues

Product and Service	year 2021		year 2022		year 2023	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Revenues from sales and services	583.12	98.96	976.38	98.94	1,350.79	99.12
Other revenues*	6.13	1.04	10.48	1.06	12.01	0.88
<b>Total revenues</b>	<b>589.25</b>	<b>100.00</b>	<b>986.86</b>	<b>100.00</b>	<b>1,362.81</b>	<b>100.00</b>

Note: \*Other includes interest income from operations and financial lease, gain (loss) from sales of assets, gain (loss) from exchange rate and gain (loss) from short-term investments etc.

The total income of the Company may be divided into the income from the distribution and services including other income though the main profits come from the sales of products and services equivalent to 99.01% of total income.

In 2023, the Company total income increased from the year 2022 by 375.95 million Baht equivalent to 38.10% The income from many big projects which have been recognized and delivered within the year including consisting more projects been delivered within the past year.

## Revenues from sales and services

of the Company in 2023 including (1) Revenues from distribution and installation of the technology communications system (2) Revenues from from servicing and maintain plus after sales service (3) Revenues from telecommunications engineering (4) Revenues from other services on other technology communications with our clients both private and government sectors.

Product and Service	year 2021		year 2022		year 2023	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
<b>Revenues from sales and services</b>						
1. Revenues from System Integrator*	374.98	64.30	651.42	66.72	824.15	61.01
2. Revenues from Maintenance Services	186.30	31.95	234.84	24.05	292.55	21.66
3. Revenues from telecommunications engineering	11.12	1.91	73.30	7.51	218.39	16.17
4. Revenues from Other IT Services	10.72	1.84	16.83	1.72	15.70	1.16
<b>Total Revenues from Sales and Services</b>	<b>583.12</b>	<b>100.00</b>	<b>976.38</b>	<b>100.00</b>	<b>1,350.79</b>	<b>100.00</b>

Note: \*Revenue from System Integrator by offering key solutions to customers in two forms: (1) and (2) the sale and installation of information technology systems in the form of financial leases to both public and private customers. The contract is scheduled between 36 months and 60 months

The Revenue from distribution and installation of the technology communications with many solutions to our clients dividing into (1) distribution and installation of technology communications at normal condition and (2) distribution and installation of technology communications as leasing agreement.

Product and Service	year 2021		year 2022		year 2023	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
<b>Revenues from System Integrator</b>						
1. Normal	312.58	83.36	572.91	87.95	762.10	92.47
2. Financial lease agreement	62.40	16.64	78.51	12.05	62.05	7.53
<b>Total Revenues from System Integrator</b>	<b>374.98</b>	<b>100.00</b>	<b>651.42</b>	<b>100.00</b>	<b>824.15</b>	<b>100.00</b>

The revenues structure of the Company is classified according to customer groups as follows:

Type of Customer	year 2021		year 2022		year 2023	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
1. Private Companies	436.63	74.88	679.12	69.56	813.50	60.22
2. Government Agencies	146.49	25.12	297.25	30.44	537.29	39.78
<b>Total</b>	<b>583.12</b>	<b>100.00</b>	<b>976.38</b>	<b>100.00</b>	<b>1,350.79</b>	<b>100.00</b>

In 2023, the Company gained income from sales and services by 1,350.79 million baht, dividing into 4 business section (1) Revenue from distribution and installation of technology communications for 824.15 million Baht thus increasing by 172.73 million Baht equivalent to 26.52% or 61% from total revenue come (2) revenue from maintenance and after sales service at 292.55 million Baht, increasing by 57.72 million Baht 24.58% or 22% from total revenue. (3) revenue from telecommunications engineering which are business in pushing underground conduits and communications cable, operating by our sub-contractors under our supervision at 218.39 million Baht, increasing by 145.09 million Baht equivalent to 197.94% or 16% from total revenue. (4) revenue from other technology communications business at 15.70 million Baht, decreasing by 1.13 million Baht equivalent to 6.71% or 1% from total income.

The Company have divided our income from sales and services into group of clients from private and government sectors. In 2023, there have been clients from private sector at 60.22% and government sector at 39.78% in comparing with the year 2022, the client from private sector at 69.56% and from government sector at 30.44%, showing the increase numbers in government sector in 2023 according to the company strategy plan.

- **Other Income**

In 2023 the Company gained other income at 12.01 million Baht equivalent to 0.88% from total income, increasing at 1.53 million Baht 14.60% from the year 2022. The other incomes are interest income from bank deposits, interest on financial lease and profit and loss from asset sales.

- **Gross Profit Cost and Gross Profit Margin**

The Company cost of sales and service are cost of product and project services as main cost, whereas, other costs are salaries of technician support and client service, transportation, travel expenses, per diem and project miscellaneous.

<b>Cost and Gross Profit</b>	<b>year 2021</b>		<b>year 2022</b>		<b>year 2023</b>	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Revenues from sales and services	583.12	100.00	976.38	100.00	1,350.79	100.00
Costs of sales and service	401.51	68.86	719.12	73.65	993.10	73.52
<b>Gross Profit</b>	<b>181.61</b>	<b>31.14</b>	<b>257.26</b>	<b>26.35</b>	<b>357.69</b>	<b>26.48</b>

Cost of sales and services of the Company for the project in 2023 amounted to 993.10 million Baht equivalent to 73.52 of total income from sales and services.

In 2023 cost of sales and service of the Company increased to 273.98 million Baht equivalent to 38.10% according to the increase in income from sales and services, whereas, the percentage of sales cost and services by income of sales and services shown the increase of profit in 2023 by 26.48%

- **Selling and Administrative Expenses, Operating Profit and Net Profit**

<b>Selling and Administrative Expenses</b>	<b>year 2021</b>		<b>year 2022</b>		<b>year 2023</b>	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Selling expenses	28.08	4.77	39.63	4.02	53.56	3.93
Administrative expenses	114.24	19.39	134.12	13.59	163.35	11.99
<b>Selling and administrative expenses</b>	<b>142.32</b>	<b>24.16</b>	<b>173.75</b>	<b>17.61</b>	<b>216.91</b>	<b>15.92</b>
<b>Operating profit</b>	<b>45.41</b>	<b>7.71</b>	<b>93.98</b>	<b>9.52</b>	<b>152.80</b>	<b>11.21</b>
Revenues from sales and services	583.12	100.00	976.38	100.00	1,350.79	100.00
<b>Net profit</b>	<b>36.94</b>	<b>6.27</b>	<b>73.82</b>	<b>7.48</b>	<b>120.34</b>	<b>8.83</b>
<b>Total revenues</b>	<b>589.25</b>	<b>100.00</b>	<b>986.86</b>	<b>100.00</b>	<b>1,362.81</b>	<b>100.00</b>

Sales expenditure and management are expenses of sales section and services section, mainly are salaries of sales persons, cost in advertising and promotions including commissions of sales of which commission scheme varies according to gross profit margin. Expenditure Management of the Company mainly will be salaries, bonus and commissions for supporting staff and the Management as employee benefits. Other expenditures are depreciation, duty fee though most of the expenditure are fixed cost and vary accordingly to gross profit margin.

In the year 2023, the sales expenditure increased to 13.92 million Baht equivalent to 35.13% from the year 2022 from the main reason of the increase of commission with more income. The

management expenditure increased to 29.23 million Baht equivalent to 21.79% from 2022 caused by the increase of staff cost at 11.63 million Baht. The operation cost from the sub company are 1.98 million Baht and setting up a reserve for impairment of debtors by 4.70 million Baht whereas the execution rate increased by 11.21%. The profit from the company performance increased to 152.80 million Baht from our increase in income from sales and services. The Net Profit in 2023 increased by 46.53 million Baht equivalent to 63.03%. In 2022 the Company gained many large projects and recognized the income and be able to deliver within the year plus continuing projects thus the total net profit increased by 8.83%.

- **Financial Expenses**

<b>Financial Expenses</b>	<b>year 2021</b>		<b>year 2022</b>		<b>year 2023</b>	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Financial Expenses	0.45	0.08	1.37	0.14	1.72	0.13
<b>Total revenues</b>	<b>589.25</b>	<b>100.00</b>	<b>986.86</b>	<b>100.00</b>	<b>1,362.81</b>	<b>100.00</b>

The Company Financial Expenses in 2023 at 1.72 million Baht equivalent to 0.13% of total income and the main expenditure have been paid for interest from hire-purchase contract.

- **Comprehensive Income and Comprehensive Interest Rate**

The total comprehensive profits in 2023 at 120.34 million Baht equivalent to 8.83%

## 2) Financial Analysis

- **Company Assets**

Total Company Assets as of 31<sup>st</sup> December 2023 at 1,098.57 million Baht divided into total current asset at 741.69 million Baht equivalent to 67.51% of total company assets and total non-current assets at 356.88 million Baht equivalent to 32.49 of total company assets.

- **Cash and Cash Equivalents**

Cash and cash equivalent as of 31<sup>st</sup> December at 56.17 million Baht equivalent to 5.11 of the total company assets whereas the status of cash and cash equivalent in 2023 increased from 2022 at 8.58 million Baht since the Company have received debt payment from the debtors according to the payment schedule.

- **Trade and other receivables**

As of 31<sup>st</sup> December 2023, the trade and other receivables of the Company at 358.31 million Baht equivalent to 32.62 of the total company assets whereas on 31<sup>st</sup> December 2022, the trade and other receivables of the Company increased to 74.12 million Baht. Resulting from more income and the Company have been able to bill more customers before the due date.

Details of each type of trade and other receivables can be summarized as follows:

Trade and Other Receivables	year 2021	year 2022	year 2023
	Mil. Baht	Mil. Baht	(Mil. Baht
Revenues from sales and services	583.12	976.38	1,350.79
Trade receivables	105.13	224.14	204.12
Accrued income from sales of goods and services	26.65	75.68	158.02
Total trade receivables and accrued income	131.78	299.81	362.14
Prepaid expenses	29.35	46.96	57.68
Others	6.31	13.31	98.69
Total other receivables	35.66	60.27	156.37
<u>Less</u> allowance for doubtful accounts	(0.70)	(0.82)	(2.92)
Net trade and other receivables	166.74	359.27	515.59
Trade and other receivables day	82.55	80.67	89.46

Trade and other receivable as of 2023 at 515.59 million Baht and average debts and collection period in 2023 equivalent to 89.46 days.

As of 31<sup>st</sup> December 2023, the average debts increased from the trade debtors at 74.12 million Baht resulting from more income and be able to bill many customers before the collection period by the end of year 2023.

The Company have the policy of giving credit terms to our customers not exceeding 30 days though the customer from government sector have been given the credit terms according to their disbursement regular, however the credit terms are in within 30 days to 60 days.

The group of trade receivables and assets arising from outstanding revenue contracts according to the payment period (1) Trade receivables that have not reached the maturity date (2) trade receivables and assets from outstanding revenue contracts have not reached the maturity date more than 1 to 90 days (3) trade receivables and assets from outstanding revenue contracts have not reached the maturity date more than 181 to 360 days (4) trade receivables over due payment date more than 361 days from the outstanding revenue contract of 91 to 180 days.



Trade Receivable and Accrued Income	year 2021	year 2022	year 2023
	Mil. Baht	Mil. Baht	Mil. Baht
Not yet due	68.79	174.45	99.16
Overdue			
more than 1 up to 90 days	44.77	117.59	206.57
more than 91 to 180 days	6.82	7.07	55.65
more than 181 to 360 days	10.72	0.00	0.06
more than 361 days	0.68	0.70	0.70
Total	131.78	299.81	362.14
<i>Less:</i> Allowance for doubtful accounts	0.70	0.82	2.92
Net trade receivables and accrued income	131.08	298.99	359.22

- Inventories**

As of 31<sup>st</sup> December 2023, the net inventory at 102.74 million Baht equivalent to 9.35 of the total assets. The inventory including work in process and materials.

Inventories	year 2021		year 2022		year 2023	
	Mil. Baht	5	Mil. Baht	%	Mil. Baht	%
Work in process	114.58	89.01	40.95	58.29	62.93	61.25
Equipment	14.15	10.99	29.30	41.71	39.82	38.75
Total inventory	128.73	100.00	70.25	100.00	102.75	100.00
Less: Allowance for diminution of inventory	(0.03)	(0.03)	(0.02)	(0.03)	(0.01)	(0.01)
Inventory – net	128.70	99.97	70.23	99.97	102.74	99.99

According to our business operation, the Company has no policy in buying products in advance since the equipment and materials are specified on the requirements by each client project. Inventory with the company will be materials preparation for each project and work in process. The allowance for product reduction will be those left from other finished project such as signal cables and mounting materials.

The Company has a reserve policy for outdated products, classified into 5 types as follows.

Type of Product	Age (Year)	Reserve rate
1. Network equipment and similar devices	3	100%
2. Cable	3	100%
3. Software and License	1	100%
4. Computers and peripherals	1	100%
5. Others	1	100%

As of 31<sup>st</sup> December 2023 Net Inventory increased to 32.52 million Baht since in 2022, there were pending installation work.

- **Bank Deposit as Collateral**

As of 31<sup>st</sup> December 2023, the Company bank deposit as collateral at 11.73 million Baht equivalent to 1.07% of total assets, respectively of which the Company use as collateral against one commercial bank.

- **Land, Building and Machinery**

As of 31<sup>st</sup> December 2023, the Company Land, Building and Machinery valued at 131.51 million Baht equivalent to 11.97% of total assets, respectively.

As of 31<sup>st</sup> December 2023, the Company assets including land, building and machinery decreased by 6.83 million Baht due to the factor that the Company has no additional investment in fixed assets, therefore decreased from the calculation of depreciation including the company vehicle leasing contract entering into the list of property rights for use (showing the rights of the lessee in the rental list of assets) according to the Financial Report Standard no. 16

- **Property Rights of Use**

As of 31<sup>st</sup> December 2023, the company property rights of use increased by 8.46 million Baht from the company vehicle leased rental for 7 cars at the Head Office and 6 cars in the subsidiary office.

- **Financial Lease Receivables**

As of 31<sup>st</sup> December 2023, there are debtors under financial lease agreement at 164.90 million Baht equivalent to 15.01% of the total assets. The company debtors were debtors under financial lease agreements from our business in distribution and servicing in installation of technology communications as following.

<b>Financial Lease Receivables</b>	<b>year 2021</b>		<b>year 2022</b>		<b>year 2023</b>	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Current portion of financial lease receivables	29.87	26.29	50.15	32.81	62.09	37.65
Financial lease receivables	83.73	73.71	102.68	67.19	102.81	62.35
<b>Financial lease receivables – net</b>	<b>113.60</b>	<b>100.00</b>	<b>152.82</b>	<b>100.00</b>	<b>164.90</b>	<b>100.00</b>

As of 31<sup>st</sup> December 2023, the debtors under financial lease agreement of the Company at 164.90 million Baht, increased by 12.08 million Baht from end of year 2022 from the factor of the increase of financial lease agreement with the government sector by 4 projects and from private sector at 3 projects.

- **Liabilities**

As of 31<sup>st</sup> December 2023, the total company debts at 532.14 million Baht with the proportion of current liabilities to total liabilities equivalent to 74.32% The main current liabilities were creditors on trade and payables, debts on financial leasing term within 1 year, accrued income tax and other current liabilities. The proportion of current liabilities to total liabilities equivalent to 25.68%, respectively. The main current liabilities of our business comprised of debtors by financial lease agreement, obligations based on employee benefits and other debts agreement.

Liabilities	year 2021		year 2022		year 2023	
	Mil. Baht	%	Mil. Baht	%	Mil. Baht	%
Current liabilities	262.86	71.62	304.89	69.94	395.47	74.32
Non-current liabilities	104.17	28.38	131.01	30.06	136.67	25.68
<b>Total liabilities</b>	<b>367.03</b>	<b>100.00</b>	<b>435.90</b>	<b>100.00</b>	<b>532.14</b>	<b>100.00</b>

The company debts as of 31<sup>st</sup> December 2023 increased by 96.24 million Baht, thus make the total company debts at 532.14 million Baht equivalent to 22.08% from total debts of 435.90 million Baht in year 2022. The main factor was the increase in creditors from trade and others at 62.02 million Baht caused receivables by the investment in purchasing the equipment for big projects not in due date thus the longer-term payment and the debts from lease agreement (advanced) increased to 69.61 million Baht, though the Company managed to submit the work according to schedule and awaiting for payment on due date agreement.

- **Creditors from Trade and Other Payables**

Creditors from Trade and Other Payables	year 2021	year 2022	year 2023
	Mil. Baht	Mil. Baht	Mil. Baht
Costs of sales and service	401.51	719.12	993.10
Inventory	128.73	70.25	102.74
Trade payables	174.04	133.95	177.43
Other payables	77.13	99.42	175.89
Accrued expenses	29.44	57.45	75.99
Dividend payable	-	-	-
Advances received from customers	47.69	41.97	99.90
<b>Trade and other payables</b>	<b>251.17</b>	<b>233.37</b>	<b>353.32</b>
<b>Average trade payable day</b>	<b>126.11</b>	<b>122.97</b>	<b>57.21</b>

As of 31<sup>st</sup> December 2023, the company creditor from trade and other at 353.32 million Baht equivalent to 32.16 of the total assets.

As of 31<sup>st</sup> December 2023. The company creditors from trade and others increased to 62.02 million Baht from the increase in trade creditor by 43.48 million Baht whereas the accrued expenses increased to 18.54 million Baht and debts from agreement (advance receivables) of the service and system maintenance including after sales service increased by 57.93 million Baht.

As of 31<sup>st</sup> December 2023, the average payment of the company at 57.21 days giving the company gaining longer credit term from business partner at the duration of 30 – 90 days, averaging the debt collection at 57.12 which less than end of 2022 at 122.97 million Baht.

- **Shareholder's Equity**

As of 31st December 2023, the shareholder's equity of the Company increased by 112.24 million Baht, giving 566.42 million Baht from 454.18 million Baht at the end of 2022 caused by the registered company with paid-up capital and be able to increase the profits.

<b>Cash flow statement</b>	<b>year 2021</b>	<b>year 2022</b>	<b>year 2023</b>
	Mil. Baht	Mil. Baht	Mil. Baht
Cash flows from operating activities	45.26	(152.98)	87.88
Cash flows from investing activities	(3.37)	(1.75)	(5.21)
Cash flows from financing activities	(14.24)	52.53	(74.10)
Cash and cash equivalents increase (decrease) - net	27.65	(102.21)	(8.57)

- **Cashflow from Operations**

Cashflow from operations in 2023 at 87.88 million Baht inclusive of net profits at 120.34 million Baht after the reconciliation. The Company gained profit from operations before the changing of working capital at 170.16 million Baht. The changing in main operating assets and liabilities came from debtors from trade and current receivables at 76.10 million Baht, assets arising from contract (accrued income) increased by 82.34 million Baht, debtors from leased contract increased by 12.36 million Baht and payable of income tax at 29.24 million Baht.

- **Cashflow from Investment**

In 2023, the company cashflow in investment at 5.21 million Baht spending for purchasing of land, building and equipment at 3.25 million Baht, office equipment and assets rights for use (vehicle) at 5.09 million Baht.

- **Cashflow from Financing Activities**

In 2023, the company cashflow was invested in financing activities by 74.10 million Baht in order to repay debts according to contract at 20.51 million Baht, pay cash to settle financial institutions according to the contract at 40 million Baht and pay dividends to shareholders at 35.42 million Baht.

#### Financial Ratio

<b>Financial Ratio</b>	<b>Unit</b>	<b>year 2021</b>	<b>year 2022</b>	<b>year 2023</b>
Average account receivables day	Day	69	62	58
Average inventory day	Day	79	50	32
Average account payables day	Day	126	78	57
Cash Cycle	Day	22	34	32
Current ratio	Time	1.82	1.74	1.88
Debt to Equity ratio	Time	0.90	0.96	0.94
Interest Bearing Debt to Equity ratio	Time	0.03	0.23	0.10

Financial Ratio	Unit	year 2021	year 2022	year 2023
Return on Equity	(%)	9.39	17.14	23.58
Return on Assets	(%)	5.32	8.87	12.10
Gross Profit margin	(%)	31.14	26.35	26.48
Operating Profit margin	(%)	7.71	9.52	11.21
Net Profit margin	(%)	6.27	7.48	8.83

- **Average Debts Collection Period**

As of 31<sup>st</sup> December 2023, the average debts collection of the company at 58 days has shown increasing of the effective management in handling debts collections.

- **Average Sales Period**

As of 31<sup>st</sup> December, the average sales period of the company at 32 days thus decreasing caused by the effective management in inventories of the business. The inventories decreasing caused by the effective management in delivering the product to client according to the schedule.

- **Average Repayment Period**

As of 31<sup>st</sup> December 2023, the company average repayment period at 57 days resulting good cashflow on due payment.

- **Company Cash Cycle**

As of 31<sup>st</sup> December, the company cash cycle at 32 days giving the company liquidity to be able to sell the products and gain debts collection timely comparing with the period of repayment.

- **Company Liquidity Ratio**

As of 31<sup>st</sup> December 2023, the company liquidity ratio at 1.88 which increase the current assets of the business and be able to repay debts in shorter term.

- **Debts to Equity Ratio**

As of 31<sup>st</sup> December 2023, the company debts to equity ratio by shareholder at 0.94 showing less risk since more money have been used from owner than from debts.

- **The Ratio of Interest-Bearing Debts to Shareholders**

As of 31<sup>st</sup> December 2023, the company ratio of interest-bearing debts to shareholder at 0.10 decreasing from the year 2022 since the company has repaid the loan in contract form with the financial institute in full.

# General Information about the Company

## General Information

- Details about the Company

Company Name	The Practical Solution Public Company Limited
Type of Business	Provides consulting, design, procure, install and distribute products and equipment related to information technology (Information Technology Solutions Provider: ITP)
Head Office	99 Soi Cement Thai, Ratchadapisek Road, Lad Yao, Chatuchak Bangkok 10900
Company's Registration	0107562000301
Tel	0-2112-9999
Fax	0-2112-9998
Website	<a href="http://www.thepractical.co.th">http://www.thepractical.co.th</a>
Registered Capital	226,796,025.50 Baht Par value 0.50 Baht
Paid-up Capital	177,353,651.00 Baht Par value 0.50 Baht
Number of Registered Shares	453,592,051 Shares
Number of Shareholders	1,357 (As of 31 December 2023)
% Free Float	17.50
Investor Relations	Mr. Matee Witawasiri Tel: 02-112-9999 E-mail: <a href="mailto:matee@thepractical.co.th">matee@thepractical.co.th</a>

- Details of other companies that the Company has shareholding more than 10 percent

Company Name	Great Serve Company Limited
Type of Business	Order to participate in the bidding for large projects related to information technology systems
Head Office	99 Soi Cement Thai, Ratchadapisek Road, Lad Yao, Chatuchak Bangkok 10900
Company's Registration	0105563098639
Tel	0-2112-9999



Company Name	The Win Telecom Company Limited
Type of Business	Business of consulting, survey, installation of telecommunication lines, electric poles
Head Office	47/379 Kaitak Tower, Floor 9, Room K0097001 Popoola Road, Ban Mai Sub-district, Pak Kret District, Nonthaburi Province, 11120
Tel	0-2119-7564

Company Name	X-Secure Company Limited
Type of Business	To provide consulting, design, services, procurement, installation, and resource sourcing services. For cyber information security about data security and computer network security.
Head Office	99 Soi Cement Thai, Ratchadapisek Road, Lad Yao, Chatuchak Bangkok 10900
Tel	0-2112-9999

Company Name	Applied Techne Company Limited
Type of Business	Consult, Sales, Installation, Repair, Maintenance of all types of rail systems and machinery.
Head Office	99 Soi Cement Thai, Ratchadapisek Road, Lad Yao, Chatuchak Bangkok 10900
Tel	0-2112-9993

- **Securities Registrar**

Company Name	Thailand Securities Depository Company Limited
Head Office	93 Ratchadaphisek Road, Dindang, Bangkok 10400
Tel	0-2900-9000
Fax	0-2900-9991
Website	<a href="http://www.set.or.th/tsd">www.set.or.th/tsd</a>

- **Auditor**

Company Name	Dharmniti Auditing Co., Ltd.
Head Office	178 Dharmniti Building 6-7th Floor, Soi Permsap (Prachachuen 20), Prachachuen Road, Bangsue, Bangkok, 10800
Tel	0-2596-0500
Fax	0-2596-0539
Website	<a href="http://www.dharmniti.co.th">www.dharmniti.co.th</a>

- Internal Auditor

Company Name	P&L Internal Audit Co., Ltd.
Head Office	281/157 The Fifth Avenue B Building 2nd Floor, Krungtepnon Road, Bang Khen, Mueang Nonthaburi District, Nonthaburi 11000
Tel	0-2526-6100
Website	www.plcorporation.com

## Other Important Information

-None-

## Legal dispute

-None-

## Secondary Market

-None-



## Part 2

# Corporate Governance



# Corporate Governance Policy

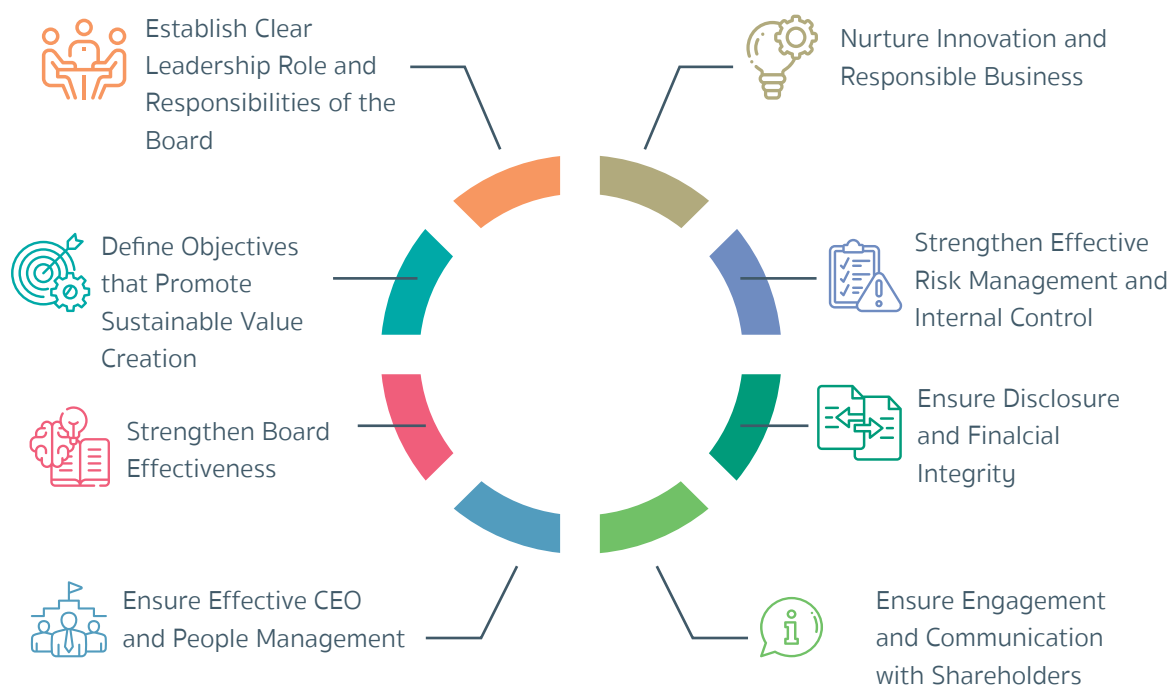
The Practical Solution Public Company Limited is committed to conducting business in accordance with the principles of good corporate governance and ethics in conducting business with honesty and transparency. This is an important foundation for building confidence among all stakeholders to a fundamental factor that promotes efficient business operations as well as enhancing competitiveness under changing business conditions. Promote sustainable growth of the company.



(Corporate Governance Policy)

## Overview of Corporate Governance Policies and Practices

The Board of Directors has committed to managing the Company's operations in accordance with good governance principles. Therefore, a good corporate governance policy has been clearly written and established and prepared a good corporate governance policy according to the principles of good corporate governance for listed companies (2017) by the Securities and Exchange Commission of Thailand. The policies will be used as a guideline for conducting business and organizational management by directors, executives, and employees of the company in order to create sustainable value. The 8 principles of good corporate governance are as follows:



## Section 1

### Recognizing role and responsibilities as the leader of the organization who creates value for sustainable business

- 1) The Board of Directors understands the roles and recognizes the responsibility as a leader to supervise the organization to have good management. The Company has established a charter of the Board of Directors to clearly set the authority and responsibility both in performing duties and supervising the business of the Company in accordance with the law, objectives, regulations, resolutions of the Board of Directors' meeting and resolutions of Shareholders' meeting with responsibility, caution and integrity in order to protect the rights and interests of all shareholders, including the duty to set the vision, strategy, business direction, policy, target, budget together with the management and supervise, monitor and evaluate the performance of the management and report the results.
- 2) The Board of Directors has established policies regarding the Corporate Social Responsibility Policy, Anti-Corruption Policy, Business Ethics and Code of Conduct to benefit the society and the environment to create sustainable value for the business. The Company also focuses on a follow-up of the policy implementation as well as provides regular policy reviewing.
- 3) The Board of Directors has duty to ensure that directors and executives perform their duties with responsibility, duty of care and duty of loyalty) as well as to comply with laws, objectives, regulations, resolutions of the Board of Directors' meeting and resolutions of the Shareholders' meeting. The Company must provide sufficient systems and mechanisms to ensure that the Company's operations in accordance with the law, objectives, regulations, resolutions of the Board of Directors' meeting and the resolutions of the Shareholders' meetings, as well as various policies. The Company must have the Audit Committee and internal audit department to supervise the compliance with relevant laws, regulations, and resolutions of the meeting and have mechanisms for accepting complaints and taking action in the event of corruption etc. The Company must also have a process to approve important operations such as investment, transactions that have an impact on the Company, transactions with connected persons, acquisition or disposition of assets and dividend payment etc. in accordance with the laws and policies of the Company.

## Section 2

### Specifying business objectives and major goals for sustainability

The Board of Directors has specified the objectives and goals of the organization in conducting business to achieve sustainability and creating value for the business, customers, all stakeholders and overall society, including communication for personnel at all levels to perform their duties to achieve the specified objectives and goals and creating the culture of the organization.

In addition, the Committee will promote the introduction of technology and new innovations to be used effectively conduct business in accordance with the specified policies, including the review of objectives goals and annual strategic plans, to ensure that they are consistent with the economic conditions and potential of the organization and monitor the evaluation closely.

## Section 3

### Strengthening the effectiveness of the Board of Directors

The Company has a policy in determining the structure of the Board of Directors in accordance with the business and size of the Company and the law as follows:

- 1) The Board of Directors consists of people with various qualifications in terms of knowledge, ability and experience that can benefit the Company. The Board of Directors plays an important role to determine the policy and organization overview, including overseeing, inspecting, and evaluating the Company's operations according to the plan.
- 2) The Board of Directors has at least 5 people but not more than 12 people. The Board of Directors must have independent directors at least 1 in 3 of the total number of the directors, but not less than 3 people. This will create the balance of consideration and voting on various matters appropriately. The independent directors must have the qualifications in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand. The Nomination and Remuneration Committee is responsible for recruiting persons with appropriate knowledge, expertise and experience to perform duties that are beneficial to the Company's business and presenting to the meeting of the Board of Directors and/or the Shareholders' meeting to consider and appoint the directors of the Company. However, after the company is listed on the Stock Exchange of Thailand, the Company will disclose information of directors and sub-committees such as age, gender, educational background, experience, shareholding proportion, tenor in the position, number of meetings attended, the remuneration of the Board of Directors both monetary and non-monetary, director positions in other listed companies, roles, duties and responsibilities and report the performance of the Board and the Committees in the Company's annual report and/or on the Company's website.
- 3) The Board of Directors has a term of not more than 3 years in accordance with the relevant laws. The independent directors shall have a term not exceeding 9 years unless there are reasons and necessities as the Board of Directors deems appropriate.
- 4) Director and management of the Company can be a director or management of the Company's subsidiaries or other companies but must comply with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand including other relevant laws. However, each director will hold the position of director for listed companies not more than 5 companies in order to perform duties and allocate time appropriately and will attend the Board's meetings not less than 75 percent of the total meetings in that year.
- 5) The Chairman and the Chief Executive Officer of the Company will not be the same person in order to clarify the responsibility between the policy determination, supervision and routine management. The Company has determined the authority, duty and responsibility of the Chief Executive Officer clearly and assigned the Chairman of the Board of Directors must be an independent director.



- 6) The Board of Directors has appointed four sub-committees, consists of the Executive Committee, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee to operate on specific matters and propose the matters to the Board of Directors for an approval by setting a charter for the sub-committee to define the scope of authority and reviewing a charter regularly.
- 6.1) The Executive Committee consists of at least 4 Executive Directors to support the Board of Directors in managing the business of the Company in accordance with the policies, plans, regulations and any orders, including goals set out under the framework by the Board of Directors. The details of the components, qualifications, authorities, duties and responsibilities appear in the Executive Committee Charter.
- 6.2) The Audit Committee consists of at least 3 Audit Committee members to support the Board of Directors in supervision, inspection of administration, internal control and compliance with relevant laws including the preparation of financial reports to ensure that the operation and disclosure of the Company information is transparent and reliable. The details of the components, qualifications, authorities, duties and responsibilities appear in the charter of the Audit Committee.
- 6.3) The Nomination and Remuneration Committee consists of at least 3 members of the Nomination and Compensation Committee to recruit qualified persons to be appointed as the Company's directors, subcommittee and the Chief Executive Officer of the Company including considering the form and criteria of remuneration of the directors, subcommittee and the Chief Executive Officer of the Company to reflect obligations and individual responsibility and present the opinion to the Board of Directors' meeting and/or the Shareholders' meeting for further consideration and approval (as the case may be). The details of the components, qualifications, powers, duties and responsibilities appear in the Charter of the Nomination and Remuneration Committee.
- 6.4) The Risk Management Committee consists of at least 3 members of the Risk Management Committee to support the Board of Directors in determining risk management policies that are appropriate, sufficient, effective, and overseeing the overall risk management system or process at an acceptable level. The details of the components, qualifications, powers, duties and responsibilities appear in the Charter of the Risk Management Committee. In addition, the Company has appointed the Company Secretary to perform duties related to the Board of Directors' meeting and the Shareholders' meeting including supporting the Board of Directors by giving advice on legal requirements and regulations relating to the Board of Directors' performance
- 7) In overseeing the operations of the subsidiaries or affiliated companies, the Company will consider sending representatives of the Company which has qualifications and experience as a director in the subsidiaries or affiliated companies to supervise the business management and report the performance of the subsidiaries and affiliated companies to the Board of Directors' meeting. The Board's seat in the subsidiaries or affiliated companies will be at least in accordance with the Company's shareholding proportion and/or as agreed between the Shareholders of the subsidiaries and affiliated companies.

- 8) The Company has specified in the Charter of the Board of Directors and the subcommittees that each committee is responsible for evaluating the annual performance of the Board of Directors and the subcommittee and individually. The subcommittees are required to report the evaluation results to the Board of Directors annually.

## Section 4

### Recruiting and developing of High-Level Executives and Managing of personnel

- 1) The Board of Directors has assigned the Nomination Committee to consider the criteria and methods for recruiting suitable persons for the position of the Chief Executive Officer. However, the Board of Directors has specified the qualifications of the Chief Executive Officer, high-level executives, succession plan, with details as according to the policy on recruiting executives to inherit important positions of the Company.
- 2) The Board of Directors will oversee that the remuneration structure and the evaluation of high-level executives have been carried on appropriately by comparing to the duties, responsibilities, and estimated remuneration level among other businesses in the same industry, the company performance as well as performance and capabilities of each high-level executive.
- 3) The Board of Directors has established a Succession Plan to prepare for succession of the Chief Executive Officer, high-level executives with the objective to continue the business operations.
- 4) The Board of Directors will monitor the management and development of personnel regarding the number of personnel, knowledge obtained skills, experience, and appropriate motivation. Besides, the Board of Directors will promote the training and educating for those involved in the corporate governance system of the company such as directors, audit committee, executives, and company secretary.
- 5) The Company has established a provident fund so that employees have sufficient savings to guarantee retirement including encouraging employees to have knowledge and understanding in money management to ensure that employees will have a good quality of life and work with the company in the long run.

## Section 5

### Promoting innovation and operating business with responsibility

The Board of Directors was conscious of the importance and the support of innovations development since it creates business value and contributes to the company's sustainable growth. In the meantime, the Company has created mutual benefits for the Company, customers, business partners or related parties and adheres to its responsibility to society and the environment. The Company also has allocated and efficiently managed resources. The Board of Directors will promote innovation then will monitor and encourage the management to use innovation as part of the operational development strategy and to use it to define business model and thinking methods, improve operational process, manage the information technology management as well as supervise the risk management for the Company will be able to achieve objectives, business strategy and the main goal. In this regard, the guidelines for each group of stakeholders are as follows:

## Code of Conduct

In addition, the company considers the rights of all stakeholders by have a code of conduct for business operations which the directors of the company, executives and employees of the Company must adhere to as a guideline for working as a representative of the Company as follows:



<b>Shareholder</b>	The Company is determined to operate the business to ensure sustainability in order to increase the value of the Company so it will benefit the shareholders with good returns they have expected.
<b>Employees</b>	The Company will ensure that all employees' capabilities will be promoted and developed to their fullest. The Company also has provided fair employment conditions, appropriate compensation, and channels for commenting moreover providing good welfare and a good working environment. Last but not least, the processes of hiring
<b>Business Partners</b>	The Company will respect the rights and treat all partners with equality and fairness also strictly fulfilling the contract or various conditions agreed. In addition, the Company has had guidelines for monitoring and evaluating business partners for sustainable business development.
<b>Customers</b>	The Company is committed to providing quality service which will meet the standards required, being punctual, offering a variety of services and abiding strictly by the agreement to meet the needs of customers both short and long term and to build customers confidence and maximum satisfaction in the service
<b>Creditors</b>	The Company will comply with the contractual conditions with the creditors, including the repayment of principal, interest, and collaterals under the related contract.
<b>Competitors</b>	The Company will operate the business openly, transparently and the Company will not initiate an unfair competition or encourage corruption.
<b>Community, society and environment</b>	The Company brings business knowledge and experience to develop projects that can materially benefit the community. For the environmental aspect, the Company will ensure that the Company will not cause a negative impact on the environment.

In addition, stakeholders can inquire about details, report complaints or clues to legal violations, inaccuracies in financial reports, defective internal control systems, or the breach of the Code of Conduct of the Company through the channel specified by the Company. The information of the complaints and clues informed to the Company will be kept confidentially and the person designated by the Company will proceed to check the information and find solutions (if any) and/or proposing important complaints with comments to the Board of Directors for further consideration.

The Board of Directors will establish a framework for governance and management of information technology at the organizational level that is in line with the needs of the Company including supervising the use of information technology to increase business opportunities.

## Section 6

### Ensuring that there is an appropriate risk management and internal control system

To ensure an effective risk management system, the Board of Directors has appointed the Risk Management Committee to help the Board of Directors in managing risks that may occur to the Company. The Risk Management Committee has various duties, including:

- 1) Consider, evaluate, and review the risk characteristics and identify the Company's risk and determine the Company's risk appetite.
- 2) Consider and set risk management policies, both internal and external in accordance with the strategy and direction of the business, which must cover at least 4 risks as follows.
  - 2.1) Financial Risk
  - 2.2) Operational Risk
  - 2.3) Strategic Risk
  - 2.4) Compliance Risk
- 3) Consider and determine strategies and guidelines for risk management in accordance with the risk management policy to assess, monitor, and supervise risk levels within an acceptable level.
- 4) Consider budgeting and methods of responding to risks that may occur to the Company in order to be used as rules for the operation of each type of risk situation and propose the budget and methods to the Board of Directors for approval.
- 5) Report to the Board of Directors about risks and risk management.

The authorities and duties and responsibilities of the Risk Management Committee appear in the Risk Management Committee Charter as follows.

- 1) The Board of Directors has appointed the Audit Committee to oversee and supervise the Board of Directors regarding its operational duty towards the Company. Moreover, the Audit Committee will also provide honest opinions on financial reports, internal control system and risk management so the Company will effectively achieve the objectives desired.
- 2) The Board of Directors will monitor and resolve the issues concerning the conflicts of interest that may occur among the Company, management department, Board of Directors and shareholders. The Board will assure that there have measures or methods in contemplation of preventing improper use of the property, information and opportunities of the Company as well as dealing with doing transactions improperly with persons who have a relationship with

the company.

- 3) The Company provides the code of conduct and the policy of the use of insider information to prevent the improper use of property and information. The Company also creates the policy for conducting transactions with connected persons in order to prevent inappropriate transactions with connected persons.
- 4) The Board of Directors has established a clear anti-corruption policy and communicated to employees at all levels of the organization and outsider for real implementation. The Board of Directors will arrange a project or guidelines to resist corruption, including supporting activities that promote all employees to comply with relevant laws and regulations and arranging for accepting complaints and handling cases as specified in the anti-corruption policy. The Company will provide communication channels to allow employees and stakeholders to report clues or complaints. The Company has established measures to protect the whistleblower or the complainant and the witness from any harm arising from whistleblowing, complaint, witnessing or giving information to the Company.
- 5) Director and management of the Company are responsible for reporting conflict of interest and related parties to the Company. The Company has set a duty to report conflict of interest in the Charter of the Board of Directors. It is required that the Company's directors to inform the Company immediately in the event that directors have conflict of interest in any transactions with the Company.

## **Section 7**

### **Maintaining financial reliability and disclosing of information**

- 1) The Board of Directors adhere to the importance to the disclosure of financial information that is accurate, sufficient, timely, by ensuring that there will be sufficient number of personnel involved in the preparation and disclosure of information who have knowledge, ability and are suitable for their responsibilities.
- 2) The Board of Directors will ensure that the disclosure of information, financial statements, annual report, Form 56-1 and preparation of Management Discussion and Analysis (MD&A) have adequately reflected financial status and performance of the Company. The Audit Committee is responsible for the quality of financial reports and give an opinion to the Board of Directors.
- 3) The Board of Directors will monitor the adequacy of the company's liquidity and Long-term debt paying ability. In which the management has to quarterly report to the Board of Directors and there must be a discussion between the management and the Board of Directors to find a solution in the event that there have business factors indicating liquidity problems.
- 4) After listing on the Stock Exchange of Thailand, the Company will publish the information of the Company to shareholders and the public through the channels and media of the Stock Exchange of Thailand and the Company's website and provide a responsible person to contact and provide information to shareholders, investors, securities analysts or related departments including any person.

- 5) The Board of Directors will promote the use of information technology in the dissemination of information. In addition to the dissemination of information in accordance with the rules determined by the Stock Exchange of Thailand, the Board of Directors will provide information disclosure in both Thai and English through other channels, such as the Company's website and keep information up to date.

## **Section 8**

### **Supporting participation and communication with shareholders**

The Board of Directors recognizes importance to basic rights of shareholders both as investors in the securities and the owner of the Company, such as the right to buy, sell, transfer the securities, the right to receive a profit sharing from the Company, the right to receive sufficient information and the right to attend the meeting to exercise the voting right at the shareholders' meeting to appoint or remove directors, appoint auditors, approve important transactions that affect the Company's business, allot dividend, determine or amend of the company's memorandum and articles of association, decrease or increase the capital and approve special transactions etc.

The Company has a mission to promote and facilitate the shareholders to exercise of their rights as follows:

- 1) Provide date, time, location, and agenda with explanations and reasons for each agenda or the resolution as requested in the invitation letter for the Annual General Meeting and Extraordinary General Meeting or in the attachment of the meeting agenda for the decision of the shareholders and refrain from any actions which limit the opportunity of the shareholders to study the information of the Company
- 2) Facilitate all groups of shareholders to fully exercise their rights to attend the meeting and vote and refrain from any actions which limit the opportunity for shareholders to attend the meeting, such as using a meeting location that is convenient for travel including a map for meeting location in the invitation letter, the right date and time and sufficient time for the meeting. Attending the meeting to vote should not have a complicated or expensive process.
- 3) Before the date of the shareholders' meeting, the Company will allow the shareholders to send comments, suggestions, or questions in advance of the meeting date by clearly specifying criteria for submitting questions in advance and notify the shareholders together with the delivery of the invitation letter and the Company will disseminate the criteria on the Company's website.
- 4) Encourage shareholders to use a proxy form in which shareholders can specify voting directions and propose at least 1 independent director as an alternative to shareholders' proxies.
- 5) In the shareholders' meeting, the chairman of the meeting will allocate the time appropriately and the Company will open the opportunity for shareholders to express their views, suggestions, or questions on various agendas before voting on any agenda.
- 6) Encourage the directors and high-level executives of the Company to participate in the shareholders' meeting to answer shareholders' questions.



- 7) Arrange the meeting resolution for each agenda in case there are many agendas such as the appointment of the directors.
- 8) The Company will support the use of ballots in important agendas, such as connected transactions, acquisition, or disposition of assets, etc., for transparency and accountability in counting votes.
- 9) The Company will provide independent persons to assist in the counting or checking of votes in each agenda and disclose to the meeting together with the minutes of meeting.
- 10) After the shareholders' meeting is completed, the Company will prepare the minutes of meeting recorded the correct and complete information, including important issues, questions, opinions, and recommendations for validating from the shareholders. In addition, the Company will bring voting results in each agenda, the minutes of meeting on the Company's website.
- 11) The Company will send a copy of the minutes of meeting to the Stock Exchange of Thailand within 14 days from the date of the meeting.
- 12) Encourage the Company to use technology in the shareholders' meeting including shareholder registration and counting and displaying results to facilitate the meeting instantly, accurately, and precisely.

The Board of Directors has determined the fair treatment for all shareholders whether a major shareholder or a minor shareholder, shareholders who are executives or not executives, Thai or foreign shareholders with the following guidelines.

- 1) Send a meeting invitation letter with agendas and opinions of the Board of Directors to the Stock Exchange of Thailand and disseminate the meeting agenda via the Company's website in accordance with related rules, regulations, and laws.
- 2) Specify rules and procedures for minority shareholders to nominate candidates for the position of the Company's directors which can be nominated through the Nomination and Remuneration Committee in advance of the meeting date including the dissemination of information of the qualifications of the nominated persons.
- 3) Determine rules for minority shareholders to raise additional agendas in advance of the meeting date to demonstrate fairness and transparency in considering whether to add agendas proposed by minority shareholders.
- 4) Shareholders, who are executives, should not add unnecessary agenda without prior notice, especially the important agenda that shareholders need to spend time to study information before making a decision.
- 5) In conducting each shareholder's meeting, the Company will give every shareholder equal opportunity. Before starting the meeting, the Chairman of the meeting will explain to the shareholders the rules and regulations that are used in the meeting, exercise of voting rights, voting rights for each type of share and the method of counting votes of shareholders.
- 6) In the agenda regarding the election of directors, the Company will support the election of each director.

- 7) Determine the Board of Directors to report a conflict of interest on any agenda at least before considering the relevant agenda in the Board of Directors' meeting and record the said interest in the minutes of the Board of Directors' meeting including prohibiting the Board of Directors who have a significant interest to give an independent opinion on the relevant agenda and participate in the meeting on that agenda.
- 8) Set guidelines for the storage and prevention of the use of internal information of the Company in writing and inform the said guidelines to everyone in the Company to comply with. The Board of Directors determines that every director and executives responsible to report securities holding report to the Company Secretary and present to the Board of Directors for acknowledgment in the next meeting and disclosed in the annual report of the Company.

The Company will provide the review of the appropriateness of the policy on good corporate governance and apply to the business of the Company in the board meeting in February every year.

- **Business Ethics**

The company has set up a code of business ethics as a guideline for conducting good business. All executives and employees adhere to this code while the board of directors and executives must be leaders and act as role models who perform duties with honesty, fairness, transparency, and accountability in order to promote a sustainable good corporate governance culture in the organization.

- **Communication and Promotion for Direct Action**

**New Employee Orientation** In order for employees to be aware of and practice proper behavior in the workplace, the company provides educational communication about good corporate governance and anti-corruption for employees within the company.

**Follow-up Compliance Checks** The company has defined that employees and executives have to acknowledge and comply with good corporate governance policy, business ethics, anti-corruption policy, and other regulations of the company as duties and responsibilities. Furthermore, the company follows through with internal audit processes and complaints if directors, executives, or employees commit misconduct in accordance to good corporate governance principles. Such misconducts will be considered as disciplinary offenses and if such actions are believed to be illegal, in respect to the company's rules and regulations or the government regulations, then the company will refer the matter to government officials for further action.

- **Supervision of Insider Information**

The Company recognizes the importance of overseeing the use of information within the Company. Executives and employees must use confidential or insider information of the Company that has not been disclosed to the public for direct and indirect profit, including not trading the Company's securities using inside information to avoid misuse of insider information. The Company has implemented the following actions:

- 1) The company has a duty to report and will provide information on changes in holdings of securities and future contracts of the person, spouse, children, and other members of the household along with other juristic persons of the company's directors and executives who hold more than 30 percent of the total number of voting rights to the Office of the Securities

and Exchange Commission (SEC) under Section 59 and penalty provisions under Section 246 of the Securities and Exchange Act of 1992 (2535 BE, including previous corrections). The company will also report the acquisition or deposition of securities by relevant parties, their spouses, and minor children to the EC Office under Section 246 and penalty provisions under Section 298 of the Securities Act.

- 2) The company requires its directors and executives, including their spouses, minor children, and other members of the household, to prepare and disclose a report on changes in the holdings of the company securities and other relevant announcements to the SEC within the period specified in Section 59 of the Securities Act. Furthermore, related parties would also send a copy of such a report to the company secretary on the same day as the date of submitting the report to the SEC.
- 3) The company requires that the directors, executives, employees, and contractors of the company and its subsidiaries who receive insider information must refrain from trading the company's securities for a time period of 1 month before and 24 hours after the financial statements or other insider information are disclosed to the public. Related parties must also not disclose such information to any other people before informing the Stock Exchange of Thailand. Furthermore, if there is an act that violates the aforementioned regulations, the company will regard violations as disciplinary offenses in accordance to the company work regulations. The penalty will be considered and apply appropriately to the case and could range from verbal admonition, written warnings, wage cuts, suspension without pay, as well as termination of employment.

- **Conflict of Interest Prevention**

The company has established policies to prevent conflicts of interest based on the principle that any business decision must be in the best interests of the company and shareholders should avoid any action that may cause a conflict of interest, that is, any action in which a person involved with or has a stake in the transaction gains or loses benefits, whether directly or indirectly, by acting against the interests of the company or its subsidiaries. The company requires those who are involved or who have different interests to notify the company and acknowledge their relationship or interest in such a transaction and must not participate in such a transaction. The party with a conflict of interest also must not participate in the consideration of the transaction and must not have the authority to approve the transaction.

The agenda of the shareholders' meeting If any director has any interest or involvement in any agenda. The members shall abstain from voting on that agenda.

- **Anti-Corruption Measures**

The company realizes that corruption is a major obstacle to achieving corporate goals and the development of the national economy and society. Therefore, "anti-corruption policy" has been established throughout the organization and is adhered to and acknowledged by the directors, executives, and employees who place importance in practicing and reviewing them. The anti-corruption policy is annually revised and developed in order to be relevant to changing situations. In addition to setting policies and practices, the company also places importance in

implementing policies, practices, and anti-corruption measures concretely within the framework of good corporate governance by adhering to good governance principles, business ethics with transparency, fairness, and accountability.

The company monitors results of operations to review and improve work plans and appropriately and consistently. The company performs corruption risk assessment, has an internal control system to prevent corruption risks, provides knowledge and training on corruption both inside and outside and outside the organization. The company also tracks and evaluates the implementation of policy and other related practices.

- **Whistle Blowing Measures or Complaints**

The Practical Solution Public Company Limited has always focused on good corporate governance by conducting business that is moral and fair to all parties and gives importance to transparency and verifiability. Therefore, the company gives opportunities for employees to report or provide information about irregularities in the company business such as financial transactions and compliance with legal requirements or ethical standards by providing special channels.

In order to create confidence among employees or other information providers that the act of reporting or providing information would not cause the compliant or information provider any damages, the company has established mechanisms for protection and the mitigation of damage to those who reported or give information from unfair treatment such as persecution or threats.

The aforementioned mechanism is called the policy for protection and fairness to employees who report information or leads on corruption or noncompliance with the laws, rules, and regulations of the company and the company's code of conduct.

The company believes that this mechanism will be a great asset to the company if used seriously. The company wishes that everyone would understand and study the mechanism in detail while implementing the mechanism correctly.

#### **People with Complaint Rights**

- 1) Employees and/or those who witness corrupt acts related to the organization either indirectly or directly such as seeing someone in the organization, government officials, or private agencies receiving bribes.
- 2) Employees and/or those who witness acts that violate the company's procedures. Examples include inaccuracies in financial reports or defects in the company's internal control systems that are suspected to be channels of corruption.
- 3) Employees and/or those who witness acts that would cause the company to lose benefits or otherwise affect the reputation of the company.
- 4) Employees and/or those who witness any any action that goes against the law, regulation, or ethics in the conduct of the company's business.

## Channels for Receiving Leads, Complaints, or Advice on Corruption

Employees or complainants can file reports on corruption through the follow channels as specified by the company. Specific details of the whistle blowing matter, complaint, or fraud lead should be provided along with the name, address, and telephone number of the complainant.



- 1 Send a letter or email to human resources, executive, or the audit committee.



- 2 Send through the company website at



<http://investor.thepractical.co.th>



- 3 Other channels that informants deem appropriate and safe such as through electronic systems or physical delivery. Potential channels are as follows:



Human Resources Department E-mail : [hr@thepractical.co.th](mailto:hr@thepractical.co.th)  
Audit Committee E-mail : [anti-corruption@thepractical.co.th](mailto:anti-corruption@thepractical.co.th)



Mailing Address :

The Practical Solution Public Company Limited  
No. 99 Soi Cement Thai Ratchadapisek Road,  
Ladyao Subdistrict, Chatuchak District, Bangkok 10900

### • Whistle Blower or Related Person Protection

Whistle blowers or informants of violations or non-compliance with the law will receive appropriate protection and fairness from the company and would not suffer from job changes, intimidation, work disturbance, termination of employment, or any other unfair action. The company will keep information about the complaints confidential and would not disclose such information to unrelated persons with the sole exception of legal requirements.

In 2023, the company tested the notification system in whistle blowing and complaints on the company website regularly in order to ensure that the notification system can still be used correctly. However, the company's tests found that such notification systems have not found any abnormalities and no one reported any violations of business ethics.

- **Significant Changes and Developments in Policies, Guidelines, and Corporate Governance Systems**

Major changes and developments in policies, guidelines, and corporate governance systems in the past year

The company has consistently complied with the principles of good corporate governance whether such requirements come from the law, regulation, or other relevant requirements. The company complies with the criterion for having good corporate governance, code of best practices for directors of listed companies, and corporate governance report of Thai listed companies (CGR) as established by the Thai Institute of Directors Association (IOD) and according to assessments of general shareholder meeting quality as provided by the Thai Investors Association. The company has also established many communication methods such as posting announcements in prominent places, distributing documents, publicizing online, and providing educational orientation in order to ensure that the company's employees are aware of the importance of and conduct themselves accordingly to the framework of business ethics so that they may become important pillars of the company's long run sustainable growth.

the company has conducted varied activities accordingly to good corporate governance principles to support the following assessments:



Received the Corporate Governance Report of Thai Listed Companies 2023 (CGR) by the Thai Institute of Director Association (IOD)

with a rating of 5 stars or  
very good ranking



Received a score

of 91 points

out of 100 points

from the quality assessment

of the 2023 Annual General

Meeting of Shareholders

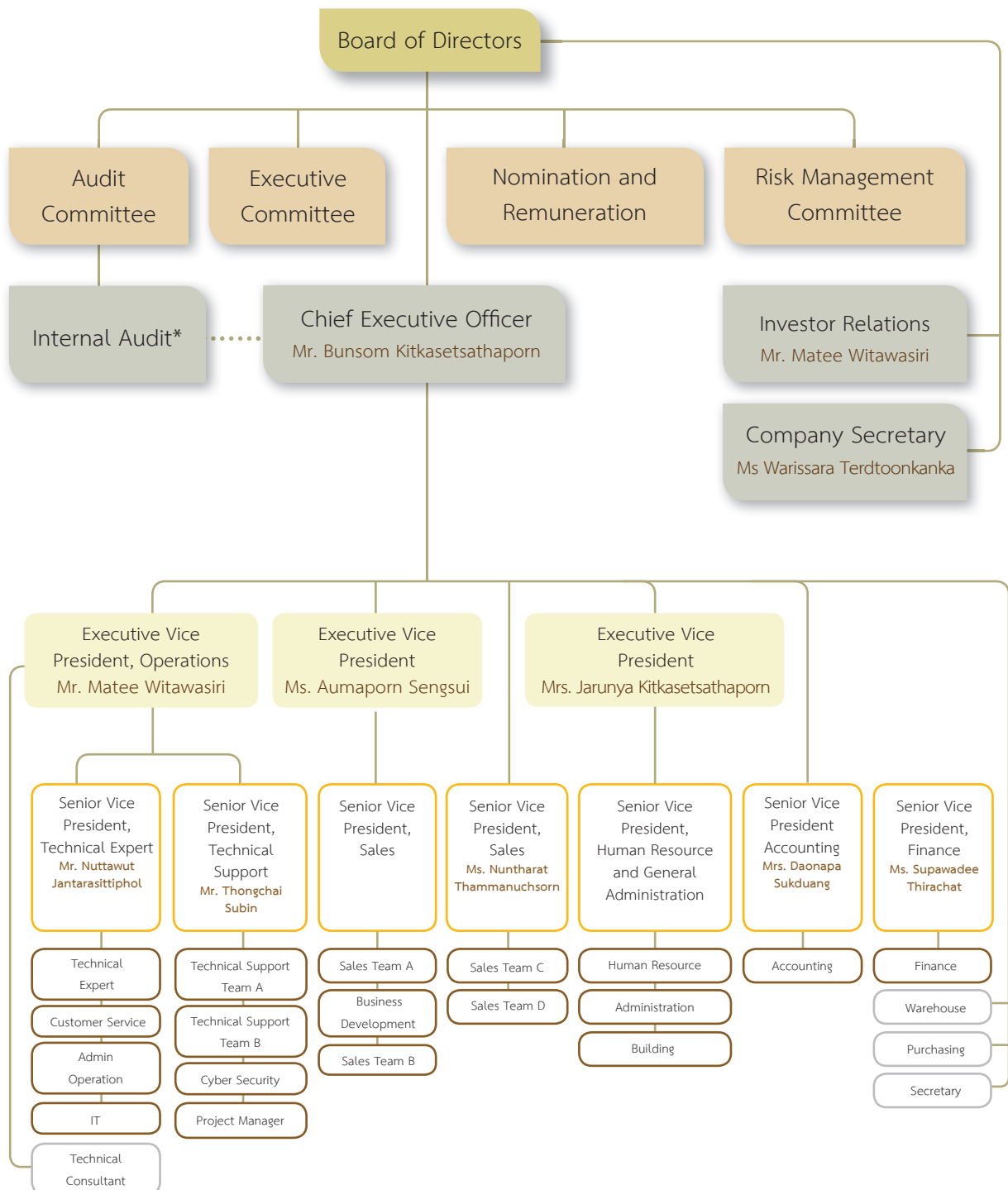
(AGM Checklist) by the

Thai Investors Association



# Corporate Governance Structure and Important Information about the Board of Directors, Sub-Committees, Management, Employees, and Others

Corporate Governance Structure as of December 31, 2023



## Director Information

The structure of the board of directors of the company consists of 5 sets of committees, namely: the board of directors, audit committee, management committee, risk management committee, and the nomination and remuneration committee. The scope of duties and responsibilities of the various committees are as follows

### Board of Directors (Information as of December 31, 2023)

Consists of 7 directors consisting of

3 non-executive directors

4 executive directors

With the following names:

Full Name		Position
1. Mr. Anocha	Wongrunroj	Chairman of the Board of Directors / Independent Director / Member of the Audit Committee/ Chairman of Nomination and Remuneration Committee
2. Mr. Bunsom	Kitkasetsathaporn	Director / Chief Executive Officer/ Member of Nomination and Remuneration Committee
3. Mr. Matee	Witawasiri	Director / Executive Director / Member of Risk Management Committee
4. Mrs. Jarunya	Kitkasetsathaporn <sup>1</sup>	Director / Executive Director
5. Ms. Aumaporn	Sengsui	Director / Executive Director / Member of Risk Management Committee
6. Mrs. Ratchanee	Pattanaalertphan	Independent Director /Member of the Audit Committee / Chairman of Risk Management Committee
7. Mr. Wuttichai	Chartisaranuwat <sup>1</sup>	Independent Director / Chairman of Audit Committee / Member of Nomination and Remuneration Committee

Remarks : <sup>1</sup>Appointed as Director from the Annual General Meeting of Shareholders of the year 2023 on April 27, 2023

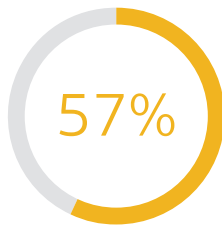
## Composition of the Board of Directors

The company's articles of association declares that the board of directors must consist of at least five (5) directors and not less than half (1/2) of the total number of directors must reside in Thailand. The board of directors will consist of people who are capable and are generally accepted to be appointed through election by shareholders at the annual general meeting of shareholders. The company has also established policies on the diversity of the directors. The company primarily distinguishes based on experience, knowledge, and ability in reference to the potential benefits to the company and do not discriminate based on differences in gender, race, nationality, or place of origin. The company has prepared the board skill matrix with skills relevant to the company's business strategy to evaluate candidates. The company's board must also consist of at least 1 in 3 and no less than 3 independent directors, as defined by the company.



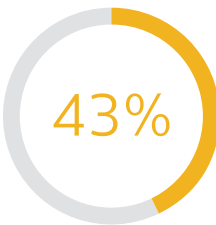
Executive Director

4 Persons



Non-Executive Director

3 Persons



Persons

Independent Directors  
to Director

3 : 7

Non-Executive Directors  
to Directors

3 : 7

## Director Expertise

Full Name		Information Technology and Digital	Business Administration and Management	Accounting, Finance And Auditing	Good Corporate government	Risk management
Mr. Anocha	Wongrunroj	/	/		/	
Mr. Bunsom	Kitkasetsathaporn	/	/		/	
Mr. Matee	Witawasiri	/	/		/	/
Ms. Aumaporn	Sengsui	/	/		/	/
Mr. Wuttichai	Chartisaranuwat	/	/		/	
Mrs. Ratchanee	Pattanalertphan		/	/	/	/
Mrs. Jarunya	Kitkasetsathaporn		/		/	

## Authorized Directors

Mr. Boonsom Kijkasetsathaporn, Mr. Matee Withawasiri Jointly or separately signs along with Miss Umaporn Sengsui or Mr. Matee Withawasiri who jointly signs with Mrs. Jaranya Kitkasetsathaporn for a total of two persons and affixes the company seal.

## Authority, Duties and Responsibilities of the Board of Directors

The Board of Directors has an important role in governing the management of the Company including determining policy directions and business strategy for the best benefit of the Company and shareholders and monitoring the management of the various sub-committees. The Board of Directors also has the authority and responsibility as specified in the law, regulations and the objectives and resolutions of the shareholders' meetings of the Company, including the following actions.

- 1) Perform its duties with honesty, integrity and prudence, in accordance with the law, the Company's objectives and Articles of Association, and all resolutions of the Annual General Shareholders Meeting in order to carefully protect the Company's interests.

- 2) Determine the Company's policies, objectives, direction, business plans, and budgets including the supervision and management of the Company executives in accordance with the agreed business policies. Promote the use of information technology to increase business opportunities and business performance in order to comply with the policy with efficiency and effectiveness in order to maximize the value of the Company and shareholders.
- 3) Control, regulate, and evaluate the management team's performances as well as the Company's performance.
- 4) Appoint and consider the compensation package and the terms & conditions of the employment of the CEO.
- 5) Ensure that the Company and subsidiaries have appropriate and efficient accounting system with reliable financial reporting and auditing. Create the Company's control systems in order to maintain creditability and confidence. Promote the use of information technology for information dissemination.
- 6) Acknowledging the audit reports of the Audit Committee and other sub-committees and supervise the business to have a mechanism to receive complaints and take action.
- 7) Consider and approve the disposal of assets (in case that the size of the transaction does not need to be considered by the shareholders' meeting) and approve any new business investment and operations in accordance with the law and related notices and regulations.
- 8) Consider and approve the connected transactions. (in case that the size of the transaction does not need to be considered by the shareholders' meeting) in accordance with the law and related notices and regulations.
- 9) Consider and approve interim dividend payment to the shareholders of the Company.
- 10) Ensure that management has in place risk management policies, processes and controls.
- 11) Ensure that no conflict of interest between the Company's stakeholders. In the event that the Directors have interests in any transactions with the Company or increase/decrease a stake in the Company or subsidiaries, The Directors must inform the Company without delay.
- 12) Determine a policy regarding good corporate governance and social responsibility including anti-corruption with effective policy implementation
- 13) The Board of Directors may appoint certain directors to form a part of a sub-committee as deemed appropriate, such as to the Executive Board Committee, the Audit Committee, or the Nomination and Remuneration Committee including the CEO in order to perform their duties as given by the Board of Directors.
- 14) Appoint the Company Secretary to help the Board of Directors In various operations to ensure business operations in accordance with the law and related notices and regulations.
- 15) Seek professional opinions from third parties, if necessary, to support appropriate decisions.
- 16) Approve quarterly and annual financial statements in order to present to the shareholders at the Annual General Shareholders Meeting.
- 17) Arrange for the Annual General Shareholders Meeting within 4 months from the end of fiscal year as well as any Extraordinary General Meetings as required under the regulations as stated in the company's Articles of Association.
- 18) Consider and approve various matters for the best benefit all groups of stakeholders.
- 19) Assign one or more directors or other persons to perform any tasks on behalf of the Board of Directors.

The delegation of authority and responsibilities of the Board of Directors will not delegate authority to the Board of Directors or a representative from the Board of Directors who can approve transactions

that they may have conflicts of interest (as defined in the Securities and Exchange Commission and/or the Capital Market Supervisory Board announcement) except for approved transactions in accordance with the policy and criteria approved by Shareholders Meeting or the Board of Directors.

### Segregation of Chairman and Chief Executive Officer

The company has defined the roles, duties, and responsibilities of the chairman of the board of directors and executive chairman to have a clear division of duties between the chairman of the board of directors and the chief executive officer. The company has a policy where the chairman of the board of directors and the chief executive officer are different persons so that the directors can perform their duties independently within the scope of their authority and are able to supervise and evaluate management performance effectively. Both positions are screened by the nomination and remuneration committee in order to obtain fully qualified persons after being selected by the board of directors.

## Sub-Committee Information

### The Audit Committee

The Audit Committee consists of:

	Full Name	Position
1.	Mr. Wuttichai Chartisaranuwat <sup>1</sup>	Chairman of the Audit Committee
2.	Mr. Anocha Wongrunroj <sup>1</sup>	Director of the Audit Committee
3.	Mrs. Ratchanee Pattanalertphan <sup>1</sup>	Director of the Audit Committee

Remarks : <sup>1</sup>Independent Director

Mrs. Ratchanee Phatthanalertphan is the director of the Audit Committee with sufficient knowledge and experience in reviewing the reliability of financial statements.

### Authority, Duties and Responsibilities of the Audit Committee

- 1) Review the accuracy of the Company's quarterly and annual financial reports in accordance with generally accepted accounting principles and ensure there is adequate disclosure.
- 2) Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient and ensure the independence of the internal audit department. In addition, the Audit Committee may appoint, change or remove the head of the internal audit department or any other department responsible for internal audit tasks.
- 3) Review the Company's compliance with the laws on securities and exchange; the regulations of the Stock Exchange of Thailand (SET); and the laws relating to the Company's business.
- 4) Review, select, propose, appoint, or terminate the independent person to act as the Company's auditor and offer remuneration to such person, including attending the meeting with the auditor without a participation from management team at least once a year.

- 5) Review all connected transactions or transactions that may lead to conflicts of interest and so ensure that they are in compliance with the related laws and the regulations of the SET and that they are reasonable and bring the highest possible benefits to the Company.
- 6) Prepare reports to be signed by the Chairman of the Audit Committee and disclosed in the Company's Annual Report. These reports must contain the following information.
  - (a) An opinion on the accuracy, completeness and reliability of the Company's financial report.  
An opinion on the adequacy of the Company's internal control system.
  - (b) An opinion on the compliance with the laws on securities and exchange, the regulations of the SET and the laws relating to the Company's business.
  - (c) An opinion on the suitability of the external auditor.
  - (d) An opinion on transactions that may lead to conflicts of interest.
  - (e) The number of Committee meetings held and the members' attendance record.
  - (f) Any comments or opinions received by the Committee regarding its performance in accordance with its Charter.
  - (g) Any other transaction which, according to the Committee's opinion, should be known to the shareholders and general investors.
- 7) Review and propose to the Board of Directors to consider and amend the scope of duties and responsibilities of the Audit Committee in accordance with the situation.
- 8) Examine relevant persons under the authority of the Audit Committee and have the power to hire or bring in a specialist to help with the inspection. The company will be responsible for the expenses.
- 9) If suspected that the following items or actions may have a significant impact on the Company's financial status and operating results, the Audit Committee will report to the Board of Directors in order to solve the issues within the due date.
  - (a) Transactions that cause conflicts of interest.
  - (b) Fraud or irregularities or significant defects in the internal control system.
  - (c) Violation of the law on Securities and Exchange Regulations and Notifications of the Stock Exchange of Thailand or other relevant law that is applicable to the Company and/or the Company's business. If the Board of Directors does not solve the violation, the Audit Committee may report the transactions to the Securities and Exchange Commission or the Stock Exchange of Thailand.
- 10) Provide opinions to management regarding the appointment, termination, performance, budget and compensation of the internal audit department.
- 11) Review and provide opinions on corporate governance and social responsibility policies and anti-corruption.
- 12) Review and comment on the Annual Corporate Governance and Social Responsibility Assessment Report and the Anti-Corruption Report of the Company.
- 13) Perform other tasks as requested by the Board of Directors and other tasks which the Audit Committee agrees to perform.



## The Executive Committee

The Executive Committee consists of:

Full Name		Position
1. Mr. Bunsom	Kitkasetsathaporn	Chairman of the Executive Committee
2. Mr. Matee	Witawasiri	Executive Director
3. Mrs. Jarunya	Kitkasetsathaporn	Executive Director
4. Ms. Aumaporn	Sengsui	Executive Director

The Executive Committee which was appointed from the Board of Directors meeting No. 5/2021 on 11 November 2021.

### Authority, Duties and Responsibilities of the Executive Committee

- 1) Determine vision, strategy, business direction, policy, goal, business plan, budget, management structure and authority limit of the Company and subsidiaries to propose to the Board of Directors for approval and take action as approved by the Board of Directors, including inspecting and following up such action to be efficient and effective.
- 2) Manage the Company's business operations relating to the general administration of the Company.
- 3) Approve an agreement and/or any transaction related to the normal business operations of the Company (such as buying, selling, investing, or joint ventures for normal business transactions for the benefit of operations according to the objectives of the Company) within Authority Limits.
- 4) Approve the borrowing and lending of money or applying for credit approval from a financial institution; including a guarantee or payment of ordinary business transactions with a specific credit limit of each transaction that has already been agreed and assigned. The amount incurred in these transactions must be under a limit in accordance with the Company guidelines and Authority Limits which have already been reviewed by the Board of Directors.
- 5) Approve the appointment of various consultants that are necessary for the Company's operations within the budget approved by the Board of Directors each year.
- 6) Have the authority to invite the management team, executives, or any related persons of the Company to attend a meeting to provide an opinion or relevant information as necessary.
- 7) Approve the Company's compensation structure and benefits of management and employees (holding a position lower than the Managing Director/Chief Executive Officer).
- 8) Report the significant performance of the Executive Committee to the Board of Directors, regularly.
- 9) Assess the performance of the overall Executive Committee and self-assessment and propose to the Board of Directors annually.
- 10) Review and propose to the Board of Directors to revise the scope of duties and responsibilities of the Executive Committee in accordance with the situation.
- 11) Perform any other tasks assigned by the Board of Directors or according to the policies set by the Board of Directors.
- 12) Delegate the authority one or more persons to take any action on behalf of the Executive Committee. The delegation of authority and responsibilities of the Executive Committee will not delegate authority to the Executive Committee or a representative from the Executive

Committee who can approve transactions that they may have conflicts of interest (as defined in the Securities and Exchange Commission and/or the Capital Market Supervisory Board announcement) except for approved transactions in accordance with the policy and criteria approved by Shareholders Meeting or the Board of Directors.

## The Risk Management Committee

The Risk Management Committee consists of:

Full Name		Position
1.	Mrs. Ratchanee Pattanalertphan <sup>1</sup>	Chairman of the Risk Management Committee
2.	Mr. Matee Witawasiri	Risk Management Director
3.	Ms. Aumaporn Sengsui	Risk Management Director

Remark : <sup>1</sup>Independent Director

The Risk Management Committee was appointed by the Board of Directors meeting No. 3/2019 on 13 June 2019

### Authority, Duties and Responsibilities of the Risk Management Committee

- 1) Consider, evaluate and review the risk characteristics and identify the Company's risk and determine the Company's risk appetite.
- 2) Consider and set risk management policies, both internal and external in accordance with the strategy and direction of the business, which must cover at least 4 risks as follows:
  - (a) Financial Risk
  - (b) Operational Risk
  - (c) Strategic Risk
  - (d) Compliance Risk
- 3) Consider and determine strategies and guidelines for risk management in accordance with the risk management policy to assess, monitor, and supervise risk levels within an acceptable level.
- 4) Supervise a responsible person to comply with the risk management policy so that the Company has an effective risk management system throughout the organization and continual implementation.
- 5) Consider the structure and appointment of the risk management team in order to assess and monitor risk management results.
- 6) Consider budgeting and methods of responding to risks that may occur to the Company in order to be used as rules for the operation of each type of risk situation and propose the budget and methods to the Board of Directors for approval.
- 7) Review the appropriateness and adequacy of the Company's risk management policies, strategies, and practices to ensure that policies, strategies and guidelines are in line with the Company's strategy and direction and be able to monitor the risk level to an acceptable level including giving advice and support to the Board regarding corporate risk management, promoting and supporting continuous improvement and development of risk management system.
- 8) Report to the Board of Directors about risks and risk management.

- 9) Assess the annual performance of the overall risk management committee and the individual risk management committee and propose to the Board of Directors annually.
- 10) Review and propose to the Board of Directors to consider revising the Authority Limits, duties and responsibilities of the Risk Management Committee in accordance with the situation.
- 11) Perform any other tasks as assigned by the Board of Directors or the policies set by the Board of Directors.

## The Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of:

Full Name		Position
1.	Mr. Anocha Wongrunroj <sup>1</sup>	Chairman of the Nomination and Remuneration Committee
2.	Mr. Wuttichai Chartisaranuwat <sup>1</sup>	Nomination and Remuneration Director
3.	Mr. Bunsom Kitkasetsathaporn	Nomination and Remuneration Director

Remark : <sup>1</sup>Independent Director

Appointed by the Board of Directors meeting No. 6/2019 on 12 November 2019

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

- 1) Specify qualifications and criteria for nominating directors, sub-committee and the President / Chief Executive Officer of the Company as well as selecting appropriate candidates for knowledge, experience, and expertise to be nominated to the Board of Directors to consider the appointment and/or present to the shareholders' meeting for further appointment. (As the case may be)
- 2) Consider the independence of each independent director to ensure that the independent directors of the Company are fully qualified.
- 3) Consider the format and process for the development of the President/Chief Executive Officer to be consistent with the business of the Company and the situation.
- 4) Consider the form and criteria of compensation (whether in cash, securities or otherwise) including the determination of wage, compensation, reward, bonus and salary increase for directors and sub-committees and the President/Chief Executive Officer to be appropriate, fair and in accordance with relevant laws to propose to the Board of Directors meeting and/or the shareholders' meeting for further approval. (As the case may be)
- 5) Consider the evaluation criteria for the President/Chief Executive Officer and present to the Board of Directors for approval.
- 6) Report the performance of the Nomination and Remuneration Committee to the Board of Directors for acknowledgment.
- 7) Assess the annual performance of the Nomination and Remuneration Committee and the individual nomination committee and propose to the Board of Directors for acknowledgement annually.
- 8) Review and propose to the Board of Directors to consider revising the scope of Authority Limits, duties and responsibilities of the Nomination and Remuneration Committee in accordance with the situation.
- 9) Perform any other tasks as assigned by the Board of Directors or the policies set by the Board of Directors.

## **Authority, Duties and Responsibilities of the Chief Executive Officer**

- 1) Responsible for managing and operating normal business for the benefit of the Company to follow the vision, business directions, policies, business strategies, goals, operational plans and annual budget plans approved by the Executive Committee and/or the Board of Directors and/or as assigned by the Executive Committee and/or the Board of Directors.
- 2) Approve entering into a contract and/or any transaction related to the normal business operations of the Company (such as trading, investing, or jointly investing with other people for normal business transactions of the Company and for the benefit of operations according to the objectives of the Company) within the limit specified in the Authority Limits and/or as the Executive Committee and/or the Board of Directors determine and/or according to relevant laws and regulations and/or in accordance with the regulations of the Company.
- 3) Approve lending and requesting credit facilities from financial institutions, loans, mortgages or becoming guarantors of the Company and subsidiaries within the limit as specified in the Authority Limits) or as the Executive Committee and/or the Board of Directors determine.
- 4) Supervise the Company's overall business operations such as finance, marketing, human management and other operations in accordance with the business strategy policy, target, operational plan and annual budget plan as approved by the Executive Committee and/or the Board of Directors.
- 5) Drive continuous development of the organization and human resource including taking care and maintaining the good image of the organization.
- 6) Appoint various advisors that are necessary for the Company's operations within the power and credit limit as specified in the Authority Limits and/or as specified by the Executive Committee and/or the Board of Directors.
- 7) Establish rules, regulations, guidelines and requirements for the organization structure in the next position from the Chief Executive Officer, including the employment, appointment, transfer, dismissal and termination of employees in positions lower than the Chief Executive Officer.
- 8) Determine the wage, compensation, reward, bonuses and salary increases for executives and employees in the next position from the Chief Executive Officer within the framework and policies set by the Executive Committee and/or the Board of Directors.
- 9) Issue and amend orders, regulations, announcements and notes within the Company for the operations of the Company in accordance with the policy and for the benefit of the Company including maintaining discipline within the organization.
- 10) Perform other duties as assigned by the Executive Committee and/or the Board of Directors including the authority to take any action necessary to perform such duties.
- 11) Authorize one or more persons to take any action on behalf of the Chief Executive Officer.

The delegation of authority and responsibilities of the Chief Executive Officer will not delegate authority to the Chief Executive Officer or a representative from the Chief Executive Officer who can approve transactions that they may have conflicts of interest (as defined in the Securities and Exchange Commission and/or the Capital Market Supervisory Board announcement) except for approved transactions in accordance with the policy and criteria approved by the Board of Directors.

## Regulations, approvals, and actions for entering into transactions

Transaction	Authorized Person		
	Chief Executive Officer	Executive Committee	Board of Directors
<b>Transactions from normal business operations</b>			
1. Annual budget approval for operations/investments	-	-	Approve
2. Changing the approved annual budget for operations/investments	Not more than 20% of the approved limit	Not more than 30% of the approved limit	More than 30% of the approved limit
3. Approval of expenses that are not in the budget	Not more than THB 2.5 million	Not more than THB 5 million	More than THB 5 million
4. Approving for the credit term to customers	More than 30 days	-	-
5. Requesting a credit line from a bank	-	Not more than THB 50 million	More than THB 50 million
<b>Other transactions</b>			
6. Short-term investment	Not more than THB 20 million (Not more than THB 5 million per time)	Not more than THB 50 million (Not more than THB 10 million per time)	More than THB 50 million
7. Purchasing land / buildings / improvements /	-	-	Approve
8. Purchasing corporate cards	-	Approve	Report
9. Approval of additional investment budget	Not more than THB 10 million per project	Not more than THB 20 million per project	More than THB 20 million per project

Remarks : Directors and executives can approve transactions to the amount specified above. However, such approval must comply with the rules on significant transactions that are considered acquisition or disposal of assets and criteria for entering into connected transactions in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand or related laws the Company's business.

## The Company's Management

The Company's Management consists of

Full Name		Position
1. Mr. Bunsom	Kitkasetsathaporn	Chief Executive Officer
2. Mr. Matee	Witawasiri	Executive Vice President, Operations
3. Mrs. Jarunya	Kitkasetsathaporn <sup>1</sup>	Executive Vice President, Human Resources and General Administration
4. Ms. Aumaporn	Sengsui <sup>1</sup>	Executive Vice President, Sales
5. Ms. Nuntharat	Thammanuchorn	Senior Vice President, Sales
6. Mr. Nuttawut	Jantasittiphol	Senior Vice President, Technical Expert
7. Mrs. Daonapa	Sukduang	Senior Vice President, Accounting
8. Mr. Thongchai	Subin	Senior Vice President, Technical Support
9. Ms. Supawadee	Thirachat	Senior Vice President, Finance

Remarks : <sup>1</sup>executive which was appointed as Executive Vice President from the Board of Directors' Meeting No. 7/2023 on November 9, 2023.

## Company Secretary

The Board of Directors' Meeting No. 1/2023 on February 23, 2023 resolved to appoint Ms. Warissara Terdtoonkanka is Company Secretary and shall be effective from February 23, 2023 in order to comply with Section 89/15 of the Securities and Exchange Act B.E. 2535, amended by the Securities and Exchange Act (No. 4) B.E. 2551. The duties and responsibilities of the company secretary are as follows:

- 1) To prepare and maintain the documents, as follows: The Board of Directors Registration, The Notice of the Board of Directors meeting, The Minute of the Board of Directors meeting, The Annual Report and The Notice of the Shareholders' meeting and the Minute of the Shareholders' meeting.
- 2) Keep conflict of interest report from directors or executives under the section 89/14 of the Securities and Exchange Act B.E. 2535 (as amended), including sending a copy of the report to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days from the date the Company Received that report.
- 3) To provide primary legal advices, associated rules, and the Code of Conduct to the Board of Directors, accordance with the law.
- 4) To schedule the meeting of the Board of Directors and Sub-committee and conduct the Board of Directors' meeting and shareholders' meeting.
- 5) To coordinate with the regulatory authorities, such as the Security and Exchange Commission and the Stock Exchange of Thailand, in disclosure the information to the authorities and the public with legally accurate.
- 6) To facilitate the activities of the Board of Directors and other actions in accordance with the law and/or as specified by the Capital Market Supervisory Board and/or as assigned by the Board of Directors.
- 7) To act on duties announce by the Capital Market Supervisory Board.



## Executive assigned to be directly responsible for controlling and monitoring accountancy

Mrs. Daonapa Sukduang, Chief Finance Officer, is assigned to be directly responsible for controlling and monitoring accountancy of the Company.

### Term of office of Directors

The Company sets the term of office of the Company's directors in accordance with the Public Act 1992, whereby directors and independent directors hold office for a 3-year term, and directors who retire when the term ends can be re-elected. In this regard, each independent director may serve as an independent director for a period of not more than 9 years.

### Number of meetings attended / Total number of meetings in the year 2023

Full Name		Board of Directors	The Executive Committee	The Audit committee	The Risk Management Committee	The Nomination and Remuneration Committee	Meeting without management's presence	Annual General Meeting of Shareholders
1. Mr. Anocha	Wongrunroj	6/7	-	3/4	-	2/2	1/1	1/1
2. Mr. Bunsom	Kitkasetsathaporn <sup>1</sup>	7/7	20/20	-	-	2/2	-	1/1
3. Mr. Matee	Witawasiri <sup>1</sup>	7/7	20/20	-	1/1	-	-	1/1
4. Mrs. Jarunya	Kitkasetsathaporn	7/7	20/20	-	-	-	-	1/1
5. Ms. Aumaporn	Sengsui	7/7	20/20	-	1/1	-	-	1/1
6. Mrs. Ratchanee	Pattanaertphan	7/7	-	4/4	1/1	-	1/1	1/1
7. Mr. Wutticha	Chartisanuwat	7/7	-	4/4	-	2/2	1/1	1/1

Remark : <sup>1</sup> Appointed as Director from the Annual General Meeting of Shareholders of the year 2023 on April 27, 2023

- 1) The Board of Directors organize meeting in 2023: The Company organizes Board of Directors meetings 7 times annually to acknowledge the performance. A sub-committee meeting consists of the Executive Committee organizes meeting 20 times annually, the Audit Committee organizes meeting 4 times annually, the Risk Management Committee organizes meeting 1 times annually, the Nomination and Remuneration Committee organizes meeting 2 times annually, and the committee meeting without the management attending organizes meeting 1 time annually. There may be additional meetings as necessary, of which the schedule and agenda shall be clearly defined in advance.
- 2) The non-executive committee organizes meeting to explain issues of interest management without management's presence at least once a year.
- 3) The Board of Directors have the duty to attend the Board of Directors meetings, not less than 80 percent of all the Board of Directors meetings in a year.
- 4) In the meeting, the directors are able to vote when the minimum number of directors is not less than two-thirds, of which constituting a quorum.
- 5) Every director has at least 75% of the meeting attendance of the whole year.
- 6) The Chairman of the Board of Directors, the Executive Chairman and the Corporate Secretary shall jointly set the agenda and give a chance to each director proposes matters for consideration on the agenda of the Board of Directors meeting annually.

- 7) The Corporate Secretary will compile the supporting documents for the meeting to be sent to the directors at least 7 business days in advance of the meeting. Such documents will be sufficient information for decision making and independent judgment of the directors.
- 8) At the Board of Directors meeting, the top executives will also attend to provide useful information and to be directly well-informed of the policy and effectively implemented, except for certain agendas that will have only non-executive directors joining in order to secure independent statements in considering various matters of the Board of Directors.
- 9) At the end of the meeting, the corporate secretary is the person who is responsible in preparing the minutes of the meeting with complete content & essence, to be presented to the Chairman of the Board to certify the accuracy, and to be presented for approval in the next meeting.
- 10) The minutes of the meeting, which are approved by the meeting, will be kept systematically in the form of the company's confidential documents at the corporate secretary's office, and stored in electronic form along with attachments to the agenda for ease of record & reference.

## Management Team

The company's management team consists of director, who is responsible in management maximum benefit as assigned by the Board of Director. Once the management team structure has been changed significantly, the director must propose the Board of Director for approval. In year 2022, the management team structure does not change significantly.

### List of management team

As of December 31, 2023, the company management team consists of 8 people.

Full Name		Position
1. Mr. Matee	Witawasiri	Executive Vice President, Operations
2. Ms. Aumaporn	Sengsui	Executive Vice President, Sales
3. Mrs. Jarunya	Kitkassetsathaporn	Executive Vice President, Human Resource and General Administration
4. Mr. Thongchai	Subin	Senior Vice President, Technical Support
5. Mr. Nuttawut	Jantasittiphon	Senior Vice President, Technical Expert
6. Ms. Nuntharat	Thammanuchorn	Senior Vice President, Sales
7. Mrs. Daonapa	Sukduang	Senior Vice President, Accounting/ Chief Financial Officer
8. Ms. Supawadee	Thirachat	Senior Vice President, Finance

## **Authority, Duties and Responsibilities of the Chief Executive Officers**

- 1) Responsible for managing and operating normal business for the benefit of the Company to follow the vision, business directions, policies, business strategies, goals, operational plans and annual budget plans approved by the Executive Committee and/or the Board of Directors and/or as assigned by the Executive Committee and/or the Board of Directors.
- 2) Approve entering into a contract and/or any transaction related to the normal business operations of the Company (such as trading, investing, or jointly investing with other people for normal business transactions of the Company and for the benefit of operations according to the objectives of the Company) within the limit specified in the Authority Limits and/or as the Executive Committee and/or the Board of Directors determine and/or according to relevant laws and regulations and/or in accordance with the regulations of the Company.
- 3) Approve lending and requesting credit facilities from financial institutions, loans, mortgages or becoming guarantors of the Company and subsidiaries within the limit as specified in the Authority Limits) or as the Executive Committee and/or the Board of Directors determine.
- 4) Determine vision, strategy, business direction, policy, goal, business plan, budget, management structure and authority limit of the Company and subsidiaries to propose to the Board of Directors for approval and take action as approved by the Board of Directors, including inspecting and following up such action to be efficient and effective
- 5) Drive continuous development of the organization and human resource including taking care and maintaining the good image of the organization.
- 6) Appoint various advisors that are necessary for the Company's operations within the power and credit limit as specified in the Authority Limits and/or as specified by the Executive Committee and/or the Board of Directors.
- 7) Establish rules, regulations, guidelines and requirements for the organization structure in the next position from the Chief Executive Officer, including the employment, appointment, transfer, dismissal and termination of employees in positions lower than the Chief Executive Officer.
- 8) Determine the wage, compensation, reward, bonuses and salary increases for executives and employees in the next position from the Chief Executive Officer within the framework and policies set by the Executive Committee and/or the Board of Directors.
- 9) Issue and amend orders, regulations, announcements and notes within the Company for the operations of the Company in accordance with the policy and for the benefit of the Company including maintaining discipline within the organization.
- 10) Perform other duties as assigned by the Executive Committee and/or the Board of Directors including the authority to take any action necessary to perform such duties.
- 11) Authorize one or more persons to take any action on behalf of the Chief Executive Officer.

The delegation of authority and responsibilities of the Chief Executive Officer will not delegate authority to the Chief Executive Officer or a representative from the Chief Executive Officer who can approve transactions that they may have conflicts of interest (as defined in the Securities and Exchange Commission and/or the Capital Market Supervisory Board announcement) except for approved transactions in accordance with the policy and criteria approved by the Board of Directors.

## The Directors' Remunerations in the year of 2023

### 1) Monetary Remuneration

#### 1.1) Committee Remunerations

At the Extraordinary Shareholders' meeting of the year 2023, held on 27 April 2023, passed a resolution to determine the remuneration of directors for the year 2023 with the following details:

Committee	Meeting Fee
<b>1. The Board of Directors</b>	
Chairman of the Board	25,000. -
Director	20,000. -
<b>2. The Audit Committee</b>	
Chairman of the Audit Committee	25,000. -
Director of the Audit Committee	20,000. -
<b>3. The Nomination and Remuneration Committee</b>	
Chairman of the Nomination and Remuneration Committee	25,000. -
Director of the Nomination and Remuneration Committee	20,000. -
<b>4. The Risk Management Committee</b>	
Chairman of the Risk Management Committee	25,000. -
Director of the Risk Management Committee	20,000. -

Remarks : Directors who involve in business management of the Company and have a regular salary will not receive meeting fee.

Directors who involve in business management of the Company and have a regular salary will not receive meeting fee.

The Company paid the compensation to the Board of Directors, the Audit Committee, the Risk Management Committee and the Remuneration and Nomination Committee for the year ended 31 December 2023 with the details as follows:

Full Name		Year 2022		Year 2023		Total	
		Meeting allowance	Monthly remuneration	Meeting allowance	Monthly remuneration	year 2022	year 2023
1. Mr. Bunsom	Kitkasetsathaporn <sup>1</sup>	-	-	-	-	-	-
2. Mr. Matee	Witawasiri <sup>1</sup>	-	-	-	-	-	-
3. Mrs. Jarunya	Kitkasetsathaporn	-	-	-	-	-	-
4. Ms. Aumaporn	Sengsui	-	-	-	-	-	-
5. Mrs. Ratchanee	Pattanalertphan	280,000	240,000	245,000	240,000	520,000	485,000
6. Mr. Wuttichai	Chartisanuwat	240,000	240,000	280,000	240,000	480,000	525,000
7. Mr. Anocha	Wongrunroj	255,000	240,000	260,000	240,000	495,000	500,000
Total		775,000	720,000	785,000	720,000	1,495,000	1,510,000

Remarks : <sup>1</sup> Appointed as Director from the Annual General Meeting of Shareholders of the year 2023 on April 27, 2023

## 1.2) Managements Remuneration

Year	No. of Management	Amount of Compensation (THB mil)
2022	9	45.00
2023	9	53.00

## 2) Non-monetary Compensation

Life, accident, disability, and group health insurance policy of Bangkok Life Assurance Public Company Limited including insurance premiums of about 15,000 baht per person per year for independent directors was approved by a resolution of the 2023 Annual General Meeting of Shareholders held on April 27, 2023

## Human Resource Management Policy

The company realizes staff is main important and valuable resource in driving company successful, progress, and growth stably and sustainably. The company aims to develop staff in every level to be potential staff in term of academic, moral, ethical, honesty, and corporate social responsibility. The company provides modern appliances, creates good and safety environment for enhance the competence of staff, support the business expansion in the future, and continue growth of staff career path by focusing on company's benefit significantly.

## The Number of Employees

The Number of Employees As of 31 December 2023, the Company has the following number of employees.

Department	Number of Employee (Person)
1. Accounting	7
2. Finance	3
3. Sales	16
4. Purchasing	2
5. Administration	5
6. Warehouse	2
7. Human Resource	3
8. Operations	8
9. Technical Support	34
10. Technical Consultant	6
11. Customer Service	28
12. Management	1
Total	115

Remarks : The number of employees in the table includes the executives 9 persons.

As of December 31, 2023, the company has a total of 124 employees. It comprises 73 men and 51 women. There are 17 resigned employees in the year 2023 or 19.35% of the average number of employees in the year 2023. Human resource recruits replaced staff within time and achieve targets

### 1) Training

The company encourages management and staff to attend inside and outside training by providing a staff training plan in the year 2023. The staff attends training completely 64 courses. The company aims to encourage and develop staff's knowledge, skill, an ability which is useful for work in every level equally.

Training Course	Year 2022	Year 2023	increase
Staff and Management	39	64	20.16%

### The training cost annually

Training Course	Year 2022	Year 2023	increase
Staff and Management	1,027,096.40	1,978,486.90	96.63%



## **2) Employee Compensation**

Compensation for employees (excluding executives) for the year ended 31 December 2021 and for the year ending 31 December 2022, consisting of salary, welfare, professional fee, bonus, commission, social security and provident fund totaling THB 85.25 million and THB 89.00 million respectively.

## **3) Provident fund**

The Company has established a provident fund by joining with “K Master Pool Fund” which is under the management of Kasikorn Asset Management Company Limited from 1 February 2013 with the objective to build morale for employees and motivate employees to work with the Company in the long run. (Refer to annual report of year 2019, page 93)

## **4) Labor Disputes**

-None-

## **5) Human Resources Development Policy**

The human resources development policy focuses on building up employees’ competences to compete with the market to support the expansion of business in the future by planning the organizational structure and human resources appropriately. Human resources development takes place at all levels, preparing to perform well to achieve the business goals.

# Corporate Governance Report

## Nomination and Appointment of Directors and Top Executives

Selection of persons to be appointed as the Company's directors and executives must have qualifications under Section 68 of the Public Limited Company Act B.E. 1992 and must comply with the regulations of the Company and not being under any of the prohibitions under the Notification of the Capital Market Supervisory Board No. 39/2559 regarding the request for permission and permission to offer new issued shares dated 30 September 2016 with the criteria for selecting and appointing directors and executives as follows:

### The Board of Directors

The composition of the Board of Directors is as follows:

- 1) The Board of Directors does not have to be a shareholder of the Company.
- 2) The Board of Directors consists of directors a total of not less than 5 members. The directors not less than half of the total number of directors shall have residence in the Kingdom and shall have qualifications as according to the law.
- 3) There shall have independent directors not less than 1 in 3 of the total number of directors and not less than 3 persons.

The Board of Directors will nominate one director to be the Chairman of the Board and in the case that the Board of Directors deems appropriate, it may consider selecting one or several other directors to be the Vice Chairman of the Board of Directors and proposing the names of such persons to the Shareholders' meeting for approval in the next election. The qualifications of the Company's directors are as follows

- 1) Directors must be knowledgeable, capable, honest, and ethical in conducting business and have sufficient time to devote knowledge, ability to perform duties for the Company.
- 2) Directors must have qualifications and are not under any prohibition under the law on public limited companies and other related laws. Moreover, they must not have characteristics that indicate lack of appropriateness to be entrusted with the management of a public-owned business as stipulated by the Office of the Securities and Exchange Commission (SEC).
- 3) Not being a person who operates a similar business and is in competition with the business of the Company or is a partner or director of another juristic person operating a similar business and in competition with the business of the company, whether for benefit of oneself or others, unless notified to the Shareholders' meeting before appointment.
- 4) Independent directors must have qualifications concerning independency as specified by the Company and in accordance with the same guidelines as the qualifications of the Audit Committee according to the announcement of the SET, Subject: Qualifications and Scope of Work of the Audit Committee. The independent directors must be able to look after the interests of all shareholders equally as well as prevent conflicts of interest. In addition, they must also be able to attend meetings of the Board of Directors with independent opinions.

Independent Directors are defined as Directors who do not hold any management position and are not employees of the Company or Subsidiary. They must additionally be independent of any major shareholders, management, and of any other related persons - and they must have the responsibility to determine if there is anything that may affect the equitable treatment of Shareholders. The qualifications to be an Independent Director are as follows:

- (a) Hold not more than 1% of the total voting shares of the Company, its parent company, its subsidiaries, its associated companies, major shareholders or a controlling person, including stocks that held by related persons of the Independent Director.
- (b) Is not, or has not ever been an executive director, employee, staff member, or advisor who received a salary or a controlling person of the Company, its parent company, its subsidiaries, its associated companies, major shareholders or a controlling person unless the foregoing status has been ended for at least 2 years. This shall not include the Independent Director who used to be a government official or advisor of a government agency which was a major shareholder or acted as controlling persons of the Company.
- (c) Is not be a person that related to blood or legal registration, such as father, mother, spouse, sibling or child, including a spouse of the children, managements, major shareholders, controlling persons, or persons to be nominated as management or a controlling person of the Company or its subsidiaries.
- (d) Has not, or has not had a business relationship with the Company, its parent company, its subsidiaries, its associated companies or a controlling persons in the manner that may interfere with their independent judgement, or is not, or has not ever been, a major shareholders, managements or controlling persons of any person having a business relationship with the Company, its parent company, its subsidiaries, its associated companies or controlling person unless the foregoing relationship has been ended at least 2 years.

The business relationship includes business transactions that are normally undertaken for the business of leasing or leasing real estate, transactions relating to assets or services or granting or receiving financial assistance by accepting or lending guarantees, providing assets as collateral, any other similar circumstances, resulting in the Company or contractual party having an obligation to pay to the other party from 3% of the Company's net tangible assets or from THB 20 million Baht or more, whichever is lower. The calculation of liabilities shall be in accordance with the method of calculating the value of the connected transaction under the Notification of the Securities and Exchange Commission on rules for related transactions. Mutatis mutandis for the consideration of the said liabilities shall include the liabilities incurred during one year prior to the date of having a business relationship with the same person.

- (e) Has not, or has not ever been, an auditor of the Company, its parent company, its subsidiaries, its associated companies or a controlling persons and is not a major shareholders, non-independent directors, managements, controlling persons or partner of an audit firm which employs auditors of the Company, its parent company, its subsidiaries, its associated companies or a juristic person who may have a conflict of interest unless the foregoing relationship has been ended for at least 2 years.
- (f) Has not, or has not ever been, any professional advisor including legal or financial advisor who received an annual service fee exceeding Baht 2 million from the Company, its parent company, its subsidiaries, its associated companies or a controlling persons, and is not a major

shareholders, nonindependent directors, managements, controlling persons or partner of the professional advisor unless the foregoing relationship has been ended for at least 2 years.

- (g) Does not represent as the Company's Board Member or its major shareholders or shareholders who related to the Company's major shareholders.
- (h) Does not operate any business similar to, or materially competing with the Company or its subsidiaries or not being a material partner in any partnership, executive director, employee, staff, advisor who receives salary or holds more than 1% of total voting shares of the company which operates similar to, or materially competing business with the Company or its subsidiaries.
- (i) Has no characteristics which make incapable of expressing independent opinions with regard to the Company's business

### The Audit Committee

The Board of Directors or the Shareholders' meeting appoints the independent directors of the Company to the Audit Committee. The Audit Committee must have at least 3 members; all of them must be independent directors. At least 1 member of the Audit Committee must have sufficient knowledge and experience in accounting or finance to review financial statements. In this regard, the Audit Committee must have the following qualifications:

- 1) Qualified as an independent director according to the rules and conditions set by the Securities and Exchange Commission and the Stock Exchange of Thailand.
- 2) Not being a director assigned by the Board of Directors to decide the business operations of the Company, parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or the person with power of controlling the Company.
- 3) Not being a director of the parent company, subsidiary company and same-level subsidiary company in the listed company only.
- 4) Have sufficient knowledge and experience to be able to perform duties as an Audit Committee. At least one person of the Audit Committee has the sufficient knowledge and experience to review the reliability of the financial statements.

### The Executive Committee

The Board of Directors selects and appoints persons to be executives. The Executive Committee comprised of at least 4 members. The Executive Committee is not required to hold the position of the Board of Directors. Executives must have the following qualifications:

- 1) Have sufficient knowledge, honesty and business ethics and have sufficient time to devote knowledge and capability to perform duties for the Company.
- 2) Has complete qualifications and does not have any characteristics prohibited under relevant law.
- 3) Not being a person who operates a similar business and is in competition with the business of the Company or is a partner or director of another juristic person operating a similar business and in competition with the business of the company, whether for benefit of oneself or others, unless notified to the Board of Directors' meeting before appointment

## The Risk Management Committee

The Board of Directors selects and appoints persons to be directors of the Risk Management Committee. The Risk Management Committee comprised of at least 3 members. The directors of Risk Management Committee are not required to hold the position of the Board of Directors. The directors of the Risk Management Committee must have the following qualifications:

- 1) Have sufficient knowledge, honesty and business ethics and have sufficient time to devote knowledge and capability to perform duties for the Company.
- 2) Has complete qualifications and does not have any characteristics prohibited under relevant law.
- 3) Not being a person who operates a similar business and is in competition with the business of the Company or is a partner or director of another juristic person operating a similar business and in competition with the business of the company, whether for benefit of oneself or others, unless notified to the Board of Directors' meeting before appointment.

## The Nomination and Remuneration Committee

The Board of Directors selects and appoints persons to be directors of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee comprised of at least 3 members. The Nomination and Remuneration Committee selects 1 independent director as the Chairman of the Nomination and Remuneration Committee to be the main driver to perform duties independently as the Nomination and Remuneration Committee. The directors of the Nomination and Remuneration Committee must have the following qualifications:

- 1) Have sufficient knowledge, honesty and business ethics and have sufficient time to devote knowledge and capability to perform duties for the Company.
- 2) Has complete qualifications and does not have any characteristics prohibited under relevant law.

## Chief Executive Officer

When the position of Executive Committee or Chief Executive Officer becomes vacant or the persons holding the position cannot perform their duties, the Nomination and Remuneration Committee will assign a person holding a similar position or a second position to acting temporary until the Company select qualified persons according to the specified criteria. The Nomination and Remuneration Committee will determine the qualifications and criteria for the selection of the Chief Executive Officer of the Company and consider selecting suitable candidates with knowledge, experience, expertise, vision and understanding corporate culture. Candidates must also have business ethics with neutral in politics and are propose to the Board of Directors for appointment.

## Summary of the assessment of the adequacy of the internal control system for the year 2023

### Concept and Objectives

The internal control system adequacy assessment form is a tool for the management and evaluation of internal control to help the Board of Directors (BOD) decide whether the internal control system has been designed properly and sufficiently, where, and how it should be improved.

Having a good internal control system is of great importance to listed companies or companies with general public shareholders. A good system can help prevent and manage risks or damages that may occur to the company. Therefore, it is the Board of Directors' duty to ensure that the Company has an appropriate and adequate internal control system to oversee the operations so as to efficiently meet the goals, objectives, laws, relevant requirements, able to protect assets from corruption and damage, including the preparation of accurate and reliable reports.

### Application

The company should use this assessment form as a guideline for assessing or reviewing the sufficiency of the internal control system at least every year and there may be additional reviews if there are significant events that may affect the Company's operations. Such assessments should also be considered by the Audit Committee and the Board of Directors to exchange opinions, meet the same understanding and able to set practice guidelines suitable for the Company.

**Conclusion** The company has an appropriate and sufficient internal control system for the supervision of the operations to meet the goals, objectives, laws, relevant requirements efficiently

### Directors and Executives Enhancement

In order to increase efficiency in the performance of the various committees, the Company encourages the Board of Directors and senior management to attend seminars and take courses that are beneficial to the performance of their duties, as well as meeting & exchanging opinions with the BoD and senior management of various organizations on a regular basis. These courses include the courses organized by internal training unit, and courses organized by government regulators or independent institutions such as specific courses for directors of the Thai Institute of Directors Association (IOD) at the Office of the SEC requiring listed company's directors to take at least one course consisting of Directors Certification Program (DCP), Directors Accreditation Program (DAP), and Audit Committee Program (ACP), among other courses.

### Assessment of the BOD's performance

The Company conducted the assessment of the performance of each committee in 2022 as follows: The Board of Directors – all the entire Board; Committees – all the entire committee and individually: The Executive Committee, the Audit Committee, and the Nomination and Remuneration Committee. The assessment is carried out at least once a year to be informed of / to solve the problems and obstacles during the past year and to ensure more efficient and effective performance, as well as to help create and improve the relationship between all the committees' members and the management. It also includes the improvement direction in accordance with the principles of good corporate governance by using the sample form from the self-assessment of the committees of The Stock Exchange of Thailand consisting of various topics such as the committee structure,



diversity of directors, recruitment of directors and appointment of sub-committee members, knowledge enhancement of directors, readiness before attending the meeting, suitability of the meeting, duties of the chairperson of the meeting, performance, policy, management, lawfulness, corporate governance, business ethics, internal control system, risk management, duties of sub-committees, duty of the management, etc.

### Assessment of the entire BOD

Assessment Topics	Score %
Structure and qualifications of the BOD	96.83
Roles, duties and Responsibilities of the BOD	96.24
BOD 's meetings	96.83
Directors' performance of duties	97.86
Relations with the management	100
Self-enhancement of directors and enhancement of executives	98.80

### Results of the assessment of the entire BOD

The results of the assessment of the entire BOD for the year 2023, the average score: 97.76%

### Assessment of the committees-all the entire committee and individually, consisting of 3 committees, as follows:

1. Audit Committee 2. Nomination and Remuneration Committee 3. Risk Management Committee

#### • Assessment of the Committees – all the entire members

Assessment Topics	Score %
Structure and qualifications of the committee members	99.30
Sub-committee meetings	98.84
Roles, duties, and responsibilities of the committee	98.98
Sub-committees Reporting	100

### The Committee assessment results.

The results of the performance assessment, conducted by the entire BOD for the year 2023, the average score 99.28%

#### • Sub-committees Individual Assessment

Assessment Topics	Score %
Individual Qualifications of the Board	93.75
Readiness to perform duties of the Board of Directors	97.61
Participation in Board Meetings	96.93
Duties and Responsibilities of the Board of Directors	98.37
Relationship with the Board of Directors and Management	100

### Sub-committees Individual Assessment Results

The results of the performance assessment, conducted by the entire BOD for the year 2023, the average score:97.35%

### Evaluation of the Chief Executive Officer (CEO)

Assessment Topics	Score %
Performance evaluation	97.22

### Results of the assessment of the Chief Executive Officer (CEO)

The results of the performance assessment, conducted by the entire BOD for the year 2023, the average score: 97.22%

- **Internal Control System Adequacy Assessment**

Companies should use assessments as guidelines to evaluate or review the adequacy of internal control systems at least once every year. There may additional reviews if there are incidents that may significantly affect company operations. Such assessments should also be considered by the audit committee and the board of directors in order to exchange opinions, establish common understanding, and determine the best guidelines for the company.

### Internal Control System Adequacy Assessment Results for the Year 2023

The board of directors has assessed the internal control system according to the guidelines of the Securities and Exchange Commission and concluded that the company has an efficient and appropriate control system. According to the assessment results for the year 2023, the average score was 100%

### Auditor's remuneration

For the year ended 31 December 2023 and 31 December 2022, the Company has paid audit fees to the auditor of Dharmniti Auditing Co., Ltd. as follows

(Unit: THB)

Details	Year 2023	Year 2022	Increase
(Audit Fee)	620,000.00*	560,000.00	60,000
Quarterly review of financial statements	450,000.00	420,000.00	30,000
(Non-Audit Fee)	-	-	
Total	1,070,000.00	980,000.00	90,000

### Control and Supervisory of Subsidiaries, Associate Companies and Joint Ventures

At present, the Company does not have investments in subsidiaries or associates. However, if the Company will invest in a subsidiary or an associate in the future, the Company has set policy on supervisory and management of subsidiaries, associate companies, and joint ventures to benefit and support the business operations and strengthen the Company's performance. The Company will consider the investment proportion, expected profit, risks that may occur and financial status of the company before investing in various projects. The investment approval must be considered from the Board of Directors' meeting and/or the Shareholders' meeting as specified in the authorization table for the operations and enter into transactions of the Company.

The Company will send its representative with qualifications and experience suitable for the business to

position as a director of each subsidiary, associated companies. The said representative may be the Chairman of the Board of Directors, (Managing Director / Chief Executive Officer) Director of the Company, High-level Executive or any person of the Company without conflict of interest with the business of those subsidiaries and associates. To oversee the business and operations of its subsidiaries and associates, the representative must manage the business of the subsidiaries and associates in accordance with the rules and regulations of subsidiaries and/or that associated company. The representative must also report the performance of subsidiaries and associated companies to the Board of Directors' meeting. In addition, the Company may consider sending a representative to be the director in subsidiaries and associated companies according to the shareholding proportion of the Company and/or according to the agreements between the shareholders of subsidiaries and associated companies.

In this regard, the Company will closely monitor the performance and the operations of the subsidiaries and associated companies including supervising the data collection and accounting records of subsidiaries and associated companies for the Company's inspection.

### Supervision on the use of Insider Information

The Company realizes the importance of the prevention of the use of insider information. The Company requires that directors, executives, and employees must not disclose confidential information of the Company that may have an impact on the price or value of the Company's securities ("Insider Information") to anyone outside of the Company or seek to benefit from for themselves or for others, whether directly or indirectly and whether or not they will be awarded. They must not trade securities or enter into future contracts related to the Company's securities by using internal information. In this regard, the Company has established guidelines to prevent the use of insider information as follows:

- 1) The Company provides knowledge to directors and executives concerning the duty to report the securities holdings of themselves, their spouses, their children who have not yet become sui juris and directors and executives who hold the Company's shares more than 30 percent of total number of voting rights to the Office of the Securities and Exchange Commission under Section 59 and penalties under Section 275 of the Securities and Exchange Act B.E. 2535, including reporting of acquisition or disposition of securities of themselves, their spouses, their children who have not yet become sui juris the Office of the Securities and Exchange Commission under Section 246 and the penalty under Section 298 of the Securities and Exchange Act.
- 2) The Company requires directors and executives including their spouses or their children who have not yet become sui juris to notify changes and report changes the Office of the Securities and Exchange Commission within the period in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 and relevant announcements, including submitting a copy of the report to the Company Secretary on the same day that the report is submitted to the Office of the Securities and Exchange Commission.
- 3) The Company requires that directors, executives, executives in accounting or financial positioning as assistant managing director or higher or equivalent to the said position and related employees who were informed of the substantial internal information which will affect the price of securities, must suspend the trading of the Company's securities prior to the distribution of the information regarding financial statements, financial status and the Company status which means the period of 30 days before and until the date of the company's financial statements and performance will be disclosed to the public both quarterly and annually and a period of 24 hours after the information has been disclosed to the public. In case of any violation of the said regulations, the Company will be considered a disciplinary offense according to the

regulations of the Company by considering the punishment as appropriate to the case from verbal warning, written warning, wage reduction, taking a leave without pay and termination of employment.

## Conflict of Interest Policy

The Company has established policies regarding the prevention of conflict of interest that any decision in conducting business activities must be for the best interest of the Company and its shareholders and should avoid actions that may cause conflict of interest. Any action that related persons receive benefits or loses benefits whether directly or indirectly from the transaction of the Company or subsidiaries must be notified their relationship or interest in the said transaction to the Company. In addition, related persons must not participate in approval consideration and have the authority to approve the transaction.

The Board of Directors (BOD) believes that the good corporate governance practice will be an important factor that results in the Company becoming a leading company with stable and sustainable growth. The BOD has considered, reviewed & improved the guidelines in accordance with good corporate governance to make it complete and updated, in line with the situation and current, divided into 5 sections as follows:

### Section 1 Shareholder's Rights

#### 1. Shareholder Meeting

The Board of Directors (BOD) realizes the importance of the shareholders' rights with the responsibility for managing the company with care and prudence, taking into account the rights and equality of the shareholders and maintaining the best interests of the shareholders. Each shareholder, whether an investor in securities, or a retail investor, or an institutional investor, and as one of the owners of the Company, is entitled to the followings:

##### 1.1 Basic rights

The right to buy, sell or transfer shares.

The right to attend shareholders' meetings.

The right to propose additional agenda items.

The right to receive dividends.

The right to nominate a director.

The right to vote on various agendas of the Company.

The right to vote to appoint and set remuneration for the Auditor.

The right to vote to elect, or to remove a director individually.

The right to give proxy to others to attend and vote in the meeting.

The right to express opinions and ask questions at the shareholders' meeting, and to send questions in advance.

The right to receive the Company's information and news sufficiently and timely.

Facilitating shareholders to fully exercise their rights to attend the meeting, and to vote

##### 1.2 Annual General Meeting (AGM)

The Board of Directors specifies the schedule of the annual general meeting (AGM) of shareholders to be within 4 months from the end of the Company's accounting year, including in case there is an urgent need to propose a special agenda that affects or relates to the interests of the shareholders, or regarding the applicable conditions or laws that require shareholders' approval.

In 2023, the Company held the shareholders' annual general meeting (AGM) 2023, which was conducted via electronic media (e-AGM) via DAP e-Shareholder meeting system, in only one format, provided by Digital Access Platform Co., Ltd. (DAP), an affiliate of the SET group, and in accordance with the standard specified by Electronic Transactions Development Agency (ETDA), under the Ministry of Digital Economy and Society. The meeting was held on April 27, 2023, start at 2.00 p.m. at the meeting room (2nd floor) of The Practical Solution Public Company Limited (TPS), 99 Soi Cement Thai, Ratchadapisek road, Lad Yao subdistrict, Chatuchak District, Bangkok 10900. The Company has distributed the DAP e-Shareholder Meeting manual as a supporting document for the shareholders' meeting and has made it available on the Company's website.

### **1.3 Dissemination of supporting information for the agenda**

To call the shareholders' meeting, the BOD has arranged the invitation letter specifying the venue, date, time, agenda and the matters to be proposed to the meeting, including details and reasons as appropriate. The agenda of the meeting will be stated clearly including the opinions of the BOD for each agenda.

These documents will be delivered to the shareholders and the registrar via registered mail no less than 21 days before the meeting date. These documents will be posted on the Company's website [www.thepractical.co.th](http://www.thepractical.co.th) and the notice will be advertised in the newspaper to invite shareholders for the meeting at least 3 days before the meeting date in accordance with the Company's regulations or as required by law.

### **1.4 Extraordinary General Meeting (EGM) of Shareholders**

The Company will call an extraordinary general meeting of shareholders on a case-by-case basis; or when the shareholders hold shares amounting to not less than one-fifth of the total number of shares sold; or shareholders of not less than 25 persons holding shares of not less than one-tenth of the total number of shares sold, may submit a letter requesting the BOD to call an EGM of shareholders at

any time. The reason for requesting such a shareholders' meeting must also be stated. In such a case, the BOD must hold a shareholders' meeting within one month from the date of receipt of the letter from the shareholders. For the BOD to make a resolution at such meeting, there must be the presence of no less than two-thirds of the total number of directors.

### **1.5 Facilitating the exercise of rights to shareholders and institutional investors**

The Company provided opportunities for shareholders to propose meeting agendas, nominate persons to be considered & elected as directors, and to send questions in advance at 2023, from January 17, 2023, until February 17, 2023, by informing via the website of The Stock Exchange of Thailand (SET) and the website of the Company. There were neither shareholders proposing agendas nor nominating qualified persons to be appointed as directors. There were no questions related to the meeting that was supposed to be submitted in advance.

### **1.6 Proxy**

In the event that a shareholder cannot attend the meeting by himself/herself, the Company provides an easy-to-fill proxy form that the shareholder can elect a director by oneself, or use an alternative by nominating an independent director or another person as shareholder proxy by using any proxy form that the Company has sent along with the

meeting invitation letter. In addition, the shareholders can download the proxy form via the Company's website. For shareholders who are institutional investors or foreign investors and have appointed a custodian in Thailand to be securities depository and account keeper, the Company has coordinated in terms of documents and evidences that must be identified before attending the meeting in advance, to ensure more convenient and faster registration process on the meeting day.

## **2. Procedure on the shareholders' meeting day**

The BOD, management team, corporate secretary, and auditors attended the meeting to answer questions from shareholders, with the Chairman of the BOD chairing the meeting.

The Chairman assigned the corporate secretary or assigned the MC to clarify the number of shareholders who were attending in person and the proxy forms and explained the shareholders' rights according to the regulations, the meeting agenda, questioning or sharing opinion process, the method of voting by ballot in each agenda one by one, and announcement of the results of the vote counting.

The Company has complied with the regulations of the Company in voting strictly, and no other agenda was added to those previously specified in the invitation letter to the Shareholders' meeting.

## **3. Preparation of meeting minutes and disclosure of the Shareholders' meeting resolutions**

The Company has notified the resolution of the shareholders' meeting to The Stock Exchange of Thailand and recorded the Shareholders' meeting every time with correct and complete contents, including details of the directors, executives, secretary and auditor attending the meeting, notification of scores for each agenda, inquiries, questions & answers, and important opinions, making it available for the shareholders to review & examine the information.

The Company has notified the minutes of the meeting to The Stock Exchange of Thailand within 14 days of the Shareholders' meeting, and has prepared the minutes of the AGM of Shareholders' meeting to be posted on the Company's website so that the shareholders and related persons can review examine. The Company arranged to have the following documents delivered to the listed companies' Registrar: Annual Report together with photocopy of the balance sheet and profit & loss statement already reviewed by the auditor and reviewed & approved by the shareholders' meeting, along with photocopy of the minutes of the shareholders' meeting related to the balance sheet approval, profit allocation and dividend payment. In addition, the Company also posted the minutes of the AGM of Shareholders' meeting on the Company's website: [www.thepractical.co.th](http://www.thepractical.co.th).

The Company has prepared voting cards for shareholders for every agenda. For the appointment of directors, the shareholders shall exercise their rights in appointing individual shareholders, by using the one share-one vote (OSOV) rule. The voting must be made openly.

The Chairman is in charge of the meeting and gives opportunities for shareholders to express their opinions and questions sufficiently & appropriately before having a resolution on that agenda, and arranges voting cards to be distributed to shareholders. When the shareholders have cast their votes, the vote counting will be organized and the voting results will be announced to the shareholders. The shareholders are welcome to apply for the duty of counting, observing, and verifying the accuracy of the votes in various agendas, which are carried out transparently and accurately. The Company has kept the ballots as evidence for later review.

In addition, the resolutions of the meeting were recorded inclusive of the number of affirmative, against, or abstain votes in each agenda, as well as recording inquiries, answering questions, and

expressing opinions of the meeting. Moreover, there is also a recording of the meeting in the form of a presentation document and a webcast: the 2023 Annual General Meeting of Shareholders

## Report of the Audit Committee for the year 2023

**Audit Committee** consists of

Full Name Position		Full Name Position
1.	Mr. Wuttichai Chartisaranuwat <sup>1</sup>	Chairman of the Audit Committee
2.	Mr. Anocha Wongrungrroj <sup>1</sup>	Audit Committee
3.	Mrs. Ratchanee Pattanalertphan <sup>1</sup>	Audit Committee

Remark : <sup>1</sup> Dependent Director

The Audit Committee performed the duties in accordance with the scope of duties and responsibilities assigned by the Board of Directors (BOD) to regulate and supervise the Company's operations to ensure that the Executive Committee and management have carried out such duties relating to stakeholders, with integrity and responsibility, and have managed the business in accordance with the Company's policies.

In 2023, the Audit Committee held 4 meetings with the management, the internal auditor, and the auditor in order to monitor the progress of the operations as recommended by the auditors. The Audit Committee has reported the results of their duties and recommendations to the Board of Directors/BOD quarterly. The essence of the performance can be summarized as follows:

1. Considered the quarterly and annual financial statements before presenting them to the Board of Directors' meetings. The Audit Committee has questioned and listened to the explanations from the management and the auditors concerning the accuracy and completeness of the financial statements as well as the adequacy of disclosure, events after the disclosure period, and accounting adjustments that have a significant impact on the financial statements to ensure that the financial statements were accurate in accordance with the regulations and standards of accounting principles and that the accounting system and financial statements are accurate and reliable. In addition, the financial statements must also be accurate and reliable, adequate, and timely for the benefit of the investors and the users of financial statements.
2. In reviewing the assessment of the internal control system, the Audit Committee reviewed and gave opinions on the internal audit report 2023, by discussing with the management, and/or reviewing the documents and the assessment form from the management. It can be concluded that after conducting the assessment of the Company's internal control system in various aspects: the internal control, risk assessment, operations control of information system, and data communication & tracking system, the Audit Committee viewed that the Company's internal control system is sufficient and appropriate, with suitable risk management for the business condition. The Company has provided sufficient personnel to implement the set system efficiently, was able to protect the Company's assets from misusing and unauthorized actions from the directors or executives including transactions with persons who may have a conflict of interest and related persons.
3. Placed importance on the consideration and approval process procedure of the transactions that may have a conflict of interest, in compliance with regulatory requirements and good corporate governance principles which are correct, reasonable with normal business conditions, and are of the best interest to the Company and stakeholders.
4. At each meeting, the Audit Committee reviewed and gave opinions regarding compliance with



the laws of the securities and stock exchange, the regulations of The Stock Exchange of Thailand, or other laws applicable to the Company's business. The results of the review of the Company's operations for the year 2023 showed no significant issues regarding non-compliance with the laws of the securities and stock exchange, the regulations of The Stock Exchange of Thailand, or other laws relevant to the Company's business.

5. The Audit Committee has considered the results of the 2023 internal audit performance of P&L Internal Audit Co., Ltd., serving as the Company's internal auditors, and viewed that such company was able to perform the auditing work with good results, with no significant indications of fraud or deficiencies in internal control found. Such a company is independent and has provided useful recommendations for internal control in order to govern the business and has proposed suitable audit compensation fees. It is therefore deemed appropriate to appoint P&L Internal Audit Co., Ltd. to act as the Company's internal auditor for the year 2023.
6. The Audit Committee has considered, selected, proposed the appointment, and proposed the remuneration of the Auditor for the year 2023 to be presented to the Board of Directors for approval from the Annual General Meeting of shareholders for the year 2023. The Audit Committee has considered the performance, independence, and appropriateness of the remuneration. It was deemed appropriate to propose to appoint Mr. Peeradech Phongsathiensak, Certified Public Accountant No. 4752, or Ms. Soraya Tintasuan, Certified Public Accountant No. 8658, or Ms. Sulalit Atsawang, or Ms. Thanyaporn Tangthanophachai Certified Public Accountant No. 9169 Certified Public Accountant No. 7517, on behalf of Dharmniti Auditing Co., Ltd., as the Company's Auditor for the year 2023 due to:
  - Having a good standard of work with expertise in auditing, and has performed very well continuously
  - Providing good advice and consultation on new accounting standards with clear details and having proposed the audit fee for the year 2023 in the amount of THB 1,070,000 (One million seventy thousand baht).
  - (Auditing office and the auditors listed above) Having no relationship or conflict of interest with the Company, the management, major shareholders, or those related to such persons. Therefore, they are independent in auditing and expressing opinions on the Company's financial statements.
7. The Audit Committee has performed its duties in accordance with the scope of authority specified for the role of the audit committee in accordance with the law on securities and exchange, and regulations of The Stock Exchange of Thailand.
8. Review the Audit Committee Charter To ensure that the contents of the charter It is consistent with the current regulations and laws. To present to the Company's Board of Directors for consideration.

The Audit Committee is of the opinion that the Company's operating results for the year ended December 31, 2023, have been performed under the proper internal control system and appropriate internal audit process. The financial reports are accurate, complete, and reliable. The risk management is suitable for the business conditions, and the practice is in compliance with the laws, rules, and regulations related to the Company's business. In addition, the information disclosure to regulatory institutions is accurate. The performance is in line with a good corporate governance system sufficiently, with transparency and reliability.

Wuttichai Chartisaranuwat  
(Mr. Wuttichai Chartisaranuwat)  
Chairman of the Audit Committee

## Performance Summary of the Nomination and Remuneration Committee for the Year 2023

The Nomination and Remuneration Committee consists of the following members

Full Name		Position
1. Mr. Anocha	Wongrungru <sup>1</sup>	Chairman of the Nomination and Remuneration Committee
2. Mr. Wuttichai	Chartisaranuwat <sup>1</sup>	Nomination and Compensation Member
3. Mr. Bunsom	Kitkasetsathaporn	Nomination and Compensation Member

Remark : <sup>1</sup> Independent director

The company's board of directors has appointed the nomination and remuneration committee (nomination committee) which consists of the company's directors. The committee consists of no less than 3 directors and most of the directors must be qualified as independent directors. The committee holds the responsibility to recruit qualified persons according to the processes and criteria set by the company, and candidates are nominated as subcommittee directors or the chief executive officer of the company. The committee also considers the form and criteria of remuneration for the company's directors, to be presented to the board of directors and the shareholder meeting as required by law.

In 2023, the nomination and remuneration committee has performed its duties under its charter and scope of authority. As assigned by the board of directors, 2 meetings were held. All directors in office attended every meeting in unison. The results of the meeting were reported together with comments and recommendations to the board of directors for further consideration. The matters considered in 2023 can be summarized as follows:

1. To select qualified persons to hold company directorial positions, to replace directors who retired during 2023, and to present their opinions to the board of directors' and shareholder meetings. Two directors nominated for re-election are Mr. Wuttichai Chartisaranuwat and Mrs. Jarunya Kitkasetsathaporn who possessed qualities in accordance to the regulations of the Stock Exchange of Thailand by taking into account the qualifications, experience, and knowledge that are deemed beneficial to the company
2. To consider rate settings and criteria for remuneration for directors, namely the board of directors, subcommittees, and the chief executive officer, in accordance with the relevant laws for approval at the annual general meeting of shareholders in 2023. From a survey of comparative data with leading companies in similar industries, it was found that the structure, criteria, and rate of remuneration for the company's director are still considered appropriate. As such, the committee proposed that compensation would remain in the same rates as 2022, which was approved in the 2023 annual general meeting of shareholders.
3. To evaluate the results of chief executive officer during 2023 as well as to evaluate the monthly remuneration rate and bonuses in order to present to the board of directors for consideration.
4. Consider extending the working period after retirement of executives to ensure continuous management.

5. Review the Nomination and Remuneration Committee Charter To ensure that the contents of the charter are consistent with the current regulations and laws. To present to the Company's Board of Directors for consideration.

The nomination and remuneration committee has operated in accordance to the plan as assigned by the board of directors by regularly reporting performance to the board of directors for acknowledgment along with adequately and appropriately adhering to the principles of good corporate governance for the benefit of the company and stakeholders.

Mr. Anocha Wongrungrroj

(Mr. Anocha Wongrungrroj)

Chairman of the Nomination and  
Remuneration Committee

## Performance Summary of the Risk Management Committee for the Year 2023

The Risk Management Committee consists of

Full Name		Position
1. Mrs. Ratchanee	Pattanalertphan <sup>1</sup>	Chairman of the Risk Management Committee
2. Mr. Matee	Witawasiri	Risk Management Director
3. Ms. Aumaporn	Sengsui	Risk Management Director

Remark : <sup>1</sup> Independent director

In 2023, the risk management committee has performed its duties under the charter and scope of authority. As assigned by the board of directors, 1 meetings were held. All members of the risk management committee in office attended all meetings in unison. The results of the meetings were reported together with comments and recommendations to the board of directors for further consideration. Matters considered during the meetings will be summarized below

### 1. Set Policies and Risk Management Plans

The risk management committee jointly reviewed the risk management framework and policy. The risk management plan for the year 2023 was then presented to the board of directors' for approval.

### 2. Supervise, manage, and monitor risk status and response to various aspects of risk

The risk management committee supervises, manages, and monitors the status of risks in accordance to the risk management plan. Presentations were given by the risk management team that consists of executives from all departments in order to find methods of prevention when risk assessment results are at levels that requires response. Risk meetings to assess and monitor risks are also held on a quarterly basis.

### 3. Risk Management Reporting

The risk management committee reported risk management results to the board of directors. The board will acknowledge and make decisions to mitigate the impact of risks if there are significant risks that can affect company operations.

#### **4. Promotion of Risk Management Culture**

The risk management committee encourages all departments to focus on risk management that is consistent with policy and the risk management plan. A risk management working group was appointed and consists of executives from all departments to present risks and guidelines for the response of such risks.

#### **5. Charter Review**

The risk management committee has reviewed the charter to ensure that the contents of the charter are consistent with the objectives assignment by the board of directors and the company's risk management strategies.

Conclusion In 2023 the Risk Management Committee has of the opinion, the Company has a risk management system that is effective enough to oversee the Company's major risks and is suitable for the Company's business operations and activities. Help support the management of the organization and business operations of the Company. This will result in the Company's business operations growing sustainably and steadily in accordance with the Company's goals.

The risk management committee has operated in accordance to the plan as assigned by the board of directors by regularly reporting performance to the board of directors for acknowledgment along with adequately and appropriately adhering to the principles of good corporate governance for the benefit of the company and stakeholders.

**Mrs. Ratchanee Pattanalertphan**

(Mrs. Ratchanee Pattanalertphan)

Chairman of the Risk Management Committee

# Internal Control and Related Transactions

## Project Risk Management

As the Company's revenues are mainly coming from project bidding, the Company confers serious attention on risks from project sales. Therefore, the Company has established a Risk Management Policy and Framework as a major part of business management. The Company also set up the Risk Committee to be responsible for evaluating the Company's risks including financial performance, project management, and technical from both internal and external factors in order to mitigate risks to an acceptable level and appropriate return.

## Internal Control

The Board of Directors and the executives are directly responsible for maintaining the internal control system including reviewing its efficiency on a regular basis in order to prevent the shareholders' investments and the Company's assets. The internal control system covers the areas of finance, operation, compliance, and risk management. The effectiveness of the internal control and risk management systems provide the Company a reasonable assurance that the following objectives and goals will be achieved:

- Reliability and integrity of information and financial reports
- Compliance with regulations, policies, procedures, and related laws
- Prevention of the Company's assets including proper control and maintain
- Efficiency, effectiveness business operation and maximize our resources
- Effective achievement of the Company's objectives and strategies

The summary of the key internal control systems implemented by the Company are as follows:

### 1. Organization & Control Environment

The Company has facilitated the appropriated organization chart and environment as a core internal control foundation. The Company has formulated business plans complete with vision, objectives, strategies, and budgets as well as determining evaluation criteria from the operation. It has continued to restructure the organization to align it with these business plans. The Company has implemented a good corporate governance system, hires qualified personnel, and continuously develops its human resources. It has established key policies and procedures to be used as guidelines in order to control transactions of financial, purchasing and risk management, etc.

### 2. Risk Assessment

All departments are required to evaluate the effectiveness of the business transaction's risks. The Risk Management Committee and the Audit Committee play major roles in overseeing the implementation of the Company's risk management system to an acceptable level.

### 3. Management Control

The Company has separated responsibilities over the various management duties and their segregation in order to ensure that there is a control system of checks and balances through the use of proper written authority and approval levels and limits. Guidelines for connected and related transactions have also been developed to ensure compliance with all relevant laws.

#### 4. Information & Communication

The Company has implemented a management information & Communication system to assist in decision making. Critical information and data are collected, analyzed, and stored in the Company's database. Two-way communications are both effective and efficient within the Company. At the Board of Directors level, information and supporting documentation are provided to all members in order to make more informed decision-making possible.

#### 5. Monitoring Activities

The Company's external auditors, Dharmniti Auditing Co., Ltd., were appointed as the audit of the 2022 financial statements of The Practical Solution Public Company Limited in accordance with the generally accepted accounting standards.

The Board of Directors has evaluated the Company's internal control system and has the opinion that the overall internal control system is adequate and appropriate, with the company providing sufficient personnel to implement the said system efficiently in accordance with the principles of good corporate governance and transparency. In addition, the Company also provides a monitoring system to protect the Company's assets from misusing and unauthorized action from the directors or executives. The Company also provides a monitoring system for transactions with related persons and conflict of interest persons to enable the efficient internal control system

The Company appointed P&L Internal Audit Co., Ltd., as the Company's internal audit. The internal audit department reports directly to the Audit Committee every quarter. Its duties and responsibilities include consulting, monitoring, and assessing the effectiveness of the Company's and its subsidiaries' internal control systems, risk management systems, and corporate governance to ensure that these are adequate and effective according to the Company's objectives.

The internal audit department has adopted a risk-based approach in formulating the annual audit plan which focuses on key business risks that might impact the Company's business objectives and the accuracy of financial reports. This plan is reviewed and approved by the Audit Committee on an annual basis and reviewed the audit results and progress reports on a quarterly basis. The internal audit of the Company proposed an internal audit plan for the year 2023 and has been approved by the Board of Directors at the Board of Directors Meeting No. 1/2023 on February 23, 2023, with the details of the internal audit plan as follows:

Quarter	Internal Audit	Audit Date	Propose to Audit Committee
1	Human Resource Control System	June 2023	August 2023
2	Revenue Control System	September 2023	November 2023
3	Expense Control System	January 2024	February 2024
4	Assess the sufficiency of the internal control system. (COSO)	January 2024	February 2024

The Audit Committee reviews and approves this annual audit plan and follows up on the results of internal audits quarterly. In addition, the Audit Committee has considered the qualifications of P&L International Audit Co., Ltd., and Miss Wanwimon Jeongsuriyaphas that the company and has the opinion that they have the appropriate educational background, training experience to perform the duties of the Company's internal auditors and have independence and fairness.

In the Board of Directors (BoD)'s meeting in 2023, the BoD assessed the internal control system in accordance with the guidelines of the Securities and Exchange Commission (SEC) and concluded that the Company has an effective internal control system that is sufficient and appropriate.

## Measures or Procedures for approving Inter-company Transactions

The Company will comply with the law regarding securities, stock exchange, regulations, announcements, orders or regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand; however, directors, executives or stakeholders will not be able to participate in approving such transactions.

In the event that the law requires approval from the Board of Directors' meeting. The Company will arrange an audit committee to attend the meeting in order to consider and give opinions on the necessity of the transaction and the reasonableness of such transactions. In this regard, entering into a trade agreement with general commercial terms and a general non-commercial trade agreement transaction shall be in accordance with the following principles

### **1. Trade Agreement Transaction with General Commercial Terms**

Inter-company transaction is a commercial agreement with general trade conditions between the Company and the directors, executives or related persons that are approved in principle by the Board of Directors such as buying / selling products, leasing, receiving guarantees by major shareholders and / or directors Inter-company transaction that will occur is attributed to the necessity of the Company's business operations and for the benefit of the Company, the management can approve such transactions. If the transaction has a commercial agreement in the same manner as a reasonable person would do with a common counterparty in the same situation, with trade bargaining power without influence in his or her status as a director, executive or a related person as well as with normal trading conditions or market prices under reasonable, it can be verifiable and non-transferable conditions

Thus, The Company will prepare a summary report of the aforementioned transactions to be reported at the Audit Committee Meeting and the Board of Directors' meeting every quarter.

### **2. Trade Agreement Transaction with Non-general Commercial Terms**

Inter-company transaction that is non-general trade term must be considered and reviewed by the Audit Committee before presenting to the Board of Directors and / or the shareholders' meeting for further approval. In this regard, will comply with the law on securities, stock exchange, regulations, announcements, orders or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the disclosure of information on the inter-company transaction.



In the event that the Audit Committee does not have expertise in considering any inter-company transactions that may occur. The Company will appoint an independent expert or an auditor of the Company to provides opinions on such inter-company transactions for decision-making manner by the Audit Committee and / or the Board of Directors and / or shareholders, as the case may be, to ensure that such transaction is necessary and reasonable, taking into account the interests of the Company. The Company, therefore, will disclose the inter-company transactions in the annual registration statement and the notes to the audited financial statements by the Company's auditor

### Policy on Conducting Inter-company Transactions in the Future

The potential future inter-company transactions will be considered only necessary and reasonable transactions that will benefit the Company, which must be passed through the Audit Committee and / or the Board of Directors with audit committees from the meeting to consider and give opinions on the reasons for entering the transaction in regards to price valuation and other conditions of the transaction in which the conditions must be specified in a manner that can be compared with the price incurred with a third party and at a fair and verifiable price, and the Audit Committee is assigned to consider it as per the rules and guidelines for making such transactions. In the event that the Audit Committee does not have expertise in considering possible inter-company transactions, the Company will allow an independent expert or the Company's auditor to give opinions on such connected transactions for decision-making manner by the Board of Directors or the shareholders' meeting according to each particular case. The Board of Directors must ensure that the Company complies with the laws on securities, exchange, regulations, announcements, orders or regulations of the Capital Market Supervisory Board and the Stock Exchange of Thailand, including compliance with the disclosure requirements in inter-company transactions of the Company or subsidiary companies in accordance with the accounting standards stipulated by the Federation of Accounting Professions for approval of such inter-company transactions. Those who may have a conflict of interest or have a stake in the transaction will not have the right to vote on approving such inter-company transaction. In this regard, the Company will disclose the inter-company transactions in the notes to the audited financial statements by the Company's auditors and the annual report and the Company's annual report.

### Future Trend of Inter-company Transactions

The Company expects that there will still be inter-company transactions with directors, major shareholders and persons who may have conflicts with the Company in the future, which are transactions that occur as necessary for the business operation, such as the following transactions

#### 1) General Business Transactions and General Business Support Transactions

Asset sales transaction to employees and management of the company is aligned with the employee and management welfare policy which is the set of conditions for the right to purchase for selling prices and discounts for each asset type of sales. The Company expects that in the future this type of transaction will continue to occur according to the Company's policy of welfare in this manner.

# Inter-Company Transaction

## 1. Relationship

As for the years 2022 and 2023, ended December 31, the Company has made transactions with persons who may have conflicts, including shareholders, directors, management, and/or related companies of the Company.

Individuals / Entities regarding Conflicts	Relationship
1. Mr. Bunsom Kitkasetsathaporn	<ul style="list-style-type: none"> <li>Positioned as the Director /Chief Executive Officer and shareholder of The Practical Solution Public Company Limited.</li> <li>Positioned as the Director and shareholder of Great Serve Company Limited.</li> <li>Positioned as the Director and shareholder of The Win Telecom Company Limited.</li> <li>Positioned as the Director and shareholder of X-Secure Company Limited.</li> <li>Positioned as the Director and shareholder of Applied Techne Company Limited.</li> </ul>
2. Mr. Matee Witawasiri	<ul style="list-style-type: none"> <li>Positioned as the Director /Executive Vice President of Operations and a shareholder of The Practical Solution Public Company Limited.</li> <li>Positioned as the Director and shareholder of Great Serve Company Limited.</li> </ul>
3. Ms. Aumaporn Sengsui	<ul style="list-style-type: none"> <li>Positioned as the Director /Executive Vice President, Sales, and a shareholder of The Practical Solution Public Company Limited.</li> <li>Positioned as the Director and shareholder of The Win Telecom Company Limited.</li> <li>Positioned as the Director and shareholder of Applied Techne Company Limited.</li> </ul>
4. Mr.Thongchai Subin	<ul style="list-style-type: none"> <li>Positioned as the Senior Vice President, Technical Support, and a shareholder of The Practical Solution Public Company Limited.</li> <li>Positioned as the Director and shareholder of X-Secure Company Limited.</li> </ul>
Great Serve Company Limited	A subsidiary company of The Practical Solution Public Company Limited holds 99.98% of shares and has Mr. Bunsom Kitkasetsathaporn and Mr. Matee Witawasiri are the joint directors holding shares in proportion of 0.01% equally for two persons.

Individuals / Entities regarding Conflicts	Relationship
7. The Win Telecom Company Limited	A joint venture of The Practical Solution Public Company Limited has entered a joint venture with So Security System Company Limited, both having the duties and responsibilities: The Practical Solution Public Company Limited holds 60%, and So Security System Company Limited holds 40%
8. X-Secure Company Limited	A subsidiary company of The Practical Solution Public Company Limited holds 60.00% of shares and has Mr. Bunsom Kitkasetsathaporn is a director holds 10.00% of shares and Mr. Thongchai Subin is a director holds 5.00% of shares
9. Applied Techne Company Limited	A subsidiary company of The Practical Solution Public Company Limited holds 65.00% of shares and has Mr. Bunsom Kitkasetsathaporn is a director holds 10.00% of shares and Ms. Aumaporn Sengsui Positioned is the Director holds 5.00% of shares

## 2 Value and Outstanding Balance of Transactions with Individuals and/or Legal Entities that may have Conflict

- List of providing/receiving Financial Assistance

Individuals / Entities regarding Conflicts	Inter-company Transaction	Guarantee Limit	Balance Debt	Guarantee Limit	Balance Debt	The necessity and reasonableness of the transaction
		31 December 2022	31 December 2022	31 December 2023	31 December 2023	
Mr. Bunsom Kitkasetsathaporn	Guarantees the company's car hire purchase contract with the financial institutions	THB 10.58 million	THB 3.75 million	THB 13.99 million	THB 4.12 million	<p>The Company has entered into a hire purchase contract for 12 cars for use in the Company's operations. Mr. Bunsom Kitkasetsathaporn has been a person who guaranteed such car hire purchase contract, as required by the financial institution, without charging any compensation for such transaction</p> <p>However, (in the future) when a new car hire purchase contract is made, the Company will try to negotiate with financial institutions by having a guarantee in the name of the Company instead.</p> <p><b>Opinion of the Audit Committee</b> The transaction was reasonable and beneficial to the company for the hire-purchase of assets to bring money can be used in the company operations.</p>
	Provide guarantees for hire-purchase of assets with leasing companies	-	-	THB 50.90 million	THB 35.36 million	<p>The company has made hire-purchase contracts for assets in order to secure working capital. Mr. Bunsom Kitkasetsathaporn was the guarantor of such hire-purchase contracts and the contracts were performed in accordance with the terms of the leasing company without compensation for such transactions.</p> <p>Nevertheless, The Practical Solution Public Company Limited has increased the loan policies to its subsidiaries in order to increase subsidiary liquidity in the future</p> <p><b>Opinion of the Audit Committee</b> The transaction was reasonable and beneficial to the company for the hire-purchase of assets to bring money can be used in the company operations.</p>
Mr. Matee Witawasiri	Guarantees the company's car hire purchase contract with the financial institutions	-	-	THB 1.92 million	THB 1.56 million	<p>The Company has entered into a hire purchase contract for 1 cars for use in the Company's operations. Mr. Bunsom Kitkasetsathaporn has been a person who guaranteed such car hire purchase contract, as required by the financial institution, without charging any compensation for such transaction</p> <p>However, (in the future) when a new car hire purchase contract is made, the Company will try to negotiate with financial institutions by having a guarantee in the name of the Company instead.</p> <p><b>Opinion of the Audit Committee</b> The transaction was reasonable and beneficial to the company for the hire-purchase of assets to bring money can be used in the company operations.</p>

- Normal Business Transactions

Individuals / Entities regarding Conflicts	Inter-company Transaction	Guarantee limit	Outstanding balance	The necessity and reasonableness of the transaction
		Year 2023	Dec 31, 2023	
The Win Telecom Company Limited	Loans	THB 58.00 million	THB 88.00 million	The Practical Solution Public Company Limited granted The Win Telecom Company Limited a loan. The Company entered into a short-term loan agreement with a loan interest rate of 2.5% and MLR-1.50% p.a. according to Kasikorn Bank's interest rate per annum. The loan complied with the company's approval and operational authority in accordance with regulations.
	Interest Income	2,231,836.22 THB	726,071.50 THB	
	Fee charges for Requesting the Use of the Guarantee Line	4,640,846.90 THB	2,043,257.47 THB	<p>Since Win Telecom Co., Ltd. has used the guarantee line of The Practical Solution Public Company Limited as collateral for project submission, both parties have recorded the transaction with one as receivables and the other as payables. Repayment will proceed in accordance to the predefined subsequent steps.</p> <p><b>Opinion of the Audit Committee</b> The transaction was reasonable. It was in the benefit of the company and complied with the company's approval authority and operating regulations.</p>
X-Secure Company Limited	Loans	300,000 THB	0.00 THB	The Practical Solution Public Company Limited granted X-Secure Company Limited a loan. The Company entered into a short-term loan agreement with a loan interest rate of 2.5% per annum. The loan complied with the company's approval and operational authority in accordance with regulations
	Interest Income	624,050.62 THB	0.00 THB	
	Fee charges for Requesting the Use of the Guarantee Line	3,297.23 THB	0.00 THB	The company has provided service under the category Installation & Service of ZOOM License to X-Secure Co. Ltd. Both parties have recorded the transaction with relevant parties noting the trade as receivables and payable. The deal then proceeded with full repayment.
	Service Income	776,543.61 THB	42,086.68 THB	The Company has sold and provided services to X-Secure Co., Ltd., both of which are recorded as accounts receivable and connected creditors by repayment will proceed with the proceedings.
	purchases of goods and services	1,190,587.28 THB	963,000.00 THB	<p>The Company bought and provided services to X-Secure Co., Ltd., both of which are recorded as accounts receivable and connected creditors by repayment will proceed with the proceedings.</p> <p><b>Opinion of the Audit Committee</b> The transaction was reasonable. It was in the benefit of the company and complied with the company's approval authority and operating regulations.</p>

- Asset Transaction

Individuals / Entities regarding Conflicts	Inter-company Transaction	Guarantee limit	Outstanding balance	The necessity and reasonableness of the transaction
		Year 2023	Dec 31, 2023	
Mr. Matee Witawasiri	The sale of assets of the company (vehicles) on June 21, 2023	1,412,647.98 THB	0.00 THB	<p>The company has considered selling expired assets to employees by following the asset management policy along with the employee and management welfare policy.</p> <p><b>Opinion of the Audit Committee</b> The transaction was reasonable. It was in the benefit of the company and complied with the company's approval authority and operating regulations.</p>

# The Board of Directors' Responsibility for the Financial Statements

The Board of Directors is responsible for the financial statements of The Practical Solution Public Company Limited including other related financial information which publish in the Annual Report. The financial statements are prepared in accordance with the generally accepted accounting principles that are appropriate in the circumstances and reasonableness of accounting estimates with careful consideration including transparent disclosures of important information in the notes to the financial statements which beneficial to shareholders and investors.

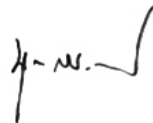
The Board of Directors established the appropriated risk management and internal control systems as well as evaluation to be efficient and up to standard and ensure that the Company's financial statements contain adequate and appropriated information in order to prevent any fraudulent activities or detect significantly abnormal operating. The Board of Directors appointed the Audit Committee to responsible for review of the accounting policy and quality of the Company's financial statements, internal control system, internal audit system, risk management system as well as consider any related transactions. The Audit Committee's opinion shall be provided in the Report of the Audit Committee which represented in this Annual Report.

The accompanying the consolidate financial statements and the separate financial statements of The Practical Solution Public Company Limited which comprise the statement of financial position as at 31 December 2023, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements were audited by an independent external auditor, Dharmniti Auditing Co., Ltd. The Board also responsible to prepare and disclose information to support the auditor to review and gave opinion in accordance with Thai Standards on Auditing. The auditor's opinion shall be provided in the Report of the independent external auditor which represented in this Annual Report.

In conclusion, the Board of Directors gave opinions that the internal control systems of the Company are appropriate and ensure that the Company's financial statements position as at 31 December 2023 of The Practical Solution Public Company Limited are accurate in accordance with the generally accepted accounting standards and the related regulations.



Mr. Anocha Wongrungrroj  
Chairman of the Board



Mr. Bunsom Kitkasetsathaporn  
Chief Executive Officer





## Part 3

# Financial Status and Performance Results





# Independent Auditor's Report

To The Shareholders and Board of Directors of  
The Practical Solution Public Company Limited

## Opinion

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of The Practical Solution Public Company Limited and its subsidiaries as at December 31, 2023, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of The Practical Solution Public Company Limited as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further describe in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the 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.

## Key Audit Matter

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

## The revenue from sales and services recognition

The Group has revenue from sales with computer network installation, full service communication system, wireless communication system, network security system, data center solution and network system management including revenue from rendering maintenance service related to such system for the year ended December 31, 2023 in the amount of Baht 1,132.40 million. The Company has

entered into numerous agreements and may have agreement that the Company is obligated to render additional service to the customer as included in the selling agreement with installation at the same time such as product warranty apart from regular warranty, preventive maintenance service, etc which cause the risk of valuation and period of revenue recognition. Therefore, I have stated that the revenue recognition from sales and service is a significant risk that requires special attention in the audit. The Group has disclosed the accounting policy and amount related to revenue recognition from sales and service in Notes 3.1 and 30, respectively.

Regarding my audit approach on such matter, I have understood the internal control system of revenue and related accounting transactions, tested the design and efficiency of the internal control related to the recognition of revenue and related accounting transactions especially the control of valuation and period of revenue recognition from sales and service. Furthermore, I sampled revenue transactions to test the details with the agreement or related documents to check the accuracy of the revenue recognition in accordance with the agreement and consistency with the accounting policy including cut-off revenue from sales and service before and after the end of the accounting period as well as performed analytical review. In addition, I have considered the appropriateness and adequacy of the information disclosure in the financial statements and notes to the financial statements.

### Other Information

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

Information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance in order for those charged with governance to correct the misstatement.

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

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

The engagement partner responsible for the audit resulting in this independent auditor's report is Mr. Peradate Pongsathiansak.



(Mr. Peradate Pongsathiansak)

Certified Public Accountant

Registration No. 4752

Dharmniti Auditing Company Limited  
Bangkok, Thailand  
February 22, 2024

# Financial Statement

Financial position and operation results during the past 3 years, the auditor for 2021-2023, the list of auditors for financial statements are as follows:

## Independent Auditor's Report

Independent auditor's reports reported the audited or reviewed the financial statements for the year 2021 - 2023 of the company can be summarized as follows:

Financial Statement	Auditor
Audited financial statement of the Company for the fiscal year ending December 31, 2021	Mr. Peradate Pongsathiansak CPA (Thailand) registration no. 4752 Dharmniti Auditing Co., Ltd.
Audited financial statement of the Company for the fiscal year ending December 31, 2022	Mr. Peradate Pongsathiansak CPA (Thailand) registration no. 4752 Dharmniti Auditing Co., Ltd.
Audited financial statement of the Company for the fiscal year ending December 31, 2023	Mr. Peradate Pongsathiansak CPA (Thailand) registration no. 4752 Dharmniti Auditing Co., Ltd.

- **Independent Auditor's Report of Financial Statement 2021**

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of The Practical Solution Public Company Limited and its subsidiaries as at December 31, 2021, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of The Practical Solution Public Company Limited as at December 31, 2021, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

- **Independent Auditor's Report of Financial Statement 2022**

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of The Practical Solution Public Company Limited and its subsidiaries as at December 31, 2022, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of The Practical Solution Public Company Limited as at December 31, 2022, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

- **Independent Auditor's Report of Financial Statement 2023**

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of The Practical Solution Public Company Limited and its subsidiaries as at December 31, 2023, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of The Practical Solution Public Company Limited as at December 31, 2023, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

		Baht			
		ASSETS			
		Consolidated financial statements		Separate financial statements	
	Notes	2023	2022	2023	2022
Current assets					
Cash and cash equivalents	5	56,170,925.68	47,592,400.68	42,589,496.41	30,875,890.53
Trade and other receivable	6	358,309,035.91	284,192,415.91	291,373,104.30	262,716,633.25
Current contract assets	7	157,286,432.60	75,059,561.12	114,609,239.45	42,094,323.75
Short-term loan to related companies	4	-	-	88,000,000.00	55,000,000.00
Current portion of finance lease receivables	8	62,095,193.26	50,148,642.75	61,464,449.22	49,819,482.24
Inventories	9	102,742,658.17	70,227,321.47	86,151,401.59	64,233,037.60
Other current assets		5,084,140.28	4,264,192.49	3,120,204.76	2,792,224.51
Total current assets		741,688,385.90	531,484,534.42	687,307,895.73	507,531,591.88
Non-current assets					
Restricted bank deposit	10	11,727,274.43	11,683,897.96	11,727,274.43	11,683,897.96
Investment in the joint operations	11	91,749.44	100,532.16	-	-
Investments in subsidiaries	12	-	-	17,823,400.00	5,599,800.00
Finance lease receivables	8	102,807,401.54	102,675,948.71	102,894,418.38	101,713,934.73
Property, plant and equipment	13	131,505,900.54	138,336,208.37	128,731,105.84	135,399,911.45
Right-of-use assets	14	36,211,216.09	27,748,240.98	29,914,551.79	23,150,872.30
Intangible assets	15	3,325,790.96	3,646,798.93	3,222,365.28	3,646,798.93
Deferred tax assets	16	4,870,936.57	1,982,634.25	2,519,441.74	293,763.49
Other non-current assets	17	66,337,123.67	72,420,312.69	65,634,055.60	67,274,631.47
Total non-current assets		356,877,393.24	358,594,574.05	362,466,613.06	348,763,610.33
TOTAL ASSETS		1,098,565,779.14	890,079,108.47	1,049,774,508.79	856,295,202.21

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

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2023

LIABILITIES AND SHAREHOLDERS' EQUITY

		Baht			
	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Current liabilities					
Short-term borrowing from financial institutions	19	-	40,000,000.00	-	40,000,000.00
Trade and other current payables	20	253,416,066.96	191,395,994.91	223,325,430.02	166,538,511.01
Other current liabilities	7	99,902,229.78	41,970,170.72	98,876,987.16	36,825,352.72
Current portion of liability under lease agreements	22	20,360,797.07	19,154,359.31	17,338,871.84	17,017,140.61
Income tax payable		11,038,034.89	6,647,437.91	11,038,034.89	6,647,437.91
Other current liabilities	21	10,757,389.16	5,718,085.16	8,178,335.12	4,524,441.72
Total current liabilities		395,474,517.86	304,886,048.01	358,757,659.03	271,552,883.97
Non-current liabilities					
Liability under lease agreements	22	35,364,742.87	44,744,270.69	33,446,818.26	42,239,108.20
Employee benefit obligations	23	30,424,020.14	27,069,976.74	29,598,173.59	26,543,925.47
Contract liabilities	7	70,878,024.41	59,199,119.64	68,733,984.33	57,014,840.44
Total non-current liabilities		136,666,787.42	131,013,367.07	131,778,976.18	125,797,874.11
<b>TOTAL LIABILITIES</b>		<b>532,141,305.28</b>	<b>435,899,415.08</b>	<b>490,536,635.21</b>	<b>397,350,758.08</b>
Shareholders' equity					
Share capital	24				
Authorised share capital					
453,592,051 ordinary shares of Baht 0.50 each		226,796,025.50		226,796,025.50	
419,999,840 ordinary shares of Baht 0.50 each			209,999,920.00		209,999,920.00
Issued and paid-up share capital					
354,707,302 ordinary shares of Baht 0.50 each		177,353,651.00		177,353,651.00	
335,999,872 ordinary shares of Baht 0.50 each			167,999,936.00		167,999,936.00
Premium on share capital		166,389,819.30	153,294,618.30	166,389,819.30	153,294,618.30
Share-based payment transactions		10,523,330.03	6,754,000.00	10,523,330.03	6,754,000.00
Retained earnings					
Appropriated					
Legal reserve	27	22,679,602.55	19,941,618.66	22,679,602.55	19,941,618.66
Unappropriated		184,854,654.82	106,643,316.81	184,464,157.70	110,954,271.17
Treasury stocks	26	(2,172,687.00)	-	(2,172,687.00)	-
Surplus on change in investment proportion in subsidiaries, net	12	(404,717.14)	(404,717.14)	-	-
Total attributable to company's shareholders		559,223,653.56	454,228,772.63	559,237,873.58	458,944,444.13
Non-controlling interests		7,200,820.30	(49,079.24)	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>566,424,473.86</b>	<b>454,179,693.39</b>	<b>559,237,873.58</b>	<b>458,944,444.13</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,098,565,779.14</b>	<b>890,079,108.47</b>	<b>1,049,774,508.79</b>	<b>856,295,202.21</b>

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



THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2023

		Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2023	2022	2023	2022
<b>Revenues</b>					
Revenues from sales and services	4	1,350,794,191.62	976,375,726.64	1,127,251,621.26	900,890,961.18
Interest income		8,693,843.56	6,182,308.29	10,655,747.53	6,576,530.35
Other income		3,322,094.22	4,298,951.30	3,842,321.04	4,242,644.58
Total revenues		1,362,810,129.40	986,856,986.23	1,141,749,689.83	911,710,136.11
<b>Expenses</b>					
Cost of sales and services		993,100,009.20	719,119,443.18	799,494,025.83	647,652,883.06
Selling expenses		53,556,670.34	39,633,554.85	52,954,632.37	38,969,654.85
Administrative expenses	4	163,350,550.04	134,121,027.76	146,844,098.94	126,671,099.19
Total expense		1,210,007,229.58	892,874,025.79	999,292,757.14	813,293,637.10
Profit from operating activities		152,802,899.82	93,982,960.44	142,456,932.69	98,416,499.01
Finance cost		1,722,441.25	1,366,904.35	1,642,332.21	1,260,219.81
Profit before income tax expense		151,080,458.57	92,616,056.09	140,814,600.48	97,156,279.20
Income tax expense	33	30,738,083.93	18,800,338.65	29,147,176.86	19,377,141.50
Profit for the year		120,342,374.64	73,815,717.44	111,667,423.62	77,779,137.70
<b>Other comprehensive income</b>					
Components of other comprehensive income that will not be reclassified to profit or loss					
Gains on re-measurements of defined benefit plans, net of tax	23	-	560,849.57	-	560,849.57
Other comprehensive income (expense) for the period, net of tax		-	560,849.57	-	560,849.57
Total comprehensive income for the year		120,342,374.64	74,376,567.01	111,667,423.62	78,339,987.27
<b>Profit (loss) attributable to:</b>					
Shareholders of the parent company		116,368,875.10	75,828,996.99	111,667,423.62	77,779,137.70
Non-controlling interests		3,973,499.54	(2,013,279.55)	-	-
		120,342,374.64	73,815,717.44	111,667,423.62	77,779,137.70
<b>Total other comprehensive income (loss) attributable to:</b>					
Shareholders of the parent company		116,368,875.10	76,389,846.56	111,667,423.62	78,339,987.27
Non-controlling interests		3,973,499.54	(2,013,279.55)	-	-
		120,342,374.64	74,376,567.01	111,667,423.62	78,339,987.27
<b>Earnings per share for profit attributable to the parent company</b>					
Basic earnings per share	34	0.33	0.22	0.32	0.23
Diluted earnings (loss) per share (Baht)		0.31	0.22	0.30	0.23

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

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Baht								
Consolidated financial statements								
		Attributable to owners of the parent company				Non-controlling interests		
		Retained earnings				Total		
		Share capital Issued and Paid-up	Premium on share capital	Surplus on Share-based Payment transactions	Appropriated Legal reserve	Unappropriated	Total	
Notes	Balance as at January 1, 2023	167,999,936.00	153,294,618.30	6,754,000.00	19,941,618.66	106,643,316.81	(49,079.24)	454,179,693.39
	Changes in shareholders' equity for the period							
	Capital increase from the exercise according to warrant	9,353,715.00	13,095,201.00	-	-	-	-	22,448,916.00
	Non-controlling interests from set up new subsidiaries	-	-	-	-	-	3,276,400.00	3,276,400.00
	Shares accumulation project for employees	-	-	3,769,330.03	-	-	-	1,596,643.03
	Legal reserve	-	-	-	2,737,983.89	(2,737,983.89)	-	-
	Dividend	-	-	-	-	(35,419,553.20)	-	(35,419,553.20)
	Profit for the period	-	-	-	-	116,368,875.10	3,973,499.54	120,342,374.64
	Comprehensive profit for the period	-	-	-	-	-	-	-
	Balance as at December 31, 2023	177,353,651.00	166,389,819.30	10,523,330.03	22,679,602.55	184,854,654.82	7,200,820.30	566,424,473.86
	Balance as at January 1, 2022	167,999,936.00	153,294,618.30	6,754,000.00	16,052,661.77	61,022,296.90	2,059,483.17	407,182,996.14
	Changes in shareholder's equity							
	Non-controlling interests in subsidiaries increasing from business acquisitions	-	-	-	-	-	(95,282.86)	(500,000.00)
	Legal reserve	-	-	-	3,888,956.89	(3,888,956.89)	-	-
	Dividend	-	-	-	-	(26,879,869.76)	-	(26,879,869.76)
	Profit for the period	-	-	-	-	75,828,996.99	(2,013,279.55)	73,815,717.44
	Comprehensive profit for the period	-	-	-	-	560,849.57	-	560,849.57
	Gains on re-measurements of defined benefit plans	-	-	-	-	106,643,316.81	(49,079.24)	454,179,693.39
	Balance as at December 31, 2022	167,999,936.00	153,294,618.30	6,754,000.00	19,941,618.66	106,643,316.81	(49,079.24)	454,179,693.39

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2023

		Baht					
		Separate financial statements					
	Notes	Share capital Issued and Paid-up	Premium on share capital	Surplus on Share-based Payment transactions	Retained earnings		Total
					Appropriated Legal reserve	Unappropriated	
Balance as at January 1, 2023		167,999,936.00	153,294,618.30	6,754,000.00	19,941,618.66	110,954,271.17	458,944,444.13
Capital increase from the exercise according to warrant	21	9,353,715.00	13,095,201.00	-	-	-	22,448,916.00
Shares accumulation project for employees		-	-	3,769,330.03	-	-	1,596,643.03
Legal reserve	26	-	-	-	2,737,983.89	(2,737,983.89)	-
Dividend	27	-	-	-	-	(35,419,553.20)	(35,419,553.20)
Profit for the period		-	-	-	-	111,667,423.62	111,667,423.62
Comprehensive profit for the period		-	-	-	-	-	-
Balance as at December 31, 2023		177,353,651.00	166,389,819.30	10,523,330.03	22,679,602.55	184,464,157.70	559,237,873.58
Balance as at January 1, 2022		167,999,936.00	153,294,618.30	6,754,000.00	16,052,661.77	63,383,110.55	407,484,326.62
Legal reserve	26	-	-	-	3,888,956.89	(3,888,956.89)	-
Dividend	27	-	-	-	-	(26,879,869.76)	(26,879,869.76)
Profit for the period		-	-	-	-	77,779,137.70	77,779,137.70
Comprehensive profit for the period		-	-	-	-	-	-
Gains on re-measurements of defined benefit plans		-	-	-	-	560,849.57	560,849.57
Balance as at December 31, 2022		167,999,936.00	153,294,618.30	6,754,000.00	19,941,618.66	110,954,271.17	458,944,444.13

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

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>				
Profit for the period	120,342,374.64	73,815,717.44	111,667,423.62	77,779,137.70
Reconciliations of profit for the period to net cash provided by (used in) operating activities				
Depreciation	16,005,117.36	14,362,269.93	13,929,115.46	12,760,649.07
Amortization of intangible assets	429,317.97	100,906.05	424,433.65	100,906.05
Allowance for doubtful debt (reversal)	2,378,482.58	(5,252,457.32)	1,037,577.69	(5,252,457.32)
Provision of allowance for decline in value of inventories (reversal)	(11,276.52)	(11,564.31)	(11,276.52)	(11,564.31)
Gain on disposal of property plant and equipment	(114,986.26)	(327,559.76)	(114,986.26)	(327,559.76)
Gain on disposal of right-of-use assets	(130,497.08)	-	(35,641.85)	-
Employee benefits expenses	3,715,643.40	5,835,791.16	3,415,848.12	5,533,168.74
Paid by share-based	3,769,330.03	-	3,769,330.03	-
Shares of expenses in common operation	8,782.72	15,529.65	-	-
Interest income	(8,693,843.56)	(6,182,308.29)	(10,655,747.53)	(6,576,530.35)
Finance costs	1,722,441.25	1,366,904.35	1,642,332.21	1,260,219.81
Income tax expense	30,738,083.93	18,800,338.65	29,147,176.86	19,377,141.50
Profit from operating before changes in operating assets and liabilities	170,158,970.46	102,523,567.55	154,215,585.48	104,643,111.13
(Increase) decrease in operating assets				
Trade and other accounts receivable	(76,096,192.50)	(142,653,202.46)	(28,600,693.00)	(122,948,044.43)
Contract assets	(82,343,539.63)	(49,030,054.20)	(72,599,958.01)	(19,188,708.11)
Finance lease receivables	(12,360,245.27)	(40,944,563.49)	(13,107,692.56)	(39,653,389.00)
Inventories	(32,504,060.18)	58,481,284.17	(21,907,087.47)	64,475,568.04
Other current assets	(819,947.79)	(2,131,431.66)	(327,980.25)	(990,718.95)
Other non-current assets	6,083,189.02	(38,034,298.80)	1,640,575.87	(35,156,744.65)
Increase (decrease) in operating liabilities				
Trade and other payables	62,020,072.05	(13,697,232.44)	56,786,919.01	(36,252,608.74)
Contract liabilities	57,932,059.06	(5,721,518.53)	62,051,634.44	(10,866,336.53)
Other current liabilities	5,039,304.00	1,337,673.02	3,653,893.40	171,332.08
Non-Contract liabilities	11,678,904.77	(15,568,509.29)	11,719,143.89	(15,631,349.68)
Cash generated (paid) from operating	108,788,513.99	(145,438,286.13)	153,524,340.80	(111,397,888.84)
Interest received	8,693,843.56	6,182,308.29	9,929,676.03	6,576,530.35
Income tax paid	(29,235,789.27)	(12,401,510.95)	(26,982,258.13)	(12,401,510.95)
Employee benefits obligations paid	(361,600.00)	(1,326,600.00)	(361,600.00)	(1,326,600.00)
Net cash provided by (used in) operating activities	87,884,968.28	(152,984,088.79)	136,110,158.70	(118,549,469.44)
Notes to the financial statements form an integral part of these statements				

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
STATEMENT OF CASH FLOWS (CONT.)  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>				
Bank deposit liable to guarantee (increase) decrease	(43,376.47)	9,769,587.02	(43,376.47)	9,769,587.02
Cash paid for the capital increase in the subsidiaries	-	-	(12,223,600.00)	-
Cash paid to purchase investments	-	-	-	-
Cash paid to purchase subsidiary from non controlling interests	-	(500,000.00)	-	(500,000.00)
Cash payments to acquire property, plant and equipment	(3,254,530.07)	(9,018,981.41)	(2,802,653.84)	(5,850,166.23)
Cash payments to intangible assets	(108,310.00)	(3,300,000.00)	-	(3,300,000.00)
Cash payments to right-of-use assets	(5,091,301.05)	-	(4,307,100.00)	-
Cash received from sale of equipment	1,813,457.73	1,296,584.12	1,813,457.73	1,296,584.12
Cash received from sale of right-of-use assets	1,472,834.88	-	1,472,834.88	-
Cash paid to short-term to related companines	-	-	(58,300,000.00)	(55,000,000.00)
Cash received to short-term to related companines	-	-	25,300,000.00	-
Net cash provided by (used in) investing activities	(5,211,224.98)	(1,752,810.27)	(49,090,437.70)	(53,583,995.09)
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>				
Cash paid to purchase treasury stocks	(2,172,687.00)	-	(2,172,687.00)	-
Cash received from the loan under the lease agreement	-	54,955,190.00	-	54,955,190.00
Cash payments for liabilities under lease agreements	(20,505,852.85)	(12,681,838.11)	(18,520,458.71)	(11,553,822.39)
Cash received from the company's capital increase from non-controlling interests	3,276,400.00	-	-	-
Cash received from the financial institution loan	-	40,000,000.00	-	40,000,000.00
Cash payments from borrowing from financial institutions	(40,000,000.00)	-	(40,000,000.00)	-
Cash received from the use of warrant	22,448,916.00	-	22,448,916.00	-
Account payable-director	-	(1,500,000.00)	-	-
Dividend paid	(35,419,553.20)	(26,879,869.76)	(35,419,553.20)	(26,879,869.76)
Interest paid	(1,722,441.25)	(1,366,904.35)	(1,642,332.21)	(1,260,219.81)
Net cash provided by (used in) financing activities	(74,095,218.30)	52,526,577.78	(75,306,115.12)	55,261,278.04
Increase (decrease) in cash and cash equivalent, net	8,578,525.00	(102,210,321.28)	11,713,605.88	(116,872,186.49)
Cash and cash equivalent, at the beginning of the period	47,592,400.68	149,802,721.96	30,875,890.53	147,748,077.02
Cash and cash equivalent, at the end of the period	56,170,925.68	47,592,400.68	42,589,496.41	30,875,890.53
<b>Supplemental disclosure for cash flows information :</b>				
Purchase of asset under financial lease agreements	15,397,650.00	11,288,746.91	10,049,900.00	5,518,350.00

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

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**1. GENERAL INFORMATION**

**(a) Legal status and address**

The Company was registered to be a limited Company on May 20, 2004. According to the Meeting of Shareholders No. 1/2019 held on June 28, 2019, the shareholders approved to register the Company's status to be a change into public company limited. The Company had registered to be a public company limited with Department of Business Development on July 9, 2019 and registered with the Market for Alternative Investment (MAI) on November 15, 2019.

The registered address of the Company, 99 Cement Thai Alley, Lat Yao, Chatuchak, Bangkok, Thailand.

For reporting purposes, the Company and its subsidiaries are referred to as the Group.

**(b) Nature of the Company's business**

The main business of the Group is engaged in the distribution and installation of computer network systems, fully integrated communication system, wireless communication system, network security system, data centre solution and management system and network system management including to provide maintenance services related to such systems, survey and installation of telecommunication lines, sale and installation, maintenance of rail systems and all machineries.

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

**2.1 Basis for preparation of the financial statements**

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with the financial reporting standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543. The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company.

The financial statements in English language have been translated from such financial statements in Thai language.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2023

2.2 Basis of preparation of the consolidated financial statements

- a) The consolidated financial statements include the financial statements of The Practical Solution Public Company Limited and subsidiaries as follows :

			Percentage of holding % of share capital	
Companies	Type of Business	Head office	2023	2022
<u>Subsidiaries directly held by the Company</u>				
Great Serve Co., Ltd.	Distribution and installation of computer network systems	Bangkok	99.98	99.98
The Win Telecom Co., Ltd.	Survey and installation of telecommunication lines	Bangkok	56.00	56.00
X-Secure Co., Ltd.	Distribution and services Information system security	Bangkok	60.00	60.00
Applied Techne Co., Ltd.	To provide consulting, sales, installation, maintenance of rail systems and all machineries	Bangkok	65.00	-

The percentage of total assets and total revenues of the subsidiaries included in the consolidated financial statements are as follows:

	Percentage of total assets included in consolidated statements of financial position		Percentage of total revenues included in consolidated statements of comprehensive income for the year	
	2023	2022	2023	2022
	<u>Subsidiaries directly held by the Company</u>			
Great Serve Co., Ltd.	0.72	0.28	0.03	0.03
The Win Telecom Co., Ltd.	13.11	9.73	16.03	7.51
X-Secure Co., Ltd.	1.61	2.36	0.43	1.85
Applied Techne Co., Ltd.	0.11	-	-	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) These consolidated financial statements are prepared by including the financial statements of its subsidiaries under control by The Practical Solution Public Company Limited after eliminating inter-company transactions between The Practical Solution Public Company Limited and its subsidiaries. Investment in the subsidiaries and the shareholders' equity of the subsidiaries has been eliminated from the consolidated financial statements.



THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

- e) Accounting policy for subsidiary company will utilize the same policy as the parent company.
- f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately from the portion of owners of the parent.

2.3 Financial reporting standards that became effective in the current period

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards, which are effective for fiscal years beginning on or after January 1, 2023. This revision is for the financial reporting standards to be clearer and more appropriate and to conform with international financial reporting standards. Such revision does not affect the principles of the standards and does not affect the users of the financial reporting standards.

The adoption of these financial reporting standards does not have any significant impact on the financial statements in the current period.

2.4 Financial reporting standards that will become effective in the future

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

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

3. SIGNIFICATION ACCOUNTING POLICIES

3.1 Recognition of revenues and expenses

**Revenue from sale of goods**

Revenue from sale of goods is recognized at the point in time when control of the asset is

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2023

Revenue from sales of goods that are conditional on installation and inspection is recognised at the point in time when control of the asset is transferred to the customer, generally upon the buyer accepting the goods, when installation is complete and the goods have passed inspection.

Revenue is stated at the amount of the consideration received or expected to be received, excluding value added tax, of goods supplied after deducting returns and discounts.

For sale with warranties to assure that the goods comply with agree-upon specifications, the Company recognized the warranty as provisions, contingent liabilities and contingent assets.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agree-upon specifications is recognized as revenue over the period in which the service is provided.

**Revenue from rendering of services**

Revenue from providing maintenance service is recognized over time when services have been rendered considering the straight-line method over the term of the contracts.

Revenue from project development services is recognized over time in accordance with the measuring progress towards complete satisfaction of a performance obligation, based on the costs incurred to the satisfaction of a performance obligation relative to the total expected costs to the satisfaction of that performance obligation. In some circumstances, the Company may not be able to reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation. In those circumstances, the Company shall recognize revenue only to the extent of costs incurred until such time that it can reasonably measure the outcome of the performance obligation

The recognized revenue which is not yet due per the contracts has been presented as “Accrued service income / Unbilled receivables” in the statement of financial position, which is classified as contract assets. When the Company is entitled to receive without condition such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or service to a customer for which the Company has received the consideration or an amount of consideration is due from the customer is presented as “Deferred revenue” in the statement of financial position, which is classified short-term agreement as current contract liabilities and long-term agreement as other non-current contract liabilities. Deferred revenue will be recognized as revenue when the Company has completely performed the obligation stated in the contract.

Revenue from providing other service is recognized when the services are rendered.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

**Interest income and other income**

Interest income is recognized over the period of time in consideration by the accrual basis.

Other income is recognized on the accrual basis

**Expenses**

Other expenses are recognized on an accrual basis.

**3.2 Cash and cash equivalents**

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

**3.3 Trade receivables**

Trade receivables are recognized initially at the amount of consideration that is unconditional less allowance for expected credit losses unless they contain significant financing components, when they are recognized at its present value.

The allowance for expected credit losses is disclosed in Note 3.7

**3.4 Contract assets/Contract liabilities**

**Contract assets**

A contract asset is the right that will receive compensation in exchange for services the Group has already transferred to the customer. Allowance for impairment loss is provided for the estimated losses that may be incurred in customer collection. Contract assets are transferred to receivables when the rights become unconditional.

**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.

**3.5 Investments**

**Investments in subsidiaries**

Subsidiaries are those companies in which the Company has the power to control the financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights.

In the separate financial statements, investments in subsidiaries are stated at net cost net from allowance on impairment (if any). Loss on impairment of investment will be recognized as loss for the period in the statement of comprehensive income.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2023

3.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined on the specific method.

The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present condition.

The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties, transportation charges and other direct costs incurred in acquiring the inventories less all trade discounts, allowances or rebates.

The net realisable value of inventory is estimated from the selling price in the ordinary course of business less the estimated costs to complete the sale.

An allowance for decline in value of inventories is provided for all deteriorated, damaged, obsolete and slow-moving inventories.

3.7 Financial instrument

Classification and measurement of financial assets

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

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

The initial recognition of financial assets that are not measured at fair value through profit or loss with fair value plus or deduct transaction cost directly related to the acquisition or issuance. Financial assets that are measured at fair value through profit or loss, transaction costs are recognized as expense in profit or loss.

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

- Financial assets measured at amortized cost when financial assets are held to receive cash flow under the agreement and condition of the agreement of the financial assets that generate cash flow to pay the principal and interest from the principal balance on the specified date only. Such financial assets have to be calculated using the effective

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
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rate and are subject to impairment assessment. Profit or loss arising from derecognized, modified or impaired will be recognized in profit or loss.

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

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

#### **Classification and valuation of financial liabilities**

The Group are recognized initially of financial liabilities at fair value net of transaction costs and classified as financial liabilities as financial liabilities subsequently measured at amortized cost using the effective rate. The amortized cost is calculated taking into account fees or costs that are an integral part of the effective rate. Amortization by the effective rate is presented as part of financial costs in profit or loss.

#### **Derivative**

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

**THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2023**

**Derecognition of financial instruments**

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

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

**Impairment of financial assets**

Expected credit loss for financial assets measured at amortized cost or debt instrument financial asset measured at fair value through other comprehensive income and assets arising from credit facility obligation and financial guarantee agreement are assessed without having to wait for the credit event to occur first. The Group use the general approach in considering the allowance for loss on impairment. For trade receivables, the Group apply a simplified approach in calculating ECLs. The Group recognize a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

**Offset of financial instruments**

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

**3.8 Property, plant and equipment / Depreciation**

Land is stated at cost.

Plant and equipment are stated at cost less accumulated depreciation and impairment loss (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets in the condition ready to serve the objectives, including the costs of asset demolition, removal and restoration of the asset location, which are the obligations of the company (if any).

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
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Allowance for impairment loss of assets will be recorded when there is any event or circumstance indicating that the recoverable values of these assets are less than their carrying values.

Expenditure incurred in addition, renewal or betterment are recorded add in involve fixed asset, if it is certainly probable that the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Repair and maintenance costs are recognized as an expense when incurred.

Depreciation is calculated by cost less residual value on the straight-line basis over the following estimated useful life:-

Type of assets	Estimated useful lives (years)
Land improvement	5 - 10
Building	40
Building improvement	5 - 20
Office equipment	3 - 5
Office furniture and fixture	5
Vehicles	5

The Group has regularly reviewed the residual value and useful life of the assets.

The depreciation for each asset component is calculated on the separate component when each component has significant cost compared to the total cost of that asset.

Depreciation is included in determining income.

No depreciation is provided on land, construction in progress and asset under installation.

Property, plant and equipment are written off at disposal. Gains or losses arising from the sale or write-off of assets are recognized in the statement of income.

### 3.9 Borrowing costs

Borrowing costs directly attributed to the acquisition or construction of an asset that necessarily takes long time to put in ready to use or available for sale state are capitalised as part of the cost of the respective asset until that asset condition is ready for its intended use. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs arising from such borrowing.



THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2023

3.10 Intangible asset / Amortization

Intangible assets are stated at cost less accumulated amortization and allowance on impairment (if any). Intangible assets are amortized in the statement of income on a straight-line basis over their estimated useful life from the date that they are available for use. The estimated useful life is as follows:

Type of assets	Estimated useful lives (years)
Software	5 - 10

3.11 Impairment of assets

As at the statement of financial position date, the Group assesses whether there is an indication of asset impairment. If any such indication exists, the Company will make an estimate of the asset's recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income. In addition, impairment loss is reversed if there is a subsequent increase in the recoverable amount. The reversal shall not exceed the carrying value that would have been determined net of accumulated depreciation or amortization. The recoverable amount of the asset is the asset's value in use or fair value less costs to sell.

3.12 Trade accounts payable and other payable

Trade and other accounts payable are stated at cost.

3.13 Provisions

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.14 Employee benefits

Short-term employment benefits

The Group recognizes salary, wage, bonus and contributions to social security fund and provident fund as expenses when incurred.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
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Post-employment benefits (Defined contribution plans)

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

Post-employment benefits (Defined benefit plans)

The Group has obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees will be recognized immediately in other comprehensive income as a part of retained earnings.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

3.15 Share-based payment

The fair value of the shares as at grant date to the management and employees is recognized as employee expense along with the increase in shareholder's equity throughout the period that employee is able to access the rights without restriction. The amount recognized is expense to be adjusted to reflect the rights to purchase shares under the term of service that is not the term of equity market.

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
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3.16 Leases

At inception of a contract, the Group and its subsidiaries assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group and its subsidiaries assess the lease term for the non-cancellable period as stipulated in the lease contract or the remaining period of active leases together with any period covered by an option to extend the lease if it is reasonably certain to be exercised or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised by considering the effect of changes in technology and/or the other circumstance relating to the extension of the lease term.

**Right-of-use assets-as a lessee**

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

The cost of right-of-use assets also includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are calculated by reference to their costs on a straight-line basis over the lease term and the estimated useful lives for each type of right-of-use assets.

**Lease liabilities**

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

In calculating the present value of lease payments, the Group and its subsidiaries use its incremental borrowing rate, which is determined by referring to the government bond yield adjusted with risk premium depending on the lease term, at the lease commencement date if the

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interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of the interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

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

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

3.17 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Group records income tax expense, (if any), based on the amount currently payable under the Revenue Code at the income tax rates 20% of profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or disallowable from income tax calculation.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Group will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

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Deferred tax assets and liabilities are measured at the tax rates that the Group expects to benefit from the deferred tax assets when they are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Group will no longer have the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income taxes levied by the same tax authority on the same taxable entity.

3.18 Earnings per share

Basic earnings per share is calculated by dividing profit for the year by the weighted average number of ordinary shares in issue during the year.

3.19 Foreign currency transactions

Transactions in foreign currencies throughout the years are recorded in Baht at the prevailing Bank of Thailand rates at the transaction dates. Outstanding monetary assets and liabilities denominated in foreign currencies at the statement of financial position dates are translated into Baht at the prevailing rates at those dates. Gain or loss arising from translation are credited or charged against current operations.

3.20 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

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

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3.21 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 amounts reported in the financial statements 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

In determining an allowance for expected credit losses of trade receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for declining in value of inventory

The determination of allowance for declining in the value of inventory requires management to make judgements and estimates of the loss expected to occur. The allowance for decline in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense.

The provision for obsolete slow-moving and deteriorated inventory is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as expense under cost of sales in profit or loss.

Property, plant, Right-of-use assets and equipment/Depreciation

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

In addition, the management is required to review property, plant, Right-of-use assets and equipment for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized 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 utilized. Significant management judgement is required

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to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated 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.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any period covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The management is required to use judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease, considering all relevant factors that create an economic incentive to exercise either the renewal or termination. After the commencement date, the Group reassessed the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

4. RELATED PARTIES TRANSACTION

The Group has certain transaction with its related parties, such transactions comply with commercial terms and based on the agreed upon between the Company and related parties as an ordinary course of business.

The nature of relationship with related parties can be summarized as follows:

Name of related parties	Nature of relationship
<u>Related persons</u>	
Director and key management personnel	Persons having authority and responsibility of management
<u>Related entities</u>	
Great Serve Co., Ltd.	Subsidiary
The Win Telecom Co., Ltd.	Subsidiary
X-Secure Co., Ltd.	Subsidiary
Applied Techne Co., Ltd.	Subsidiary
RPCA Joint Venture	Joint Venture
TPS-TCSS Joint Venture	Joint Venture



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Pricing policy for transaction with related parties as follows:

Type of business	Pricing policy
Sale of assets	Market price less discount 30 percent
Management benefit expenses	As approved by the director and shareholder
Revenues from sales	The price is followed with the price basis charged to general customers
Interest income	Earned interest at the rate of 2.5% and MLR - 1.5%

As at December 31, 2023 and 2022 the Group has balance with the related parties were consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at December	As at December	As at December	As at December
	31, 2023	31, 2022	31, 2023	31, 2022
Short - term loans from related Companies				
Subsidiary				
Balance beginning	-	-	55,000,000.00	-
Additional loans	-	-	58,300,000.00	55,000,000.00
Return loans	-	-	(25,300,000.00)	-
Balance forward	-	-	88,000,000.00	55,000,000.00

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at December	As at December	As at December	As at December
	31, 2023	31, 2022	31, 2023	31, 2022
Short - term loans from related parties				
Director				
Balance beginning	-	1,500,000.00	-	-
Additional loans	-	-	-	-
Loan repayment	-	(1,500,000.00)	-	-
Balance forward	-	-	-	-
Trade Receivable				
Subsidiary	-	-	42,086.68	-
Other receivable				
Subsidiary	-	-	2,043,257.47	97,566.65
Finance lease receivables				
Subsidiary	-	-	11,583,687.69	15,648,003.09
Contract liabilities				

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During the year 2023, the Company had the loan to subsidiary with 6 - 19 months period and charged the interest rate at MLR - 1.5% per annum according to the interest rate of a commercial bank.

Revenue and expense transactions with related parties for the year ended December 31, 2023 and 2022 were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Revenues from sales				
Subsidiary	-	-	1,132,695.30	15,953,315.47
Joint Venture	81,335.98	279,009.85	203,339.95	58,495.05
Other income				
Subsidiary	-	-	4,340,321.61	674,030.38
Interest income				
Subsidiary	-	-	2,855,886.84	-
Other expense				
Subsidiary	-	-	1,112,698.39	-
Management benefit expenses				
Short-term employee benefits	58,570,625.12	51,606,917.32	52,973,000.12	45,168,517.32
Post-term employee benefits	1,355,417.57	1,264,263.98	1,205,845.55	1,264,263.98
	<u>59,926,042.69</u>	<u>52,871,181.30</u>	<u>54,178,845.67</u>	<u>46,432,781.30</u>

**MANAGEMENT BENEFIT EXPENSES**

Management benefit expenses represents the benefits paid to the Group's management and directors such as salaries, related benefit and directors' remuneration, including the benefit paid by other means. The Company's management is the persons who are defined under the Securities and Exchange Act. The management is comprised managing director or the managements who have the top position at the management level from the four lists following by the managing director level.

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Cash on hand	95,000.00	95,000.00	60,000.00	60,000.00
Cash at banks - current accounts	736,437.81	107,662.77	646,393.46	42,922.77
Cash at banks - savings accounts	55,338,337.03	47,388,593.60	41,881,952.11	30,771,823.45
Cash at banks - fixed deposits	1,150.84	1,144.31	1,150.84	1,144.31
Total	<u>56,170,925.68</u>	<u>47,592,400.68</u>	<u>42,589,496.41</u>	<u>30,875,890.53</u>

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6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade accounts receivable	204,119,192.01	224,135,075.24	162,825,410.13	207,563,873.07
<u>Less</u> Allowance for the expected credit loss	(2,184,024.23)	(204,451.73)	(874,745.18)	(204,451.73)
Total	201,935,167.78	223,930,623.51	161,950,664.95	207,359,421.34
Other current receivable	156,373,868.13	60,261,792.40	129,422,439.35	55,357,211.91
Total	358,309,035.91	284,192,415.91	291,373,104.30	262,716,633.25

Trade accounts receivable classified by age of account:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Not due	99,160,137.13	174,453,237.13	89,655,103.99	174,196,413.31
Over 1 days to 90 days	72,156,121.06	49,332,804.11	59,244,036.14	33,018,425.76
Over 91 days to 180 days	32,717,333.82	263,434.00	13,840,670.00	263,434.00
Over 181 days to 360 days	-	-	-	-
Over 361 days	85,600.00	85,600.00	85,600.00	85,600.00
Total	204,119,192.01	224,135,075.24	162,825,410.13	207,563,873.07

Trade accounts receivables over 90 days are the government agencies receivables that are in the process of disbursement according of the budget considered to have normal payment periods of such agencies.

Other current receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Prepaid expenses	55,340,611.30	45,516,379.72	54,007,055.89	45,511,670.36
Deposit	82,797,380.50	4,619,516.77	63,461,547.50	2,134,627.77
Others	18,235,876.33	10,125,895.91	11,953,835.96	7,710,913.78
Total	156,373,868.13	60,261,792.40	129,422,439.35	55,357,211.91

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7. Contract assets / Contract liabilities

Contract assets / Contract liabilities consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current contract assets				
Accrued income	158,022,180.75	75,678,641.12	115,313,361.76	42,713,403.75
<u>Less</u> Allowance for the expected credit loss	(735,748.15)	(619,080.00)	(704,122.31)	(619,080.00)
Total	<u>157,286,432.60</u>	<u>75,059,561.12</u>	<u>114,609,239.45</u>	<u>42,094,323.75</u>
According to the expected period to be paid.				
Over 1 days to 90 days	134,409,486.56	68,257,411.25	113,460,987.51	39,157,602.01
Over 91 days to 180 days	22,933,330.01	6,802,149.87	1,173,010.07	2,936,721.74
Over 181 days to 360 days	60,284.18	-	60,284.18	-
Over 361 days	<u>619,080.00</u>	<u>619,080.00</u>	<u>619,080.00</u>	<u>619,080.00</u>
Total contract assets	<u>158,022,180.75</u>	<u>75,678,641.12</u>	<u>115,313,361.76</u>	<u>42,713,403.75</u>
	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Contract liabilities - current				
Short-term deferred revenue	<u>99,902,229.78</u>	<u>41,970,170.72</u>	<u>98,876,987.16</u>	<u>36,825,352.72</u>
Contract liabilities - non current				
Long-term deferred revenue	68,807,563.72	58,629,404.76	68,733,984.33	57,014,840.44
Deposit	<u>2,070,460.69</u>	<u>569,714.88</u>	<u>-</u>	<u>-</u>
Total	<u>70,878,024.41</u>	<u>59,199,119.64</u>	<u>68,733,984.33</u>	<u>57,014,840.44</u>
Total contract liabilities	<u>170,780,254.19</u>	<u>101,169,290.36</u>	<u>167,610,971.49</u>	<u>93,840,193.16</u>

8. FINANCE LEASE RECEIVABLES

Finance lease receivables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Finance lease receivables	183,997,020.74	171,185,019.45	183,248,130.90	169,484,401.39
<u>Less</u> Deferred interest	(14,383,258.42)	(13,931,502.40)	(14,178,095.78)	(13,522,058.83)
Net	169,613,762.32	157,253,517.05	169,070,035.12	155,962,342.56
<u>Less</u> Current Portion	(62,095,193.26)	(50,148,642.75)	(61,464,449.22)	(49,819,482.24)
Finance lease receivables - net	107,518,569.06	107,104,874.30	107,605,585.90	106,142,860.32
<u>Less</u> Allowance for the expected credit loss	(4,711,167.52)	(4,428,925.59)	(4,711,167.52)	(4,428,925.59)
Net	<u>102,807,401.54</u>	<u>102,675,948.71</u>	<u>102,894,418.38</u>	<u>101,713,934.73</u>

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The minimum lease payments and present value of minimum lease payments which the receivable will be paid under the financial lease agreements as at December 31, 2023 and 2022 were as follows:

	Baht			
	Consolidated financial statements			
	2023		2022	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Collection period				
Within 1 year	69,276,649.55	62,095,193.26	56,807,251.74	50,148,642.75
Over 1 year but less than 5 years	114,720,371.19	107,518,569.06	114,377,767.71	107,104,874.30
Total	183,997,020.74	169,613,762.32	171,185,019.45	157,253,517.05
<u>Less</u> Deferred interest	(14,383,258.42)	-	(13,931,502.40)	-
Net	169,613,762.32	169,613,762.32	157,253,517.05	157,253,517.05

	Baht			
	Separate financial statements			
	2023		2022	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Collection period				
Within 1 year	68,484,843.53	61,464,449.22	56,240,379.05	49,819,482.24
Over 1 year but less than 5 years	114,763,287.37	107,605,585.90	113,244,022.34	106,142,860.32
Total	183,248,130.90	169,070,035.12	169,484,401.39	155,962,342.56
<u>Less</u> Deferred interest	(14,178,095.78)	-	(13,522,058.83)	-
Net	169,070,035.12	169,070,035.12	155,962,342.56	155,962,342.56

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9. INVENTORIES

Inventories consisted of :-

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at December	As at December	As at December	As at December
	31, 2023	31, 2022	31, 2023	31, 2022
Work in process	62,934,498.42	40,949,867.71	62,934,498.42	40,919,171.57
Material for project work	39,820,124.43	29,300,694.96	23,228,867.85	23,337,107.23
Total	102,754,622.85	70,250,562.67	86,163,366.27	64,256,278.80
<u>Less</u> allowance for decline in value of inventories	(11,964.68)	(23,241.20)	(11,964.68)	(23,241.20)
Net	102,742,658.17	70,227,321.47	86,151,401.59	64,233,037.60

	Baht	
	Consolidated financial statements/ Separate financial	
	statements	
	2023	2022
Decline in value of inventory recognized as		
cost of goods sold for the year	11,276.52	-
Reversal of decline in value of inventory		
for the year	-	11,564.31

10. RESTRICTED BANK DEPOSIT

As at December 31, 2023 and 2022, the Company had fixed deposits, 6 and 12 months in the amount of Baht 11.73 million and Baht 11.68 million, respectively which are used for pledge against the letter of guarantee from a local bank (see note 18).

11. INVESTMENTS IN JOINT OPERATIONS

RPCA Joint Venture

On March 22, 2021, the Company entered into RPCA joint venture agreement that was the joint operation agreement with a company on behalf of RPCA joint venture. It was to join the bidding in the procurement of durable goods and equipment for the police vocational training center in the procurement project of durable goods and equipment for the police vocational training center and the law enforcement.

Share of joint operating expenses as follows:

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Name	Baht	
	2023	2022
RPCA Joint Venture	91,749.44	100,532.16
Total	91,749.44	100,532.16

12. INVESTMENTS IN SUBSIDIARY

Investments in subsidiary consisted of the Company's ordinary shares as follows:

Name	Nature of business	Paid-up share capital (Baht)		Investment ratio (%)		Separate financial statements Cost method (Baht)	
		2023	2022	2023	2022	2023	2022
Great Serve Co., Ltd.	Distribution and installation of computer network systems	8,000,000	1,000,000	99.98	99.98	7,998,400.00	999,800.00
The Win Telecom Co., Ltd.	Survey and installation of telecommunication lines	5,000,000	5,000,000	56.00	56.00	2,800,000.00	2,800,000.00
X-Secure Co., Ltd.	Distribution and services Information system security	9,000,000	3,000,000	60.00	60.00	5,400,000.00	1,800,000.00
Applied Techne Co., Ltd.	To provide consulting, sales, installation, maintenance of rail systems and all machineries	2,500,000	-	65.00	-	1,625,000.00	-
						17,823,400.00	5,599,800.00

According to the Board of Directors' Meeting of the Company No. 3/2023 dated April 3, 2023, it had a resolution to purchase the newly issued ordinary shares of Great Serve Co., Ltd. for 70,000 shares amounted Baht 7,000,000.00 and purchase the newly issued ordinary shares of X-Secure Co., Ltd. for 36,000 shares amounted Baht 3,600,000.00. The Company had fully paid the shares fee in both companies.

According to the Minutes of the Company's Board of Directors' meeting No. 5/2023 on July 19, 2023, it had a resolution to establish Applied Techne Company Limited in order to provide consulting, sales, installation, maintenance of rail systems and all machineries with a registered capital of Baht 10,000,000. The company had registered the establishment of the company on August 4, 2023. The Company held 65 percent of shares in such company.



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Surplus (Deficit) on change in investment proportion in subsidiaries

	Baht
	Consolidated
	financial statements
Fair value of the consideration paid for purchases of investment in subsidiary	500,000.00
<u>Less</u> : Non-controlling interests of subsidiary adjusted	(95,282.86)
Deficit on change in investment proportion in subsidiaries	404,717.14

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consisted of:

	Baht			
	Consolidated financial statements			
	Balance per book	Movement during the year		Balance per book
	Dec. 31, 2022	Addition	Deduction	Dec. 31, 2023
<u>At cost</u>				
Land	42,221,830.00	-	-	42,221,830.00
Land improvement	4,786,656.64	-	-	4,786,656.64
Building	67,466,147.55	-	-	67,466,147.55
Building improvement	20,638,350.25	-	-	20,638,350.25
Office equipment	23,275,915.36	2,615,876.80	(107,550.28)	25,784,241.88
Office furniture and fixture	7,910,290.14	638,653.27	(68,657.35)	8,480,286.06
Vehicles	10,550,803.74	-	(4,220,682.24)	9,393,850.47
Machine	2,500,374.00	-	-	2,500,374.00
Total	179,350,367.68	3,254,530.07	(4,396,889.87)	181,271,736.85
<u>Accumulated depreciation</u>				
Land improvement	1,911,366.76	638,664.85	-	2,550,031.61
Building	5,198,590.14	1,686,653.69	-	6,885,243.83
Building improvement	5,591,117.91	2,005,090.26	-	7,596,208.17
Office equipment	15,244,625.18	3,324,790.96	(100,165.98)	18,469,250.16
Office furniture and fixture	4,632,523.22	1,421,957.76	(50,570.18)	6,003,910.80
Vehicles	8,133,129.76	254,888.34	(2,547,682.24)	7,618,310.60
Machine	302,806.34	340,074.80	-	642,881.14
Total	41,014,159.31	9,672,120.66	(2,698,418.40)	49,765,836.31
Property, plant and equipment, net	138,336,208.37			131,505,900.54

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

Baht					
Separate financial statements					
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2022	Addition	Deduction	Transfer	Dec. 31, 2023
<u>At cost</u>					
Land	42,221,830.00	-	-	-	42,221,830.00
Land improvement	4,786,656.64	-	-	-	4,786,656.64
Building	67,466,147.55	-	-	-	67,466,147.55
Building improvement	20,638,350.25	-	-	-	20,638,350.25
Office equipment	22,852,008.60	2,237,573.28	(107,550.28)	-	24,982,031.60
Office furniture and fixture	7,443,940.29	565,080.56	(68,657.35)	-	7,940,363.50
Vehicles	10,550,803.74	-	(4,220,682.24)	3,063,728.97	9,393,850.47
Total	175,959,737.07	2,802,653.84	(4,396,889.87)	3,063,728.97	177,429,230.01
<u>Accumulated depreciation</u>					
Land improvement	1,911,366.76	638,664.85	-	-	2,550,031.61
Building	5,198,590.14	1,686,653.69	-	-	6,885,243.83
Building improvement	5,591,117.91	2,005,090.26	-	-	7,596,208.17
Office equipment	15,128,995.25	3,150,984.07	(100,165.98)	-	18,179,813.34
Office furniture and fixture	4,596,625.80	1,322,461.00	(50,570.18)	-	5,868,516.62
Vehicles	8,133,129.76	254,888.34	(2,547,682.24)	1,777,974.74	7,618,310.60
Total	40,559,825.62	9,058,742.21	(2,698,418.40)	1,777,974.74	48,698,124.17
Property, plant and equipment, net	135,399,911.45				128,731,105.84

Baht					
Consolidated financial statements					
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2021	Addition	Deduction	Transfer	Dec. 31, 2022
<u>At cost</u>					
Land	42,221,830.00	-	-	-	42,221,830.00
Land improvement	4,786,656.64	-	-	-	4,786,656.64
Building	67,466,147.55	-	-	-	67,466,147.55
Building improvement	20,155,235.25	483,115.00	-	-	20,638,350.25
Office equipment	21,335,241.89	1,497,782.14	(9,090.00)	451,981.33	23,275,915.36
Office furniture and fixture	7,276,143.16	659,078.94	(24,931.96)	-	7,910,290.14
Vehicles	12,790,775.70	-	(3,198,971.96)	959,000.00	10,550,803.74
Machine	-	2,500,374.00	-	-	2,500,374.00
Works in progress	-	451,981.33	-	(451,981.33)	-
Total	176,032,030.19	5,592,331.41	(3,232,993.92)	959,000.00	179,350,367.68

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2023

Baht					
Consolidated financial statements					
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2021	Addition	Deduction	Transfer	Dec. 31, 2022
<u>Accumulated depreciation</u>					
Land improvement	1,272,701.91	638,664.85	-	-	1,911,366.76
Building	3,511,936.45	1,686,653.69	-	-	5,198,590.14
Building improvement	3,656,316.58	1,934,801.33	-	-	5,591,117.91
Office equipment	12,046,608.50	3,205,131.18	(7,114.50)	-	15,244,625.18
Office furniture and fixture	3,330,502.73	1,325,904.59	(23,884.10)	-	4,632,523.22
Vehicles	9,328,798.03	573,868.19	(2,232,970.96)	463,434.50	8,133,129.76
Machine	-	302,806.34	-	-	302,806.34
Total	33,146,864.20	9,667,830.17	(2,263,969.56)	463,434.50	41,014,159.31
Property, plant and equipment, net	142,885,165.99				138,336,208.37

Baht					
Separate financial statements					
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2021	Addition	Deduction	Transfer	Dec. 31, 2022
<u>At cost</u>					
Land	42,221,830.00	-	-	-	42,221,830.00
Land improvement	4,786,656.64	-	-	-	4,786,656.64
Building	67,466,147.55	-	-	-	67,466,147.55
Building improvement	20,155,235.25	483,115.00	-	-	20,638,350.25
Office equipment	21,123,178.34	1,285,938.93	(9,090.00)	451,981.33	22,852,008.60
Office furniture and fixture	7,266,391.28	202,480.97	(24,931.96)	-	7,443,940.29
Vehicles	12,790,775.70	-	(3,198,971.96)	959,000.00	10,550,803.74
Works in progress	-	451,981.33	-	(451,981.33)	-
Total	175,810,214.76	2,423,516.23	(3,232,993.92)	959,000.00	175,959,737.07
<u>Accumulated depreciation</u>					
Land improvement	1,272,701.91	638,664.85	-	-	1,911,366.76
Building	3,511,936.45	1,686,653.69	-	-	5,198,590.14
Building improvement	3,656,316.58	1,934,801.33	-	-	5,591,117.91
Office equipment	12,021,381.94	3,114,727.81	(7,114.50)	-	15,128,995.25
Office furniture and fixture	3,329,988.23	1,290,521.67	(23,884.10)	-	4,596,625.80
Vehicles	9,328,798.03	573,868.19	(2,232,970.96)	463,434.50	8,133,129.76
Total	33,121,123.14	9,239,237.54	(2,263,969.56)	463,434.50	40,559,825.62
Property, plant and equipment, net	142,689,091.62				135,399,911.45

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Depreciation for the year	9,672,120.66	9,667,830.17	9,058,742.21	9,239,237.54
Gain (loss) on sales and write-off of equipment				
for the year	131,131.96	327,559.76	131,131.96	327,559.76

As at December 31, 2023 and 2022, equipment which was fully depreciated but is still in use had its gross carrying amount before depreciation in the amount of Baht 13.42 million and Baht 13.51 million, respectively.

As at December 31, 2023 and 2022, the land was mortgaged as collateral for credit facilities from bank (Note 18).

#### 14. RIGHT-OF-USE ASSETS

Movements of the right-of-use assets account during the year ended December 31, 202 are summarized below.

	Baht				
	Consolidated financial statements				
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2022	Addition	Deduction	Transfer	Dec. 31, 2023
<u>At cost</u>					
Land	4,306,256.69	2,065,418.35	(4,306,256.69)	-	2,065,418.35
Office buildings and equipment	1,464,140.22	-	(198,388.45)	-	1,265,751.77
Vehicles	31,422,859.81	18,423,532.70	(2,722,000.00)	(3,063,728.97)	44,060,663.54
Total	37,193,256.72	20,488,951.05	(7,226,645.14)	(3,063,728.97)	47,391,833.66
<u>Accumulated depreciation</u>					
Land	956,945.92	650,591.16	(1,435,418.88)	-	172,118.20
Office buildings and equipment	216,082.31	674,206.87	(99,194.28)	-	791,094.90
Vehicles	8,271,987.51	5,008,198.67	(1,284,806.97)	(1,777,974.74)	10,217,404.47
Total	9,445,015.74	6,332,996.70	(2,819,420.13)	(1,777,974.74)	11,180,617.57
Property, plant and equipment, net	27,748,240.98				36,211,216.09

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2023

Baht					
Separate financial statements					
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2022	Addition	Deduction	Transfer	Dec. 31, 2023
<u>At cost</u>					
Vehicles	31,422,859.81	14,357,000.00	(2,722,000.00)	(3,063,728.97)	39,994,130.84
Total	31,422,859.81	14,357,000.00	(2,722,000.00)	(3,063,728.97)	39,994,130.84
<u>Accumulated depreciation</u>					
Vehicles	8,271,987.51	4,870,373.25	(1,284,806.97)	(1,777,974.74)	10,079,579.05
Total	8,271,987.51	4,870,373.25	(1,284,806.97)	(1,777,974.74)	10,079,579.05
Property, plant and equipment, net	23,150,872.30				29,914,551.79
Baht					
Consolidated financial statements					
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2021	Addition	Deduction	Transfer	Dec. 31, 2022
<u>At cost</u>					
Land	-	4,306,256.69	-	-	4,306,256.69
Building	-	198,388.45	-	-	198,388.45
Office equipment	-	1,265,751.77	-	-	1,265,751.77
Vehicles	23,436,859.81	8,945,000.00	-	(959,000.00)	31,422,859.81
Total	23,436,859.81	14,715,396.91	-	(959,000.00)	37,193,256.72
<u>Accumulated depreciation</u>					
Land	-	956,945.92	-	-	956,945.92
Building	-	57,863.33	-	-	57,863.33
Office equipment	-	158,218.98	-	-	158,218.98
Vehicles	5,214,010.48	3,521,411.53	-	(463,434.50)	8,271,987.51
Total	5,214,010.48	4,694,439.76	-	(463,434.50)	9,445,015.74
Property, plant and equipment, net	18,222,849.33				27,748,240.98
Baht					
Separate financial statements					
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2021	Addition	Deduction	Transfer	Dec. 31, 2022
<u>At cost</u>					
Vehicles	23,436,859.81	8,945,000.00	-	(959,000.00)	31,422,859.81
Total	23,436,859.81	8,945,000.00	-	(959,000.00)	31,422,859.81
<u>Accumulated depreciation</u>					
Vehicles	5,214,010.48	3,521,411.53	-	(463,434.50)	8,271,987.51
Total	5,214,010.48	3,521,411.53	-	(463,434.50)	8,271,987.51
Property, plant and equipment, net	18,222,849.33				23,150,872.30

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
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DECEMBER 31, 2023

15. INTANGIBLE ASSETS

Intangible assets consisted of:

Baht					
Consolidated financial statements					
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2022	Addition	Deduction	Transfer	Dec. 31, 2023
Software license	846,623.00	108,310.00	-	3,300,000.00	4,254,933.00
Software license during installation	3,300,000.00	-	-	(3,300,000.00)	-
<u>Less</u> accumulated amortization	(499,824.07)	(429,317.97)	-	-	(929,142.04)
Intangible assets, net	<u>3,646,798.93</u>				<u>3,325,790.96</u>

Baht					
Separate financial statements					
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2022	Addition	Deduction	Transfer	Dec. 31, 2023
Software license	846,623.00	-	-	3,300,000.00	4,146,623.00
Software license during installation	3,300,000.00	-	-	(3,300,000.00)	-
<u>Less</u> accumulated amortization	(499,824.07)	(424,433.65)	-	-	(924,257.72)
Intangible assets, net	<u>3,646,798.93</u>				<u>3,222,365.28</u>

Baht					
Consolidated financial statements/Separate financial statements					
	Balance per book	Movement during the year			Balance per book
	Dec. 31, 2021	Addition	Deduction		Dec. 31, 2022
Software license	846,623.00	-	-		846,623.00
Software license during installation	-	3,300,000.00	-		3,300,000.00
<u>Less</u> accumulated amortization	(398,918.02)	(100,906.05)	-		(499,824.07)
Intangible assets, net	<u>447,704.98</u>				<u>3,646,798.93</u>

Baht					
Consolidated financial statements			Separate financial statements		
	2023	2022		2023	2022
Amortization for the period	<u>429,317.97</u>	<u>100,906.05</u>		<u>424,433.65</u>	<u>100,906.05</u>

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2023

16. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Deferred tax assets and deferred tax liabilities as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at December	As at December	As at December	As at December
	31, 2023	31, 2022	31, 2023	31, 2022
Deferred tax assets	4,870,936.57	1,982,634.25	2,519,441.74	293,763.49
Deferred tax liabilities	-	-	-	-
Deferred tax assets (liabilities) - net	<u>4,870,936.57</u>	<u>1,982,634.25</u>	<u>2,519,441.74</u>	<u>293,763.49</u>

Changes in deferred tax assets and liabilities for the year ended December 31, 2023 were summarized as follows:

	Baht			
	Consolidated financial statements			
	Balance as at	Income (expenses) during		Balance as at
	December	the period		December
	31, 2022	In profit or loss	In other	31, 2023
			comprehensive	
			income	
Deferred tax assets :				
Allowance for the expected loss	645,309.21	610,757.27	-	1,256,066.48
Allowance for declining in value				
of inventories	4,648.24	(2,255.30)	-	2,392.94
Liability under lease agreement	675,325.89	(198,342.95)	-	476,982.94
Employees benefit obligations	5,413,995.34	670,808.69	-	6,084,804.03
Taxable loss carried forward	1,990,870.73	(76,117.72)	-	1,914,753.01
Total	8,730,149.41	1,004,849.99	-	9,734,999.40
Deferred tax liabilities :				
Receivable under lease agreement	(6,747,515.16)	1,883,452.33	-	(4,864,062.83)
Total	(6,747,515.16)	1,883,452.33	-	(4,864,062.83)
Deferred tax assets (liabilities), net	1,982,634.25	2,888,302.32	-	4,870,936.57



THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2023

	Baht			
	Separate financial statements			
	Balance as at	Income (expenses) during		Balance as at
	December	the period		December
	31, 2022	In profit or loss	In other	31, 2023
			comprehensive	
			income	
Deferred tax assets :				
Allowance for the expected loss	645,309.21	342,576.29	-	987,885.50
Allowance for declining in value				
of inventories	4,648.24	(2,255.30)	-	2,392.94
Employees benefit obligations	5,308,785.09	610,849.63	-	5,919,634.72
Total	5,958,742.54	951,170.62	-	6,909,913.16
Deferred tax liabilities :				
Receivable under lease agreement	(5,664,979.05)	1,274,507.63	-	(4,390,471.42)
Total	(5,664,979.05)	1,274,507.63	-	(4,390,471.42)
Deferred tax assets (liabilities), net	293,763.49	2,225,678.25	-	2,519,441.74

	Baht			
	Consolidated financial statements			
	Balance as at	Income (expenses) during		Balance as at
	December	the period		December
	31, 2021	In profit or loss	In other comprehensive income	31, 2022
Deferred tax assets :				
Allowance for the expected loss	424,178.77	221,130.44	-	645,309.21
Allowance for declining in value of inventories	6,961.10	(2,312.86)	-	4,648.24
Liability under lease agreement	-	675,325.89	-	675,325.89
Employees benefit obligations	4,652,369.51	901,838.22	(140,212.39)	5,413,995.34
Taxable loss carried forward	1,067,382.14	923,488.59	-	1,990,870.73
Total	6,150,891.52	2,719,470.28	(140,212.39)	8,730,149.41
Deferred tax liabilities :				
Receivable under lease agreement	(4,276,655.09)	(2,470,860.07)	-	(6,747,515.16)
Total	(4,276,655.09)	(2,470,860.07)	-	(6,747,515.16)
Deferred tax assets (liabilities), net	1,874,236.43	248,610.21	(140,212.39)	1,982,634.25

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NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2023

	Baht			
	Separate financial statements			
	Balance as at	Income (expenses) during		Balance as at
	December	the period		December
	31, 2021	In profit or loss	In other comprehensive income	31, 2022
Deferred tax assets :				
Allowance for the expected loss	424,178.77	221,130.44	-	645,309.21
Allowance for declining in value of inventories	6,961.10	(2,312.86)	-	4,648.24
Employees benefit obligations	4,607,683.74	841,313.74	(140,212.39)	5,308,785.09
Total	5,038,823.61	1,060,131.32	(140,212.39)	5,958,742.54
Deferred tax liabilities :				
Receivable under lease agreement	(4,276,655.09)	(1,388,323.96)	-	(5,664,979.05)
Total	(4,276,655.09)	(1,388,323.96)	-	(5,664,979.05)
Deferred tax assets (liabilities), net	762,168.52	(328,192.64)	(140,212.39)	293,763.49

17. OTHER NON-CURRENT ASSETS

Other non-current assets of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	As at December	As at December	As at December	As at December
	31, 2023	31, 2022	31, 2023	31, 2022
Prepaid expenses	64,674,532.11	68,659,919.09	65,546,755.60	67,163,831.47
Others	1,662,591.56	3,760,393.60	87,300.00	110,800.00
Total	66,337,123.67	72,420,312.69	65,634,055.60	67,274,631.47

18. CREDIT FACILITIES FROM FINANCIAL INSTITUTIONS

As at December 31, 2023 and 2022, the Company had credit facilities with 2 local commercial banks under the total credit facilities of Baht 306 million and Baht 306 million, respectively, as follows:

Types of credit limit	Interest rate (% per annum)	Million Baht	
		2023	2022
(1) Bank overdrafts	MOR,FDR+1.05	11	11
(2) Short-term loans	MLR - 1.50	65	65
(3) Letter of guarantee	1.25 - 1.75	230	230
Total		306	306

As at December 31, 2023 and 2022, the credit facilities were secured by the mortgage of the Company's land and construction thereon (Note 13), fixed deposits (Note 10)

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
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19. Short-term loan from financial institution

As at December 31, 2023 and December 31, 2022, the Group had the overdraft limit and promissory notes with two local commercial banks (Note 18).

As at December 31, 2022, the Company had the short-term loan in form of promissory notes term of 3 months with a local commercial bank amounted Baht 40 million with interest rate at MLR-1.50% per annum and During the year 2023, the Company paid off such loan in the full amount.

20. TRADE AND OTHER PAYABLES

Trade and other payables consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Trade payables	177,428,711.47	133,945,770.88	155,028,598.64	125,840,346.56
Accrued expenses	73,489,022.98	49,673,042.12	65,889,951.14	32,933,982.54
Accounts payable - Revenue Department	2,335,828.65	7,674,176.61	2,326,175.57	7,674,176.61
Others	162,503.86	103,005.30	80,704.67	90,005.30
Total	253,416,066.96	191,395,994.91	223,325,430.02	166,538,511.01

21. OTHER CURRENT LIABILITIES

Other current liabilities consisted of:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Withholding taxes payable	8,639,489.08	4,648,984.42	8,178,335.12	4,524,441.72
Suspense output tax	2,117,900.08	1,069,100.74	-	-
Total	10,757,389.16	5,718,085.16	8,178,335.12	4,524,441.72

22. LIABILITY UNDER LEASE AGREEMENTS

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

	บาท			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Balance as at January 1, 2023	63,898,630.00	10,336,531.20	59,256,248.81	10,336,531.20
Addition	15,397,650.00	66,243,936.91	10,049,900.00	60,473,540.00
Cancel lease agreement	(3,064,887.21)	-	-	-
Accretion of interest	1,424,424.96	938,470.37	1,313,816.66	833,962.27
Payments	(21,930,277.81)	(13,620,308.48)	(19,834,275.37)	(12,387,784.66)
As at December 31, 2023	55,725,539.94	63,898,630.00	50,785,690.10	59,256,248.81
Less: current portion	(20,360,797.07)	(19,154,359.31)	(17,338,871.84)	(17,017,140.61)
Lease liabilities - net of current portion	35,364,742.87	44,744,270.69	33,446,818.26	42,239,108.20

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
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DECEMBER 31, 2023

The following are the amounts recognised in profit or loss:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Depreciation of right-of-use assets	6,332,996.70	4,694,439.76	4,870,373.25	3,521,411.53
Interest expense on lease liabilities	1,424,424.96	938,470.37	1,313,816.66	833,962.27
Total	7,757,421.66	5,632,910.13	6,184,189.91	4,355,373.80

The Group had total cash outflows for leases of Baht 21.93 million (the separate: Baht 19.83 million) and also had non-cash additions to right-of-use assets and lease liabilities of Baht 15.40 million (the separate: Baht 10.05 million).

Liability under lease agreements had due repayment as follows:

	Baht					
	Consolidated financial statements					
	2023			2022		
	Principal	Deferred interest	Net	Principal	Deferred interest	Net
Within 1 year	20,360,797.07	1,105,979.18	21,466,776.25	19,154,359.31	1,223,440.10	20,377,799.41
Over 1 - 5 years	35,364,742.87	974,554.35	36,339,297.22	44,744,270.69	1,366,786.42	46,111,057.11
Total	55,725,539.94	2,080,533.53	57,806,073.47	63,898,630.00	2,590,226.52	66,488,856.52

	Baht					
	Separate financial statements					
	2023			2022		
	Principal	Deferred interest	Net	Principal	Deferred interest	Net
Within 1 year	17,338,871.84	975,349.37	18,314,221.21	17,017,140.61	1,089,720.54	18,106,861.15
Over 1 - 5 years	33,446,818.26	943,888.16	34,390,706.42	42,239,108.20	1,308,227.43	43,547,335.63
Total	50,785,690.10	1,919,237.53	52,704,927.63	59,256,248.81	2,397,947.97	61,654,196.78

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23. EMPLOYEE BENEFIT OBLIGATIONS

As at December 31, 2023 and 2022, the Company has defined benefit obligations as follows:

The statement of financial position

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Employee benefit obligations at the beginning of the year	27,069,976.74	23,261,847.54	26,543,925.47	23,038,418.69
Actuarial (gain) loss on defined employee benefit plan				
- In profit or loss	-	2,502,038.50	-	2,502,038.50
- In other comprehensive income	-	(701,061.96)	-	(701,061.96)
Current service cost and interest increase	3,715,643.40	3,333,752.66	3,415,848.12	3,031,130.24
Benefit paid by the plan during the year	(361,600.00)	(1,326,600.00)	(361,600.00)	(1,326,600.00)
Employee benefit obligations at the end of the year	30,424,020.14	27,069,976.74	29,598,173.59	26,543,925.47

Expenses which are recognized in the statement of comprehensive income

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Current service cost				
Cost of sales	1,240,865.17	919,664.74	1,135,859.48	844,011.14
Selling expenses	425,268.19	381,484.48	400,640.64	358,884.14
Administrative expense	2,049,510.04	2,032,603.44	1,879,348.00	1,828,234.96
Total	3,715,643.40	3,333,752.66	3,415,848.12	3,031,130.24

Principal actuarial assumptions at the reporting date

	Percentage			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate	2.12 - 3.45	2.12 - 3.45	2.12 - 3.45	2.12 - 3.45
Salary increase rate	5.0 - 8.0	5.0 - 8.0	8.0	8.0
Employee turnover rate	1.91 - 22.92	1.91 - 22.92	2.87 - 17.19	2.87 - 17.19
Mortality rate	105% of Thai's	105% of Thai's	105% of Thai's	105% of Thai's
	Mortality Rate 2017	Mortality Rate 2017	Mortality Rate 2017	Mortality Rate 2017

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Sensitivity analysis

The effects of change in significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2023 and 2022 were summarized below:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Discount rate - increase 1%	(2,734,745.65)	(2,602,351.45)	(2,664,896.07)	(2,560,203.74)
Discount rate - decrease 1%	3,233,613.60	3,082,652.92	3,151,317.13	3,032,897.23
Salary increase rate - increase 1%	3,187,235.69	2,770,135.06	3,096,573.81	2,719,734.18
Salary increase rate - decrease 1%	(2,738,615.11)	(2,387,171.32)	(2,660,634.79)	(2,343,679.90)

24. SHARE CAPITAL

According to the Minutes of the Annual General Meeting of Shareholders for the year 2023 on April 27, 2023, it had the resolutions to approve the reduction of registered capital in the amount of Baht 3,888.00 from Baht 209,999,920.00 to Baht 209,996,032.00 by deleting 7,776 unissued ordinary shares with a par value of Baht 0.50 per share and to approve the increase in the another Company's registered capital of Baht 16,799,993.50 from Baht 209,996,032.00 divided into 419,992,064 ordinary shares with a par value of Baht 0.50 per share to Baht 226,796,025.50 divided into 453,592,051 ordinary shares with a par value of Baht 0.50 per share in order to support the issuance of capital increase shares for sale of general mandate to private placement. The Company had registered the capital increase with the Ministry of Commerce on May 8, 2023

25. WARRANT

According to the Extraordinary Shareholders' Meeting No. 2/2022 dated September 30, 2022, it had a resolution to issue the warrant to acquire the ordinary shares of the Company in order to offer to the existing shareholders of the Company for 83,992,192 units without offering value.

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Class of warrant	Warrant to acquire the ordinary shares of The Practical Solution Public Company Limited allocated to the existing shareholders of the Company No. 1 ("TPS-W1")
Type of warrant	Bearer and exchangeable
Offering price per unit	Baht 0.00
Age of warrant	2 years from the allocation date of warrant
Issue and offering date	October 19, 2022
Exercise rate	1 warrant per 1 new ordinary share
Exercise price	Baht 1.20 per share
Initial exercise date	March 31, 2023
Final exercise date	October 18, 2024
Expire date	October 18, 2024

The Company's warrant stated the change during the period as follows:

Class of warrant	Residual amount	Issue amount	Exercise amount	Expire amount	Residual amount
	January 1, 2023				December 31, 2023
TPS-W1	83,992,192	-	(18,707,430)	-	65,284,762

On March 31, 2023, the holders of warrants had exercised according to the warrants (TPS-W1) for 18,198,560 units converted to 18,198,560 ordinary shares at Baht 1.20 per share in the amount of Baht 21.84 million. It had the share premium amounted Baht 12.74 million. The Company had registered the paid-up capital with the Department of Business Development, Ministry of Commerce, on April 10, 2023.

On September 29, 2023, the holders of warrant (TPS-W1) for 508,870 units had been converted into 508,870 common shares at Baht 1.20 per share amounted Baht 0.61 million. It had the share premium amounted Baht 0.36 million. The Company had registered its paid-up capital with the Department of Business Development, Ministry of Commerce, on October 6, 2023.



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26. Joint venture project between employer and employees

<u>Item</u>	<u>Details of EJIP Project</u>
Period	From April 1, 2023 to March 31, 2025 totaled 2 years
Participate employees	Permanent employees employed for 1 year or more from the starting date and the executives at director level voluntary and approved by the executive board
Type of project	Employee contribution to join in the project: 5 percent from base salary until the accumulated payment period expires The Company contributed to employees to join in the project: 150 percent of the employee contributions paid into the project
Due to purchase shares into project	Every 7th of each month
Security holding conditions	Year 1 - 2 unable to sell in the whole amount Completed 2 years then can sell shares in the whole amount
Agent	Phillip Securities (Thailand) PCL.

During the period, the Company had paid the project's contribution amounted Baht 2.17 million.

Treasury stocks

During the period, the Company had purchased the treasury stocks according to the Employee Joint Investment Program (EJIP) by purchasing on the Stock Exchange of Thailand for 1,191,979 shares. The total amount was Baht 2.17 million which stated as deduction from shareholders' equity.

27. LEGAL RESERVE

Under the provisions of the Limited Public Company Act B.E 2535, the Company is required to appropriate at least 5 % of its annual net profit after deduction of the deficit brought forward (if any) as legal reserve until the reserve reaches 10 % of the authorized share capital. The reserve is not available for dividend distribution.

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28. APPROPRIATION OF RETAINED EARNINGS

Year 2023

According to the 2023 Annual General Meeting of Shareholders on April 27, 2023, the shareholders approved the payment of dividends from the operating results for the year ended December 31, 2022 to the shareholders of 354,195,532 shares at Baht 0.10 per share in the amount of Baht 35.42 million. The Company sets the name list of shareholders who are entitled to receive the dividend as appeared on the shareholders' registration book as at May 9, 2023 and is scheduled to pay the dividend in May 23, 2023.

Year 2022

According to the 2022 Annual General Meeting of Shareholders on April 7, 2022, the shareholders approved the payment of dividends from the operating results for the year ended December 31, 2021 to the shareholders of 335,999,872 shares at Baht 0.08 per share in the amount of Baht 26.88 million. The Company sets the name list of shareholders who are entitled to receive the dividend as appeared on the shareholders' registration book as at April 20, 2022 and is scheduled to pay the dividend in May 6, 2022.

For the year ended December 31, 2022, the Company appropriated the legal reserve at the rate 5% of profit for the year 2022 amounted to Baht 3.89 million.

29. CAPITAL MANAGEMENT

The primary objective of capital management of the Company is to ensure that it has an appropriate financial structure and preserves the ability to continue its business as a going concern. According to the statement of financial position as at December 31, 2023 and 2022, the Group debt-to-equity ratio 0.94 : 1 and 0.96 : 1, respectively (separate 0.88 : 1 and 0.87 : 1, respectively)

30. OPERATING SEGMENT

The Company operates its main business in reportable operating segments according to the type of products and services provided with the main geographical area in Thailand as follows:

Type of operating segments	Type of products and services of segment
- Sales including installment segment (main segment)	Computer network systems, fully integrated of communication system, wireless communication system, network security system, data centre solution and management system and network system management including to provide maintenance services related to such systems

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Type of operating segments	Type of products and services of segment
- Maintenance services segment	Management system and network system management including to provide maintenance services related to such Computer network systems
- Construction	Telecommunications engineering
- Other segments	System development installation including related services and other services

The operating segment's performance is regularly reviewed by the chief operating decision maker who is the Executive Directors in order to make decisions about the allocation of resources to the segment and assess its performance. The Company assesses the performance of the operating segment by using the operating profit or loss as the basis consistent with that used to assess operating profit or loss in the financial statements.

Details of financial information classified by operating segments for the years ended December 31, 2023 and 2022 were as follows:

	Million Baht									
	Consolidated statement of comprehensive income (partial) For the years ended December 31									
	Sales including instalment	Maintenance services		Construction		Others		Total		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenues from sales and services	824.15	651.42	292.55	234.83	218.39	73.30	15.70	16.83	1,350.79	976.38
Cost of sales and services	(623.32)	(509.35)	(175.66)	(135.50)	(185.91)	(66.60)	(8.21)	(7.67)	(993.10)	(719.12)
Gross profit	<u>200.83</u>	<u>142.07</u>	<u>116.89</u>	<u>99.33</u>	<u>32.48</u>	<u>6.70</u>	<u>7.49</u>	<u>9.16</u>	<u>357.69</u>	<u>257.26</u>
Interest income									8.69	6.18
Other income									3.32	4.30
Selling expense									(53.55)	(39.63)
Administration expense									(163.35)	(134.12)
Finance cost									(1.72)	(1.37)
Income tax expense									(30.74)	(18.80)
Profit for the period									<u>120.34</u>	<u>73.82</u>
Assets										
Fixed assets									131.51	138.34
Other assets									967.05	751.73
Total									<u>1,098.56</u>	<u>890.07</u>

#### Geographic information

The Group operates its business in Thailand only. As a result, all of revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

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Major customer information

For the year 2023, the group has sales revenue from selling with installation from a government agency customer in the amount of Baht 118.71 million from sales with installation segment.

31. EXPENSES BY NATURE

Significant expenses by nature were as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Changes in work in process	(29,289,879.13)	16,053,104.18	(18,662,210.27)	22,016,691.90
Material used	436,251,959.61	392,785,051.22	365,855,627.09	352,012,150.84
Project service expenses	521,296,509.26	267,466,469.67	416,582,132.42	239,055,050.99
Employee benefit expenses	137,319,898.12	123,837,780.09	125,041,320.38	114,355,875.43
Depreciation and amortization	16,434,435.33	14,463,175.98	14,353,549.11	12,861,555.12
Special incentive	52,034,685.35	45,038,758.52	52,007,079.35	45,014,758.52

32. PROVIDENT FUND

The Company established a contributory registered provident fund covering all permanent employees in accordance with the Provident Fund Act B.E.2530.

Under the provident fund plan, the employees' and Company's contributions are equivalent to certain percentages of employees' basic salaries. The employees are entitled to the Company's contributions in accordance with the rules and regulations of the fund and on the length of service with the Company. The Company appointed a fund manager to manage the fund in accordance with the terms and conditions prescribed in the Provident Fund Act B.E.2530.

The Company's contributions for the years ended December 31, 2023 and 2022 amounted to Baht 5.28 million and Baht 4.80 million, respectively.

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33. INCOME TAX EXPENSE (TAX INCOME)

33.1 Major components of income tax expense (tax income) for the years ended December 31, 2023 and 2022 consist of :

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Income tax expense (income) shown in for profit or loss:				
Current income tax expense:				
Income tax expense for the year	33,626,386.25	19,048,948.86	31,372,855.11	19,048,948.86
Deferred tax expense (income):				
Change in temporary differences relating to the original recognition and reversal	(2,886,302.32)	(248,610.21)	(2,225,678.25)	328,192.64
Total	<u>30,740,083.93</u>	<u>18,800,338.65</u>	<u>29,147,176.86</u>	<u>19,377,141.50</u>
Income tax relating to components of other comprehensive income:				
Deferred tax relation to:				
Gains on re-measurements of defined benefit plans	-	140,212.39	-	140,212.39
Total	<u>-</u>	<u>140,212.39</u>	<u>-</u>	<u>140,212.39</u>

33.2 A numerical reconciliation between income tax expense and the product of accounting profit and the applicable tax rate for the years ended December 31, 2023 and 2022 were summarized as follows:

	Baht			
	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Accounting profit for the year	151,080,458.57	92,616,056.09	140,814,600.48	97,156,279.20
The applicable tax rate (%)	20.00	20.00	20.00	20.00
Tax expense at the applicable tax rate	<u>30,216,091.71</u>	<u>18,523,211.22</u>	<u>28,162,920.10</u>	<u>19,431,255.84</u>
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses that are forbidden expenses in determining taxable profit	1,615,808.98	895,085.02	1,592,779.00	895,085.02
Tax effect of tax deductible expenses in tax	<u>(1,093,816.76)</u>	<u>(617,957.59)</u>	<u>(608,522.24)</u>	<u>(949,199.36)</u>
Total reconciliation items	<u>521,992.22</u>	<u>277,127.43</u>	<u>984,256.76</u>	<u>(54,114.34)</u>
Total income tax expense	<u>30,738,083.93</u>	<u>18,800,338.65</u>	<u>29,147,176.86</u>	<u>19,377,141.50</u>

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33.3 A numerical reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2023 and 2022 were summarized as follows:

	Consolidated financial statements				Separate financial statements			
	2023		2022		2023		2022	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before tax expense for the year	151,080,458.57		92,616,056.09		140,814,600.48		97,156,279.20	
Income tax expense at the applicable tax rate	30,216,091.71	20.00	18,523,211.22	20.00	28,162,920.10	20.00	19,431,255.84	20.00
Reconciliation items	521,992.22	0.35	277,127.43	0.30	984,256.76	0.70	(54,114.34)	(0.06)
Tax expense (income) at the average effective tax rate	30,738,083.93	20.35	18,800,338.65	20.30	29,147,176.86	20.70	19,377,141.50	19.94

#### 34. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

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

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

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

	Consolidated financial statements		Separate financial statements	
	2023	2022	2023	2022
Profit (loss) attributable to the parent company (Baht)				
Profit (loss) for the year (Baht)	116,368,875.10	75,828,996.99	111,667,423.62	77,779,137.70
Weighted average number of ordinary shares (Share)	349,383,676	335,999,872	349,383,676	335,999,872
<b>Effect of dilutive potential ordinary shares</b>				
Warrants	24,769,747	5,994,563	24,769,747	5,994,563
Ordinary shares plus effect of assumed				
Conversion (Shares)	374,153,423	341,994,435	374,153,423	341,994,435
Profit (loss) per share (Baht/share)				
Basic earnings per share (Baht/share)	0.33	0.22	0.32	0.23
Diluted earnings per share (Baht/share)	0.31	0.22	0.30	0.23

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35. CHANGE IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES

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

Baht				
Consolidated financial statements				
	Balance as at January 1, 2023	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2023
Liability under finance lease agreements	63,898,630.00	(20,505,852.85)	12,332,762.79	55,725,539.94
Total	63,898,630.00	(20,505,852.85)	12,332,762.79	55,725,539.94

Baht				
Separate financial statements				
	Balance as at January 1, 2023	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2023
Liability under finance lease agreements	59,256,248.81	(18,520,458.71)	10,049,900.00	50,785,690.10
Total	59,256,248.81	(18,520,458.71)	10,049,900.00	50,785,690.10

Baht				
Consolidated financial statements				
	Balance as at January 1, 2022	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2022
Liability under finance lease agreements	10,336,531.20	42,273,351.89	11,288,746.91	63,898,630.00
Total	10,336,531.20	42,273,351.89	11,288,746.91	63,898,630.00

Baht				
Separate financial statements				
	Balance as at January 1, 2022	Cash flows Increase (decrease)*	Non-cash transaction Increase	Balance as at December 31, 2022
Liability under finance lease agreements	10,336,531.20	43,401,367.61	5,518,350.00	59,256,248.81
Total	10,336,531.20	43,401,367.61	5,518,350.00	59,256,248.81

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



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36. FINANCIAL INSTRUMENTS

36.1 Risk management

The Group manages its financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Group does not hold or issue derivative financial instruments for speculative or trading purposes.

36.2 Credit risk

The Group is exposed to credit risk primarily relating to trade accounts receivable. The management of the Group manages this risk by establishing appropriate credit control policies and procedures. Therefore, it does not expect to incur material losses from debt collection more than the amount already provided in the allowance for the expected loss.

36.3 Interest rate risk

The Group is exposed to interest rate risk relates primarily to its cash at financial institutions, finance lease receivables, restricted bank deposit and liabilities under finance lease agreements. However, most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not have significant effect on their operations and cash flows. Therefore, no other financial derivative was adopted to manage such risks.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rates are summarized as follows:

	Baht				
	Consolidated financial statements				
	As at December 31, 2023				
	Fixed Interest	Floating interest	No interest	Total	Interest rate (% per annum)
<u>Financial Assets</u>					
Cash and cash equivalents	1,150.84	55,338,337.03	831,437.81	56,170,925.68	0.30 - 0.55
Trade and other accounts receivable	-	-	358,309,035.91	358,309,035.91	-
Contract assets	-	-	157,286,432.60	157,286,432.60	-
Finance lease receivables - net	164,902,594.80	-	-	164,902,594.80	3.53 - 9.00
Restricted bank deposits	11,727,274.43	-	-	11,727,274.43	0.15 - 0.50
<u>Financial Liabilities</u>					
Trade and other accounts payable	-	-	253,416,066.96	253,416,066.96	-
Contract liabilities	-	-	170,780,254.19	170,780,254.19	-
Liability under lease agreements	55,725,539.94	-	-	55,725,539.94	2.54 - 5.33

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	Baht				
	Separate financial statements				
	As at December 31, 2023				
	Fixed Interest	Floating interest	No interest	Total	Interest rate (% per annum)
<u>Financial Assets</u>					
Cash and cash equivalents	1,150.84	41,881,952.11	706,393.46	42,589,496.41	0.30 – 0.55
Trade and other accounts receivable	-	-	291,373,104.30	291,373,104.30	-
Contract assets	-	-	114,609,239.45	114,609,239.45	-
Short-term loan	88,000,000.00	-	-	88,000,000.00	MLR-1.50
Finance lease receivables - net	164,358,867.60	-	-	164,358,867.60	3.53 - 9.00
Restricted bank deposits	11,727,274.43	-	-	11,727,274.43	0.15 - 0.50
<u>Financial Liabilities</u>					
Trade and other accounts payable	-	-	223,325,430.02	223,325,430.02	-
Contract liabilities	-	-	167,610,971.49	167,610,971.49	-
Liability under lease agreements	50,785,690.10	-	-	50,785,690.10	2.54 - 5.33

	Baht				
	Consolidated financial statements				
	As at December 31, 2022				
	Fixed Interest	Floating interest	No interest	Total	Interest rate (% per annum)
<u>Financial Assets</u>					
Cash and cash equivalents	1,144.31	47,388,593.60	202,662.77	47,592,400.68	0.25
Trade and other accounts receivable	-	-	284,192,415.91	284,192,415.91	-
Contract assets	-	-	75,059,651.12	75,059,651.12	-
Finance lease receivables - net	152,824,591.46	-	-	152,824,591.46	3.53-9.00
Restricted bank deposits	11,683,897.96	-	-	11,683,897.96	0.15-0.50
<u>Financial Liabilities</u>					
Short-term loan from financial institution	40,000,000.00	-	-	40,000,000.00	4.47
Trade and other accounts payable	-	-	191,395,994.91	191,395,994.91	-
Contract liabilities	-	-	101,169,290.36	101,169,290.36	-
Liability under lease agreements	63,898,630.00	-	-	63,898,630.00	1.35-5.33

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

	Baht				
	Separate financial statements				
	As at December 31, 2022				
	Fixed Interest	Floating interest	No interest	Total	Interest rate (% per annum)
<b>Financial Assets</b>					
Cash and cash equivalents	1,144.31	30,771,823.45	102,922.77	30,875,890.53	0.25
Trade and other accounts receivable	-	-	262,716,633.25	262,716,633.25	-
Contract assets	-	-	42,094,323.75	42,094,323.75	-
Short-term loan	55,000,000.00	-	-	55,000,000.00	2.50
Finance lease receivables - net	151,533,416.97	-	-	151,533,416.97	3.53 - 8.75
Restricted bank deposits	11,683,897.96	-	-	11,683,897.96	0.15 - 0.50
<b>Financial Liabilities</b>					
Trade and other accounts payable	-	-	166,538,511.01	166,538,511.01	-
Contract liabilities	-	-	93,840,193.16	93,840,193.16	-
Short-term loan from financial institution	40,000,000.00	-	-	40,000,000.00	4.47
Liability under lease agreements	59,256,248.81	-	-	59,256,248.81	2.54 - 5.33

#### 36.4 Foreign currency risk

The Group has foreign currency exchange rate risk because the Group has transaction of volume rebate on purchases of goods which were denominated in foreign currencies. However, the Group believes that the fluctuating exchange rate in the future will not significantly affect the operating performance and cash flows of the company. The Group did not use other derivative to hedge against such risk.

#### 36.5 Liquidity risk

The Group manages its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Group operations as well as securing short-term credit facilities from financial institutions for reserve as necessary and to reduce the impact of fluctuations in cash flow.

#### 36.6 Fair value of financial instruments

Since the majority of the Group financial instruments are short-term in nature on carry 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 PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**NOTES TO THE FINANCIAL STATEMENTS (CONT.)**  
**DECEMBER 31, 2023**

The carrying value and fair value of financial assets and financial liabilities as at December 31, 2023 and 2022 are presented below.

Baht				
Consolidated financial statements				
2023		2022		
Book value	Fair value	Book value	Fair value	
Amortized cost		Amortized cost		
<b>Financial Assets</b>				
Cash and cash equivalents	56,170,925.68	56,170,925.68	47,592,400.68	47,592,400.68
Trade and other accounts receivable	358,309,035.91	358,309,035.91	284,192,415.91	284,192,415.91
Contract assets	157,286,432.60	157,286,432.60	75,059,561.12	75,059,561.12
Finance lease receivables - net	164,902,594.80	164,902,594.80	152,824,591.46	152,824,591.46
Restricted bank deposits	11,727,274.43	11,727,274.43	11,683,897.96	11,683,897.96
Total Financial assets	<u>748,396,263.42</u>	<u>748,396,263.42</u>	<u>571,352,867.13</u>	<u>571,352,867.13</u>
<b>Financial Liabilities</b>				
Trade and other accounts payable	253,416,066.96	253,416,066.96	191,395,994.91	191,395,994.91
Contract liabilities	170,780,254.19	170,780,254.19	101,169,290.36	101,169,290.36
Short-term loan	-	-	40,000,000.00	40,000,000.00
Liability under lease agreements	55,725,539.94	55,725,539.94	63,898,630.00	63,898,630.00
Total Financial Liabilities	<u>479,921,861.09</u>	<u>479,921,861.09</u>	<u>396,463,915.27</u>	<u>396,463,915.27</u>

Baht				
Separate financial statements				
2023		2022		
Book value	Fair value	Book value	Fair value	
Amortized cost		Amortized cost		
<b>Financial Assets</b>				
Cash and cash equivalents	42,589,496.41	42,589,496.41	30,875,890.53	30,875,890.53
Trade and other accounts receivable	291,373,104.30	291,373,104.30	262,716,633.25	262,716,633.25
Contract assets	114,609,239.45	114,609,239.45	42,094,323.75	42,094,323.75
Short-term loan	88,000,000.00	88,000,000.00	55,000,000.00	55,000,000.00
Finance lease receivables	164,358,867.60	164,358,867.60	151,533,416.97	151,533,416.97
Restricted bank deposits	11,727,274.43	11,727,274.43	11,683,897.96	11,683,897.96
Total Financial Assets	<u>712,657,982.19</u>	<u>712,657,982.19</u>	<u>553,904,162.46</u>	<u>553,904,162.46</u>
<b>Financial Liabilities</b>				
Trade and other accounts payable	223,325,430.02	223,325,430.02	166,538,511.01	166,538,511.01
Contract liabilities	167,610,971.49	167,610,971.49	93,840,193.16	93,840,193.16
Short-term loan from financial institution	-	-	40,000,000.00	40,000,000.00
Liability under lease agreements	50,785,690.10	50,785,690.10	59,256,248.81	59,256,248.81
Total Financial Liabilities	<u>441,722,091.61</u>	<u>441,722,091.61</u>	<u>359,634,952.98</u>	<u>359,634,952.98</u>

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2023

37. COMMITMENTS

37.1 As at December 31, 2023, the Group had commitments in respect of goods purchase under the agreement in the amount of Baht 433.45. million (separate had amounted Bath 302.38 million) The Group has already paid the obligation for Baht 190.13 million (separate had amounted Bath 122.66 million) Therefore, the outstanding commitment is Baht 243.32 million (separate had amounted Bath 179.71 million)

37.2 As at December 31, 2023, the Group had the obligations that had not been delivered or rendered the services amounted Baht 1,333.49 million (separate had amounted Bath 341.80 million)

38. CONTINGENT LIABILITIES

As at December 31, 2023 and 2022, the Group had contingent liabilities for the letter of guarantees issued by a local bank in the total amount of Baht 241.23 million (separate had amounted Bath 241.23 million) and Baht 65.45 million (separate had amounted Bath 65.45 million), respectively. If the Group cannot comply with the buying/selling agreement, the bank will demand the Group to pay for the damage from the agreement default back to the bank.

39. RECLASSIFICATION

The Company has reclassified the certain accounting transactions in financial statements 2021 to consistent with the presentation of transactions in the current financial statements that does not impact the net profit or shareholders' equity previously stated.

	Consolidated financial statements (Baht)		
	Before Reclassification	Increase (decrease)	After Reclassification
<u>Statement of Financial Position</u>			
Trade and other current receivables	283,573,335.91	619,080.00	284,192,415.91
Current contract assets	75,678,641.12	(619,080.00)	75,059,561.12

THE PRACTICAL SOLUTION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES  
NOTES TO THE FINANCIAL STATEMENTS (CONT.)  
DECEMBER 31, 2023

	Separate financial statements (Baht)		
	Before Reclassification	Increase (decrease)	After Reclassification
<u>Statement of Financial Position</u>			
Trade and other current receivables	262,097,553.25	619,080.00	262,716,633.25
Current contract assets	42,713,403.75	(619,080.00)	42,094,323.75

40. EVENT AFTER THE REPORTING PERIOD

According to the Board of Directors' Meeting held on February 22, 2024, it had the resolutions as to pay dividends from retained earnings as at December 31, 2023 to the shareholders at Baht 0.18 per share totaled not more than Baht 75.60 million and appropriated the net profit for the year ended December 31, 2023 as a legal reserve of Baht 2.74 million. The Company determined the name lists of the shareholders who were entitled to receive the dividends according to the names appearing in the shareholder register as at April 29, 2024 and the dividend payment was scheduled on May 15, 2024.

According to the Board of Directors' Meeting held on January 22, 2024, it had a resolution to approve the Company entered into the joint venture agreement with a private company for preparing and bidding for a project.

41. APPROVAL OF FINANCIAL

These consolidated and separate financial statements were authorized for issue by the Board of Directors of the Company on February 22, 2024.



## Part 4

# Certification of the Correctness of Information







# Certification of the Correctness of Information

“The Company has reviewed the information in this annual registration statement. With caution, the company hereby certifies that all such information is correct, complete, not false, and does not misrepresent others. Or lack of information that should be disclosed in essence in addition, the company asks that.

1. The financial statements and financial information that are summarized in the annual registration statement have accurately and completely presented all material information about the financial position. Performance and the Company’s cash flow.
2. The company has set up a good disclosure system. To make sure that the company Has disclosed all material information correctly and completely. As well as supervising the implementation of the aforementioned systems.
3. The company has set up a good internal control system. And oversee the implementation of the said system and have informed the internal control system assessment as of December 31, 2023, to the auditor and the audit committee of the company, which covers deficiencies and significant changes to the system. Total internal control Both the actions that are wrong may affect the preparation of the financial report of the company.

For this purpose, as evidence that all documents are in the same set of documents that the Company Has certified the correctness, the company Has assigned Mrs. Daonapa Sukduang is the person who signs this document on every page If any document does not have the signature of Mrs. Daonapa Sukduang has directed the company will not be the information that the company Has certified the correctness of the information as mentioned above.”

Name-Last Name	Position	Signature
1. Mr. Bunsom Kitkasetsathaporn	Chief Executive Officer	
2. Mr. Matee Witawasiri	Executive Vice President, Operations	
Name-Last Name	Position	Signature
1. Mrs. Daonapa Sukduang	Chief Financial Officer	



**Attachment**



## Attachment 1

Details of Directors Management and Authority of the Company Assigned to the Highest Responsibility in the Accounting and Finance Department Assigned to be directly Responsible for the Supervision of Bookkeeping and Company Secretary



### Mr. Anocha Wongrungrroj

Chairman of the Board of Directors / Independent Director /  
Chairman of Nomination and Remuneration Committee /  
Member of Audit Committee

**Age** 55 Years



#### Personal Relationship with the Management

None



#### Illegal record in the past

None



#### % Shareholding

(as of 31 December 2023)

0.11% (375,000 shares)



#### Educational Background

- Master of Computer Engineering Management, Assumption University
- Bachelor of Electrical Engineering, King Mongkut's Institute of Technology Ladkrabang

#### Training Record

- Director Accreditation Program (DAP) Year 157/2019 Thai Institute of Directors (IOD)
- Advanced Audit Committee Program (AACP) Year 32/2019 Thai Institute of Directors (IOD)

#### Position in the Company

2561 - Present Director, The Practical Solution Public Company Limited

#### Current directorship/executive position in other listed companies

-None-

#### Current directorship/executive position in non-listed companies

2019 - Present Executive Chairman, WOR. RUNGROJ 2019 LIMITED PARTNERSHIP

2007 - Present Present Executive Chairman, Binary Tec Co., Ltd.

2005 - Present Present Executive Chairman, RUNGROJ PATANA

2004 - Present Executive Chairman, Code Label Co., Ltd.

1998 - Present Present Managing Director Thaisquare Center LP



## Mr. Bunsom Kitkasetsathaporn

Director / Executive Chairman / Chief Executive Officer /  
Member of the Nomination and Remuneration Committee

**Age** 56 Years



### Personal Relationship with the Management

Husband of Mrs.Jarunya  
Kitkasetsathaporn



### Illegal record in the past

None



### % Shareholding

(as of 31 December 2023)

31.07 % (110,200,000 shares)



### Educational Background

- MBA, National Institute of Development Administration (NIDA)
- Bachelor of Science, King Mongkut's University of Technology Thonburi

### Training Record

- Director Accreditation Program (DAP) 130/2016 Thai Institute of Directors (IOD )

### Position in the Company

2006 - Present     Chief Executive Officer, The Practical Solution Public Company Limited

### Current directorship/executive position in other listed companies

-None-

### Current directorship/executive position in non-listed companies

-None-



### Mr. Matee Witawasiri

Director / Executive Director / Executive Vice President,  
Operations / Member of Risk Management Committee

**Age** 48 Years



#### Personal Relationship with the Management

None



#### Illegal record in the past

None



#### % Shareholding

(as of 31 December 2023)

9.02 % (32,000,000 Shares)



#### Educational Background

- MBA, Kasetsart University
- Bachelor of Engineering, King Mongkut's University of Technology Thonburi

#### Training Record

- Director Accreditation Program (DAP) 131/2016 Thai Institute of Directors (IOD )

#### Position in the Company

2006 – Present     Executive Vice President, Operations, The Practical Solution Public Company Limited

#### Current directorship/executive position in other listed companies

-None-

#### Current directorship/executive position in non-listed companies

-None-



## Ms. Aumaporn Sengsui

Director / Executive Director /

Executive Vice President , Sales / Risk Management  
Committee

**Age** 44 Years



### Personal Relationship with the Management

None



### Illegal record in the past

None



### % Shareholding

(as of 31 December 2023)

2.15% (7,617,600.00 Shares)



### Educational Background

- Bachelor's Degree of Business  
Administration (Marketing),  
Ramkhamhaeng University

### Training Record

- Certificate of completion  
“Situational Leadership”  
SLINGSHOT GROUP CO.,Ltd
- Director Accreditation Program  
(DAP) Year 153/2018 Thai Institute  
of Directors (IOD)

### Position in the Company

2023 – Present      Executive Vice President, Sales, The Practical Solution Public Company Limited

2006 -2023      Senior Vice President, Sales, The Practical Solution Public Company Limited

### Current directorship/executive position in other listed companies

-None-

### Current directorship/executive position in non-listed companies

-None-



### Mr. Wuttichai Chartisaranuwat

Director/Chairman of the Audit Committee/  
Member of the Nomination and Remuneration Committee/  
Independent Director  
**Age** 53 Years



#### Personal Relationship with the Management

None



#### Illegal record in the past

None



#### % Shareholding

(as of 31 December 2023)

0.11% (375,000 Shares)



#### Educational Background

- MBA, National Institute of Development Administration (NIDA)
- Bachelor of Civil Engineering, Rajamangala Institute of Technology

#### Training Record

- Director Accreditation Program (DAP) Batch157/2019 Thai Institute of Directors (IOD )
- Advanced Audit Committee Program (AACP) Batch 32/2019 Thai Institute of Directors (IOD

#### Position in the Company

2018 – Present     Director, The Practical Solution Public Company Limited

#### Current directorship/executive position in other listed companies

-None-

#### Current directorship/executive position in non-listed companies

2004 - 2023     Vice President, Siam Retail Development Co., Ltd.





## Mrs. Ratchanee Pattanslertphan

Director / Chairman of the Risk Management Committee /  
Member of Audit Committee / Independent Director

**Age** 51 Years



### Personal Relationship with the Management

None



### Illegal record in the past

None



### % Shareholding

(as of 31 December 2023)

0.11% (375,000 Shares)



### Educational Background

- MBA, National Institute of Development Administration (NIDA)
- Bachelor of Accounting, University of the Thai Chamber of Commerce

### Training Record

- Director Accreditation Program (DAP) Batch 157/2019 Thai Institute of Directors (IOD )
- Advanced Audit Committee Program (AACP) Batch 32/2019 Thai Institute of Directors (IOD )

### Position in the Company

2018 - Present     Director, The Practical Solution Public Company Limited

### Current directorship/executive position in other listed companies

-None-

### Current directorship/executive position in non-listed companies

2021 - Present     Director, FAME PLACEMENT CO.,LTD.

2019 - Present     Director, BT Management And Consultant Company Limited

2014 - Present     Vice President, Finance, Bravo Asia Co., Ltd.





## Mrs. Jarunya Kitkasetthaporn

Director / Executive Director / Executive Vice President,  
Human Resources and General Administration

**Age** 55 Years



### Personal Relationship with the Management

Wife of Mr. Bunsom Kitkasetthaporn



### Illegal record in the past

None



### % Shareholding

(as of 31 December 2023)

5.62% (19,920,000 Shares)



### Educational Background

- MBA, St. John's University
  - Bachelor of Nursing Science  
Kuakarun College of Nursing,  
Srinakharinwirot University
- Personal Relationship with the Management

### Training Record

- Director Accreditation Program (DAP)  
Batch 166/2019 Thai Institute of  
Directors (IOD )

### Position in the Company

2023 - Present      Executive Vice President, Human Resources and General Administration,  
The Practical Solution Public Company Limited

2022 - Present      Director The Practical Solution Public Company Limited

2006 - 2023      Senior Vice President, Human Resources and General Administration,  
The Practical Solution Public Company Limited

### Current directorship/executive position in other listed companies

-None-

### Current directorship/executive position in non-listed companies

-None-



## Mr. Nuttawut Jantasittiphol

Senior Vice President ,Expert

**Age** 40 Years



### Personal Relationship with the Management

None



### Illegal record in the past

None



### % Shareholding

(as of 31 December 2023)

0.68% (2,425,556 Shares)



### Educational Background

- Bachelor of Computer Engineering, King Mongkut's Institute of Technology Ladkrabang

### Training Record

- Certificate of completion "Situational Leadership" SLINGSHOT GROUP CO.,Ltd
- CYBER VISION 2023 The Securities Exchange of Thailand.

### Position in the Company

2006 - Present      Senior Vice President, Technical Expert      The Practical Solution Public Company Limited

### Current directorship/executive position in other listed companies

-None-

### Current directorship/executive position in non-listed companies

-None-



**Mrs. Daonapa Sukduang**

Senior Vice President, Accounting

**Age** 40 Years



**Personal Relationship with the Management**

None



**Illegal record in the past**

None



**% Shareholding**

(as of 31 December 2023)

0.08% (279,394 Shares)



**Educational Background**

- Bachelor's Degree of Cost Accounting, Rajamangala University of Technology Phra Nakhon

**Training Record**

- E-learning CFO's Orientation course
- Stock Exchange Course
- Teacher Digital Asset and growth opportunities Doing business (New S-Curve) Stock Exchange of Thailand registration
- Academics Update TFRS 2024
- Company Dharmniti Seminars and Seminars Co., Ltd.

- TFRS for PAEs (Non Financial) Office Assets) Enyc Management Company Ltd.
- CFO Refresher Course 2023 position "Prepare to prepare before dealing with water drinking issues. Investment law and accounting decisions that affect to listed companies"
- Strategic CFO in Capital position
- Markets Program 1st generation 10 The stock exchange
- IR in Action for C-Suite

**Position in the Company**

2023 - Present	Senior Vice President, Accounting, The Practical Solution Public Company Limited
2020 - 2022	Vice President, Accounting, The Practical Solution Public Company Limited
2015 - 2020	Assistant Vice President, Accounting, The Practical Solution Public Company Limited

**Current directorship/executive position in other listed companies**

-None-

**Current directorship/executive position in non-listed companies**

-None-



**Ms. Nuntharat Thammanuchorn**

Senior Vice President, Sales

**Age** 43 Years



**Personal Relationship with the Management**

None



**Illegal record in the past**

None



**% Shareholding**

(as of 31 December 2023)

0.13% (478,704 Shares)



**Educational Background**

- Bachelor's Degree of Engineering Program in Telecommunication Engineering, Mahanakorn University of Technology

**Training Record**

-None-

**Position in the Company**

2021 - Present      Senior Vice President, Sales, The Practical Solution Public Company Limited

2016 - Present      Vice President, Sales, The Practical Solution Public Company Limited

**Current directorship/executive position in other listed companies**

-None-

**Current directorship/executive position in non-listed companies**

-None-



## Mr. Thongchai Subin

Senior Vice President, Technical Support

Age 43 Years



### Personal Relationship with the Management

None



### Illegal record in the past

None



### % Shareholding

(as of 31 December 2023)

0.58% (2,050,440 Shares)



### Educational Background

- Bachelor of Engineering Program in Telecommunication Engineering, King Mongkut's Institute of Technology Ladkrabang

### Training Record

- Risk Management and Internal Control Development Project Course, Year 2023 Thai Listed Companies Association

### Position in the Company

2022 - Present Senior Vice President, Technical Support, The Practical Solution Public Company Limited

2016 - Present Vice President, Technical Support, The Practical Solution Public Company Limited

### Current directorship/executive position in other listed companies

-None-

### Current directorship/executive position in non-listed companies

-None-



**Ms. Supawadee Thirachat**

Senior Vice President, Finance

**Age** 39 Years



### Personal Relationship with the Management

Daughter-in-law of Mr. Bunsom Kitkasetsathaporn and Mrs. Jarunya Kitkasetsathaporn



### Illegal record in the past

None



### % Shareholding

(as of 31 December 2023)

0.05% (171,904 Shares)



### Educational Background

- Bachelor of Business Administration (Industrial Management), Ramkhamhaeng University

### Training Record

- E-learning CFO's Orientation Course Stock Exchange of Thailand
- Course "Digital Asset and business growth opportunities (New S-Curve) of listed companies" Stock Exchange of Thailand
- Problem-solving course and strategies for auditing accounting-tax work. For accounting managers Head of Accounting Dharmniti Training and Seminar Company Limited
- Course for risk management of financial accounting systems Dharmniti Training and Seminar Company Limited
- Risk Management and Internal Control Development Project Course, Year 2023 Thai Listed Companies Association

### Position in the Company

2023 - Present	Senior Vice President, Finance The Practical Solution Public Company Limited
2020 - 2023	Vice President, Finance The Practical Solution Public Company Limited
2011 - 2020	Assistant Vice President, Finance, The Practical Solution Public Company Limited

### Current directorship/executive position in other listed companies

-None-

### Current directorship/executive position in non-listed companies

-None-



**Ms. Warissara Terdtoonkanka**

Company Secretary

**Age** 36 Years



**Personal Relationship with the Management**

None



**Illegal record in the past**

None



**% Shareholding**

(as of 31 December 2023)

Less than 0.01% (14,615 Shares)



**Educational Background**

- Master's Degree, Faculty of Law Ramkhamhaeng University
- Bachelor's degree, Faculty of Law Chiang Mai University
- Lawyer License

**Training Record**

- Company Secretary Program, Class 90/2018 Thai Institute of Directors Association (IOD)

- Company Secretary Professional Development Project Course, Year 2022 Thai Institute of Directors Association (IOD)
- Effective Minutes Taking Course, Class 54/2023 Thai Listed Companies Association
- Risk Management and Internal Control Development Project Course 2023, Thai Listed Companies Association

**Position in the Company**

2022 - Present      Company Secretary The Practical Solution Public Company Limited

**Current directorship/executive position in other listed companies**

2016 - 2021      Senior Company Secretary Officer Metro Systems Corporation Public Company Limited

2013 - 2015      Legal officer Metro Systems Corporation Public Company Limited

**Current directorship/executive position in non-listed companies**

-None-

## Data tables display information the tenure of Directors, Executive Directors and Controlling person of the company

Name	Company	Related Companies			
		Great Serve Co., Ltd.	The Win Telecom Co., Ltd.	X-Secure Co., Ltd.	Applied Techne Co.,Ltd.
1. Mr. Anocha Wongrunroj	X,AC,ID				
2. Mr. Bunsom Kitkasetsathaporn	S,MD,ED	X,S,ED	X,S,ED	X,S,ED	X,S, ED
3. Mr. Matee Witawasiri	S,ED,M	S,ED			
4. Ms. Aumaporn Sengsui	S,ED,M		S,ED		S, ED
5. Mrs. Ratchanee Pattanalertphan	D,AC,ID				
6. Mr. Wuttichai Chartisanuwat	D,AC,ID				
7. Mrs. Jarunya Kitkasetsathaporn	S,ED,M				
8. Mr. Nuttawut Jantarasittiphol	M				
9. Mrs. Daonapa Sukduang	M				
10. Ms. Supawadee Thirachat	M				
11. Ms. Nuntharat Thammanuchsorn	M				
12. Mr. Thongchai Subin	M			S,ED	

Remarks : X = Chairman      D = Director      S = Authorized Director      MD = Managing Director  
 ED = Executive Director      ID = Independent Director      AC = Audit Committee      M = Executive



## **Duties and Responsibilities of the Company Secretary**

- (1) Provide preliminary advice on the law and regulations of the Company that the Board of Directors. Also, follow up to ensure compliance with accuracy and consistency, including reporting changes in requirements and / or laws that are significant to the Company's business operations to the Board of Directors.
- (2) Organize shareholders' meetings and board meetings in accordance with the laws, regulations and related practices of the company.
- (3) Record the minutes of the shareholders' meetings and the meetings of the board of directors, including following up on the implementation of the resolutions of the shareholders' meetings and the board of directors' meetings.
- (4) Ensure that information is disclosed and reported information in the area of responsibility to the relevant departments in accordance with the regulations and requirements of such departments.
- (5) Oversee the activities of the Board of Directors and perform any other activities in accordance with the law and / or as specified by the Capital Market Supervisory Board and / or as assigned by the Board of Directors.

Related Company	Year 2023 (Million baht)	Relationship	
		Shareholding (As of December 31, 2023)	Management (As of December 31, 2023)
Subsidiary Company			
The Win Telecom Company Limited	5,000,000	The Practical Solution Public Company Limited holds 56% of the shares.	Directors and Executives of TPS Ms. Aumaporn Sengsui and Mr. Bunsom Kitkasetsathaporn
Subsidiary Company			
Great Serve Company Limited	8,000,000	The Practical Solution Public Company Limited holds 99.98% of the shares.	Directors and Executives of TPS Mr. Bunsom Kitkasetsathaporn and Mr. Matee Witawasiri,
Subsidiary Company			
X-Secure Company Limited	9,000,000	The Practical Solution Public Company Limited holds 60% of the shares.	Directors and Executives of TPS Mr. Bunsom Kitkasetsathaporn and Mr. Thongchai Subin
Subsidiary Company			
Applied Techne Company Limited	10,000,000	The Practical Solution Public Company Limited holds 65% of the shares.	Directors and Executives of TPS Mr. Bunsom Kitkasetsathaporn and Ms. Aumaporn Sengsui

Remark : The historical data of the year 2023 and 2022 to compare the 3 years' data can be retrieved from the company website

Name-Surname / Position	Educational Qualifications / Diplomas / Certificates	Work Experience	
		Period	Position / Company
<p>P&amp;L Internal Audit Company Limited</p> <p>Ms. Wanwimon Jongsureyaphas</p> <p>Internal Audit Supervisor</p>	<ul style="list-style-type: none"> <li>• Master's Degree of Business Administration, National Institute of Development Administration</li> <li>• Bachelor's Degree of Accounting in Accountancy, Dhurakij Pundit University</li> <li>• Internal Auditing Certificate Program - IACP from Federation of Accounting Professions (FAP)</li> <li>• Certified Professional Internal Audit of Thailand (CPIAT)</li> <li>• Independent auditor certificate</li> <li>• Small and Medium Enterprise Groups (CACs)</li> <li>• SME Independent Auditor Certification</li> <li>• Institutional Promotion Association</li> <li>• Thai Director (IOD)</li> <li>• Legal protection certificate</li> <li>• Your personal information</li> <li>• Responsibilities of Unit Operators</li> </ul>	2006 - Present	Head of Internal Audit Division, Listed Companies and will be listed in the Stock Exchange Thailand / P&L Internal Audit Company Limited

## Assets used in business and Details about the Appraisal of Assets

- Details of assets used in business operation

As of December 31, 2022 and December 31, 2023, the Company had assets used in business operations, with details as follows:

## 1. Fixed Assets / Right-of-Use Assets

Details of assets	Nature of usage	Net book value as of December 31, 2022 (THB million)	Net book value as of December 31, 2023 (THB million)	Title of Ownership	Leverage / Guarantee limit
1. Land	Location of Office building	42.22	42.22	Ownership	Being used for a mortgage to secure a loan from a commercial bank, amount of THB 255 million
1.1 Title Deed No. 41088, Lad Yao subdistrict Chatuchak district, Bangkok 10900, area 399 sq. w.					
2. Office equipment	Being used in the office for the Company's business operations	8.03	7.31	Ownership	None
3. Office decoration items	Being used in the office for the Company's business operations	3.28	2.48	Ownership	None
4. Vehicles	Being used in the office for the Company's business operations	2.42	1.78	Ownership	None
5. machinery	Being used to conduct business in Subsidiaries' projects	2.19	1.86	Ownership	None
6. usage rights	used for business operations of Company	27.75	36.21	hire purchase agreement and promise finance lease	None
7. Bulding	Office for the Company's business operations	62.27	60.58	Ownership	Used for mortgage to secure loan from a commercial bank
8. Building	Being used in the office for the Company's business operations	15.05	13.04	Ownership	None
9. Land enhancement	Being used in the office for the Company's business operations	2.87	2.24	Ownership	None
<b>Total land office and equipment - net</b>		<b>166.08</b>	<b>167.72</b>		

## 2. Intangible assets

Details of assets	Nature of usage	Net book value as of December 31, 2022 (THB million)	Net book value as of December 31, 2023 (THB million)	Title of Ownership	Leverage / Guarantee limit
1. Computer program	Using as a program for business operation	3.65	3.33	Ownership	None
Total intangible assets		3.65	3.33		

## 3. Office building lease agreement

Office building	Counterparty	Contract	Rental period	Details
Employee's lodging (renting a 2-story commercial building, Chonburi province)	Ms. Kanyarat Wirakankam	a contract for renting a 2-story commercial building	12 months Jul 1, 2023, to Jun 30, 2024	<u>Rental property:</u> 2-story commercial building <u>Rental rate: rental fee</u> THB 6,300/month <u>Renewal conditions:</u> The Company has to give notice at least 30 days before the contract expiration date.

- Details about the property appraisal list

-None-

## Good Corporate Governance Policy

Throughout the years of operation, The Board of Directors of The Practical Solution Public Company Limited (“Company”) has complied with the laws, objectives, regulations and shareholders’ resolutions, while also adhered and operated in accordance to The Principles of Good Corporate Governance of Listed Companies 2012, set forth by Stock Exchange of Thailand (“SET”) guideline; and Corporate Governance Code for Listed Companies 2017, set forth by The Securities and Exchange Commission Office, (“SEC Office”) guideline. These guidelines steer the Company towards efficient operation, and transparency for investors, which will build up third party’s confidence on Company operation. The Company’s Good Corporate Governance Policy covers 5 principle categories as follows:



### SECTION 1 The Rights of Shareholders

The Company realizes and places importance on the fundamental rights of the shareholders, both in the position of securities investors and company owners, such as the rights to trade and transfer their securities holdings, receive the Company’s profit distribution, receive the Company’s information sufficiently; decide on the Company’s important matters namely the appointment or removal of directors, appointment of auditors, approval of importance transactions that will affect the directions of the Company or Company’s operation, e.g., payment of dividend, addition or amendment of Company’s Memorandum Of Association and Articles of Association, increase or decrease of capital of the Company, and approval on special transactions, etc.

Accordingly, the Company has an obligation to encourage and facilitate the exercise of shareholders’ rights as follows:

- (1) Inform the information about date, time, location, and agendas of the meetings, by providing the declaration and reason for each agenda or resolution in the meeting invitation letter for the general meetings and extraordinary general meetings of shareholders or in the attachment of the agendas. The Company will also refrain from committing any action that will restrict the shareholders’ chance to study the Company’s information.
- (2) Facilitate all kind of shareholders to exercise the right to attend the meetings and vote without any exception, and refrain from committing any action that will limit shareholders’ opportunity to attend the meetings such as select the shareholder meeting venue that is convenient to commute to, attach the map of aforementioned venue within the meeting invitation letter, and schedule the date, time and duration of the meeting appropriately and adequately. The meetings for voting shall also not have complicated procedures nor cost too excessively.
- (3) Before the date of the shareholder meetings, the Company will provide an opportunity to submit opinions, suggestions or questions in advance prior to the date of meetings, by setting the clear procedures for submitting inquiries ahead of the meeting time, and informing the shareholders about aforementioned procedures through the attachment with the meeting invitation letter. The Company will then publish it on the Company’s website.

- (4) Encourage shareholders to give a proxy using the Proxy Form that shareholders can stipulate the direction of their voting, and nominate at least one independent director as an alternative proxy for shareholders. To proceed with the shareholder meetings, the chairman of the meeting shall schedule the time adequately; and the Company will provide an opportunity for shareholders to freely express opinions, suggestions or raise the questions on each relevant agendas before the vote of any agenda.
- (6) Encourage every director and executive to attend the shareholder meetings to provide answers to the shareholders.
- (7) Hold the voting separately for each of the shareholder resolution, in case that there are several pending resolutions within such agenda, i.e. an appointment of director.
- (8) The Company will encourage the use of ballot casting in case of important agendas such as Related Parties Transaction (RPT), acquisition or disposition of assets, etc., for transparency and traceability of vote counting.
- (9) The Company will provide an independent person to help with vote counting or vote verification on each agenda, announce the result to the meetings, and record into the minute of the meeting.
- (10) After the shareholder meetings adjourn, the Company will summarize the minutes that will record significant matters accurately and completely, and include important questions, opinions and suggestions into aforementioned minutes in which shareholders can review. Moreover, the Company will publish the vote count for each agenda, along with the minutes of the meetings on the Company's website for shareholders to consider.
- (11) The Company will send the copy of minutes of the shareholder meetings to SET within 14 days from the date of such meeting.
- (12) Encourage the Company to utilize technology into the process of the shareholder meeting including the registration of shareholders, the vote counting and displaying, so the meetings will proceed timely, correctly and accurately.

## **SECTION 2 The Equitable Treatment of Shareholders**

The Company requires the equitable treatment of all shareholders, whether they are majority or minority shareholders, executive or non-executive shareholders, Thai nationals or foreign shareholders. By following these guidelines:

- (1) Send the shareholder meeting invitation letter, which includes the agendas and Board of Directors' opinions, to SET; and announce the meeting agenda through the Company's website in accordance with relevant guidelines, rules, and laws.
- (2) Set the guidelines and procedures for minority shareholders to nominate the qualification person to be a director by nominating the person through the Nomination and Remuneration Committee (NRC) in advance prior to the shareholder meeting date; and publishing about supporting information, candidates' qualifications and their consent.
- (3) Set the clear guidelines for minority shareholders to propose the agenda in advance prior to the shareholder meeting date, for the fair and transparent consideration regarding whether to add such agenda.
- (4) Executive shareholders shall not propose the agenda without prior notification unless necessary, especially the important agenda that shareholders need to spend a good deal of time to study the information before making a decision.

- (5) In each shareholder meeting, the Company will provide opportunity for every shareholder equally. Prior to the start of the meeting, the chairman of the meeting will inform shareholders about the meeting rules, the vote casting procedures, the right to cast the vote according to each type of shares, and the shareholder vote counting procedures for each agenda.
- (6) On the election of director agenda, the Company will encourage the election of individual nominees.
- (7) Require directors who have conflicts of interest in any meeting agenda to report about their conflicts of interest regarding each agenda item at least before consideration of such agenda and record the conflicts into the minutes of such meeting. Moreover, the directors who have significant conflicts of interest shall abstain from freely participating in the discussion on that particular agenda item.
- (8) Establish the written guidelines for the safeguard and protection against abuse of inside information and communicate them to everyone in the company to comply. Every director and executive shall regularly submit to the Board a report on their ownership of the securities holding stipulated by law through the Company secretary so this information will be disclosed during the next board meeting and in the Company's annual report.

### SECTOR 3 The Role of Interested Persons

The Company places importance on the rights of all groups of stakeholders, whether inside stakeholders such as shareholders and Company's employees, or outside stakeholders such as business partners and customers, etc. The Company realizes that the supports and opinions from all groups of stakeholders will benefit the Company's operation and business development. Therefore, the Company shall comply with the relevant law and rules, and establish the policy to treat each group of stakeholders in consideration of the rights of stakeholders in accordance with the law or agreement that they have with the Company, and shall not do anything that will violate such rights.

Additionally, the Company takes the rights of all stakeholders into the consideration by establishing the business conduct that directors, executives and employees of the Company will adhere to when acting on behalf of the Company, as follows:

Share holders	The Company shall operate with transparency and efficiency to create sustainable value, by striving for good result and steady growth, for the long-term maximum benefits of shareholders; also disclose information to shareholders with transparency and trustworthiness.
Employees	The Company shall treat every employee with equity, fairness and appropriate remuneration. Furthermore, the Company places importance on regular employees' skills, knowledge and aptitude development such as training, seminar, and workshop by providing every employee with an opportunity on an equitable basis, and motivating highly educated and competent employees to stay with the Company to develop the organization further. The Company also sets out the anti-corruption guidelines, and cultivate every employee to comply with the relevant laws and regulations such as the restriction on the use of insider information, etc.



<b>Business partners</b>	The Company has established procedures for business partner procurement by letting business partners compete on equitable information and selecting the business partner fairly, under the Company's rules for evaluation and procurement. Moreover, the Company uses the appropriate and fair contract format and utilizes the tracking system to ensure the complete compliance of contractual conditions, and prevent the corruption and misconduct in every procedure of procurement. The Company will enter into the transaction under the general commercial terms, and will strictly abide by the contract with business partners.
<b>Customers</b>	The Company takes responsibility towards customers by maintaining the quality and standard of products and services, fully and comprehensively satisfying the customer demands as much as possible, so this will procure the customers' long-term satisfaction. The Company takes into the consideration on providing customers the accurate and complete information; and provide service channels to support customers in which the customers can report about the inappropriate products and services so the Company can prevent and solve the problems regarding its products and services quickly. The Company will keep the customers data confidential and will not use it to gain benefit for the Company or others improperly.
<b>Creditors</b>	The Company shall honor the terms and conditions of the contracts it has with its creditors including repayment of principal and interest, and maintenance of guarantees under the related contracts.
<b>Competitors</b>	The Company operates under the good, ethical and lawful competition framework, and encourages and supports free and fair competition.
<b>Community and society</b>	The Company pays attention and places importance on the safety of society, environment and quality of life of people related to the Company operation. The Company encourages its employees to be conscious and responsible towards environment and community. The Company strictly implements the relevant laws and regulations, and tries to participate in various activities to procreate and preserve the environment, society, along with the local traditions within the areas that the Company operates.

Furthermore, stakeholders can inquire for details, file the complaints, or report the clues about the illegal acts, inaccuracy of financial report, impairment of the internal control system, or the Company's unethical misconduct as stated above, via the designated channels. The complaints and clues reported to the Company will confidential. The Company shall appoint the person to conduct investigation and provide the solution (if available), and/or consider submitting the important complaints for the Board's opinions respectively.

## SECTOR 4 Disclosure and Transparency

The Company places importance to the accurate, complete, prompt, and transparent disclosure of significant information relevant to the Company, under the guidelines stipulated by SEC Office and SET. The information includes both the financial and non-financial information and along with other information that may affect the price of the Company's securities, which influences the investors and stakeholders' decision-making. The Company shall process such information as follows:

- (1) Establish the mechanism that ensures the accuracy, clarity, and sufficiency of information disclosed to investors for their decision-making.
- (2) Designate the Investor Relations officers to communicate with investors or shareholders. The Company will publish its information, financial information and general information of the Company for shareholders, securities analysts, credit rating agencies, and relevant agencies, through these channels, i.e. the report to SEC and SET, and the Company's website. In addition, the Company also places the importance on regular disclosure of information so the shareholders will receive news through the Company's website, which is always up-to-date. The information includes but not limited to vision, mission of the company, financial statements, press releases, annual reports, shareholder meetings invitation letter, corporate structure, List of members of the Board, shareholding structure, and list of major shareholders.
- (3) Encourage the Company to make a Management Discussion and Analysis (MD&A) for each quarterly financial statement, to help investors better understand changes in the company's financial status and performance each quarter, not just be presented with the figures by themselves.
- (4) Disclose the roles and responsibilities of the Board and its committees, the number of meetings held, attendance record of each director, and the results of tasks assigned, including ongoing professional education or training of its directors, in the annual report.
- (5) Disclosure, in accordance with relevant regulations, the remuneration of directors, committees, and executive director/chairman of the executives, both the form and type of payment, the amounts of payment of each person, including the payment from each subsidiary to each person.
- (6) Disclose the audit and non-audit fees.
- (7) In addition to disclosing information as specified in regulations through the SET, annual statements (Form 56-1), and annual reports, the Board shall consider to disclose information via other channels, such as the Company's website, by presenting with the most up-to-date information.
- (8) Directors and executives must report their conflict of interest or of those related persons who have conflict of interest towards the operation and management of the Company or its subsidiary companies, according to SEC's Capital Market Supervisory Board ("CMSB") guidelines and procedures.

The elected directors and executives must report their conflict of interest and other persons within 7 days from the date of appointment. In case, there are changes to their conflict of interest or conflict of interest of other persons, directors and executives must report to the Company

within 3 days from the date of changes of conflict of interest; the Company will report aforementioned conflict of interest to the Board meeting to consider and acknowledge within the next meeting.

## **SECTOR 5 Responsibilities of the Board of Directors**

### **1. Composition of the Board of Directors and sub-committees**

The Board of Directors of the Company comprised of a group that provide a diversity of attributes, as in knowledge, skills, and prior working experience that can be beneficial to the Company. The Board holds important role in the policymaking and overview of the organization, along with significant role on governance, inspection and evaluation of the Company operation, in accordance with the designated plans.

The Board consists of at least 5 but no more than 12 directors. There must be at least one-third of the total number of the Board directors, but no less than 3 directors, shall be the independent directors; this will provide the checks and balances system for appropriate consideration and the vote casting towards each topic. Each independent director must have qualification as specific by the announcement of CMSB, SET rules, and including other relevant guidelines, rules, and laws.

The Board of Directors shall hold the terms of service for no more than 3 years on each term, in according to relevant law. The independent directors shall hold the terms of service continuously for no longer than 9 years, unless there are reason and necessity the Board deemed appropriate. Directors and executives can also hold the director or executive position of subsidiary company or other company but must comply with the SEC Office, The Board of Securities and Exchange Commission (“SEC Board”), CMSB, and SET requirements; by informing to the Board meeting or shareholder meeting (as the case maybe) before the appointment resolution. However, each director can only hold directorship of no more than 5 registered companies. Furthermore, the Board shall appoint sub-committees to help with the governance of the Company operation as follows:

- (1) **The Executive Committee** consists of at least 4 executive directors, is responsible for supporting the Board on the Company’s management, ensuring that the Company operation will comply with policies, plans, regulations, other orders, and including the goals, under the framework established by the Board.
- (2) **The Audit Committee** consists of at least 3 audit directors, is responsible for supporting the work of the Board on the Company’s governance and inspection of the management, internal control, and compliance with the relevant laws; also in charge of financial statements, for transparent and reliable operation and information disclosure.
- (3) **The Nomination and Remuneration Committee** consists of at least 3 nomination and remuneration directors, is responsible for nominating qualified candidates to be the board directors, sub-committee directors, and executive director/chief executive officer of the Company; setting the criteria and the form of payment to the board directors, sub-committee directors, and executive director/chief executive officer, then presenting the results to the board meeting and/or shareholder meeting to consider and approve (as the case maybe).
- (4) **The Risk Management Committee** consists of at least 3 risk management directors, is responsible for supporting the work of the Board on the Company’s adequate, sufficient,

efficient and effective risk management policymaking, and ensuring the Company is equipped with risk management system or procedures that is of acceptable level.

Additionally, there shall be the Company Secretary who is responsible for operating on the Board meeting and shareholder meeting, also supporting the work of the Board by giving consultant on the rules under the laws and regulations relating to the Board's performances and duties.

## **2. Roles, duties and responsibilities of the Board of Directors**

The Board has responsibilities towards shareholders regarding the operation of the Company; has duties to set the policies and directions of the Company's operation, and governs the management towards the prescribed goals, objectives, visions, strategies, and directions of the operation, for the long-term utmost benefits of shareholders while operating under the rules of laws and the business ethics. Meanwhile, the Board shall also take benefits of all stakeholders into the consideration, in accordance with the Board of Director charters.

### **(1) Policy relating to the good corporate governance**

The Company has prepared a written good corporate governance policy and the Board meeting had already approved the aforementioned policy. This corporate governance aims to be the guidelines for the Company's directors, executives and employees to operate in correspond to the aforementioned policy. The Company will review the policy annually.

### **(2) Code of Business Conduct**

The Company aims to conduct the business in transparent, virtuous, and responsible manners for the benefits of the stakeholders, society and environment. Thus, the Company has established a written code of business conduct, which already got an approval from the Board. The Company's directors, executives and employees will be subjected to operate under these rigorous business ethical standards as follows:

- (a) Accountability to shareholders.
- (b) Responsibility towards employees.
- (c) Relations with business partners, business competitors and business creditors.
- (d) Customer relations.
- (e) Responsibility towards the public and the society.

In order to promote the complete compliance, the Company will advocate, inform and instruct every employee throughout the organization to understand and strictly comply with the aforementioned code.

### **(3) Conflicts of Interest Prevention**

The Company thoroughly sets the policy relating to conflicts of interest prevention, based on the honesty, rationality, independency, and good morality, for the Company's best interest. Therefore, persons who have vested interests in, or related to, a given transaction must reveal the information about their conflicts of interest or others' to the Company, and must not participate in decision-making process, and including the approval, of such transaction.

The Company has the policy regarding the connected transaction and the prevention of conflicts of interest, which are in line with the laws and along with the regulations of SEC Office, SEC Board, CMSB, and SET. In addition, the Company will also disclose such transaction in the annual report and annual statements (Form 56-1).

**(4) Internal Control**

The Board established an internal control system for governing and controlling the efficient operation at both executive and operational level. The Company appointed the Company's Internal Control department to assess the adequacy of the internal control system and to report to the Audit Committee in accordance with the designated plans.

**(5) Risk Management**

The Company had established the governance and procedures towards a risk management to reduce the risk affecting the business appropriately. The Risk Management Committee will propose the comprehensive internal and external risk management policy that corresponds with the Company's strategies and directions, and present the result to the Board for the approval.

**(6) Governance of Subsidiaries and Associates Operation**

The Company will consider assigning the qualified and experienced representatives, which are suitable with the businesses the Company has invested with, to be the directors of subsidiaries and associates of the Company, for governing the subsidiaries and associates and reporting the performances of the subsidiaries and associates to the Board meeting.

**(7) Whistleblowing**

The Board set up the complaint and investigation mechanism in case of whistleblowing towards the unlawful conducts, incorrect financial transactions, deficiency in internal control, or the Company's business misconduct, which can submit such complaints via designated channels. All complaints and clues submitted to the Company will maintain confidential, and proceed to investigation and solution (if available) by the Company's assigned persons, and/or present the findings and opinions of the significant cases to the Board meeting for consideration.

**(8) The Board of Directors Report**

The Audit Committee is responsible for auditing the financial reports by holding the joint meeting between the committee, account department and auditors, and presenting the result as a financial report to the Board quarterly. The Board is responsible for the financial statements of the subsidiaries and associates, including the financial information that appears in the annual reports.

### 3. The Board of Directors Principle

**Principle 1: Be aware of its leadership roles and responsibilities in the creation of the Company's sustainable prosperity.**

The Board shall recognize its roles and responsibilities as leaders of the Company that needs to govern for the better management of organization; and govern the Company's operations into creating added value which will lead towards the corporate sustainability.

**Principle 2: Define the Company's objectives to ensure sustainability.**

The Board shall define or oversee that the Company's objectives and goals will promote the Company's sustainability. The objectives and goals shall correspond with the value creation for the Company itself, its customers, stakeholders, and society.

**Principle 3: Strengthen the Board's effectiveness.**

The Board shall be responsible for determining and reviewing its own structure, in terms of the size, composition and number of independent directors that is adequate and necessary to bring about the achievement of the Company's objectives and goals. Moreover, the Company should govern over the nomination and qualifying procedures of directors, in which these procedures shall be transparent and apparent, so the Board would be sufficiently qualified.

**Principle 4: Nominate and develop senior executive officers and human resource management.**

The Board shall apply the good governance principle for the nomination and development of human resources, making certain that they possess the adequate knowledge, skills, experience, and motivation, and create the succession plan to prepare for the succession of the current executive director/chief executive officer. In addition, the Board shall govern over the remunerations and the evaluation of the Company's operation.

**Principle 5: Nurture innovations and responsible business practices.**

The Board shall place importance on encouraging innovations that create value for the business together with benefits for its customers, other stakeholders, society, and the environment. In addition, the Board shall monitor that resources are efficiently and effectively managed with due regard to the impact of such management and to resource development, to achieve the Company's the objectives and goals sustainably.

**Principle 6: Provide an adequate system of risk management and internal control.**

The Board shall ensure that the Company has effective and appropriate risk management and internal control systems that comply with applicable laws and standards

Moreover, the Board shall manage and monitor conflicts of interest that might occur among the Company, directors, management, and shareholders, including the preventive measure for the inappropriate use of corporate assets, information, and opportunities, as well as inappropriate connected transactions by related parties.

**Principle 7: Ensure reliable financial integrity and information disclosure.**

The Board shall ensure the integrity of the Company's financial reporting system and that timely and accurate disclosure of the Company's information is consistent with relevant rules, standards and guidelines.

Furthermore, The Board shall monitor the Company's financial liquidity and solvency, and ensure that the Company has a mitigation mechanism in place to resolve the financial difficulties.

**Principle 8: Encourage engagement and communication with shareholders.**

The Board shall afford shareholders the opportunity to participate in the decision-making process involving significant corporate matters.

#### **4. Board meetings and Board self-assessment**

The Company shall hold the Board meetings at least every quarter, and hold the extra meetings as needed. The Board shall set the agenda in advance and dedicate the agenda to monitor the Company's performance regularly. The Company shall send the invitation letter along with the meeting agenda and supporting documents to every director in advance for at least 7 days before the date of meeting, so the directors shall have sufficient time to study the information. Unless there is urgent matter, to preserve the utmost rights and benefits of the shareholders, shall inform of the meeting via other means or reschedule the meeting to the earlier date. In this case, the Company shall record the minutes and gather the approved documents for references and traceability. There shall be executives and relevant person attend the meetings for providing information and details for the accurate and timely decisions.

The resolution of the meeting will take into account the majority of votes, with one director having one vote. Each director with vested interest(s) in any agenda item must abstain from voting on that item. If the number of votes is equal, the Chairman will cast the decisive vote.

Moreover, the Board self-assessment should be conducted at least once a year, to allow for adjustment of performance. A benchmark of the board's performance should be set in advance to gather the opinions and present them to the meeting, including disclosure of rules, procedures, and overall performance result in the annual report.

#### **5. Remuneration**

Board remuneration should be comparable to the industry level in which the company operates, and reflect the experience, obligations, scope of work, accountability and responsibilities and contributions of each director. Members who are assigned to more tasks, such as committees, should be paid more.

In addition, the Company has appointed the Nomination and Remuneration Committee to consider the form and rules of the remuneration payment for the director and present to the shareholder meetings for approval.

## 6. Board and management training

The Board has the policy to encourage and facilitate training for all internal parties related to corporate governance such as directors, members of the audit committee, executives, company secretary, etc. Training will enable them to continuously improve their performance, and can be either internal or external training.

In case of changing the director or new directors, the administration shall provide all documents and information useful to perform their duties, including an introduction to the nature of the business and the operations of the company.

The Board may rotate the job assignment according to the expertise of the executives and employees, based on the suitability of duty and time. The managing director/chief executive officer may schedule and appraise such performance for creating the Company's succession plan, thus, this will develop the executives and employees to be professional and gain experiences enough to take over the duties later.

## Code of Conduct

The Practical Solution Public Company Limited ("Company") established the Code of Conduct for the directors, executives and employees to comply as the representatives of the Company as follows:



<b>Share holders</b>	The Company shall operate with transparency and efficiency to create sustainable value, by striving for good result and steady growth, for the long-term maximum benefits of shareholders; also disclose information to shareholders with transparency and trustworthiness.
<b>Employees</b>	The Company shall treat every employee with equity, fairness and appropriate remuneration. Furthermore, the Company places importance on regular employees' skills, knowledge and aptitude development such as training, seminar, and workshop by providing every employee with an opportunity on an equitable basis, and motivating highly educated and competent employees to stay with the Company to develop the organization further. The Company also sets out the anti-corruption guidelines, and cultivate every employee to comply with the relevant laws and regulations such as the restriction on the use of insider information, etc.
<b>Business partners</b>	The Company has established procedures for business partner procurement by letting business partners compete on equitable information and selecting the business partner fairly, under the Company's rules for evaluation and procurement. Moreover, the Company uses the appropriate and fair contract format and utilizes the tracking system to ensure the complete compliance of contractual conditions, and prevent the corruption and misconduct in every procedure of procurement. The Company will enter into the transaction under the general commercial terms, and will strictly abide by the contract with business partners.



<b>Customers</b>	The Company takes responsibility towards customers by maintaining the quality and standard of products and services, fully and comprehensively satisfying the customer demands as much as possible, so this will procure the customers' long-term satisfaction. The Company takes into the consideration on providing customers the accurate and complete information; and provide service channels to support customers in which the customers can report about the inappropriate products and services so the Company can prevent and solve the problems regarding its products and services quickly. The Company will keep the customers data confidential and will not use it to gain benefit for the Company or others improperly.
<b>Creditors</b>	The Company shall honor the terms and conditions of the contracts it has with its creditors including repayment of principal and interest, and maintenance of guarantees under the related contracts.
<b>Competitors</b>	The Company operates under the good, ethical and lawful competition framework, and encourages and supports free and fair competition.
<b>Community and society</b>	The Company pays attention and places importance on the safety of society, environment and quality of life of people related to the Company operation. The Company encourages its employees to be conscious and responsible towards environment and community. The Company strictly implements the relevant laws and regulations, and tries to participate in various activities to procreate and preserve the environment, society, along with the local traditions within the areas that the Company operates.

The Audit Committee performed the duties in accordance with the scope of duties and responsibilities assigned by the Board of Directors (BOD) to regulate and supervise the Company's operations to ensure that the Executive Committee and management have carried out such duties relating to stakeholders, with integrity and responsibility, and have managed the business in accordance with the Company's policies.

In 2023, the Audit Committee held 4 meetings with the management, the internal auditor, and the auditor in order to monitor the progress of the operations as recommended by the auditors. The Audit Committee has reported the results of their duties and recommendations to the Board of Directors/BOD quarterly. The essence of the performance can be summarized as follows:

1. Considered the quarterly and annual financial statements before presenting them to the Board of Directors' meetings. The Audit Committee has questioned and listened to the explanations from the management and the auditors concerning the accuracy and completeness of the financial statements as well as the adequacy of disclosure, events after the disclosure period, and accounting adjustments that have a significant impact on the financial statements to ensure that the financial statements were accurate in accordance with the regulations and standards of accounting principles and that the accounting system and financial statements are accurate and reliable. In addition, the financial statements must also be accurate and reliable, adequate, and timely for the benefit of the investors and the users of financial statements.
2. In reviewing the assessment of the internal control system, the Audit Committee reviewed and gave opinions on the internal audit report 2023, by discussing with the management, and/or reviewing the documents and the assessment form from the management. It can be concluded that after conducting the assessment of the Company's internal control system in various aspects: the internal control, risk assessment, operations control of information system, and data communication & tracking system, the Audit Committee viewed that the Company's internal control system is sufficient and appropriate, with suitable risk management for the business condition. The Company has provided sufficient personnel to implement the set system efficiently, was able to protect the Company's assets from misusing and unauthorized actions from the directors or executives including transactions with persons who may have a conflict of interest and related persons.
3. Placed importance on the consideration and approval process procedure of the transactions that may have a conflict of interest, in compliance with regulatory requirements and good corporate governance principles which are correct, reasonable with normal business conditions, and are of the best interest to the Company and stakeholders.
4. At each meeting, the Audit Committee reviewed and gave opinions regarding compliance with the laws of the securities and stock exchange, the regulations of The Stock Exchange of Thailand, or other laws applicable to the Company's business. The results of the review of the Company's operations for the year 2023 showed no significant issues regarding non-compliance with the laws of the securities and stock exchange, the regulations of The Stock Exchange of Thailand, or other laws relevant to the Company's business.
5. The Audit Committee has considered the results of the 2023 internal audit performance of P&L Internal Audit Co., Ltd., serving as the Company's internal auditors, and viewed that such

- company was able to perform the auditing work with good results, with no significant indications of fraud or deficiencies in internal control found. Such a company is independent and has provided useful recommendations for internal control in order to govern the business and has proposed suitable audit compensation fees. It is therefore deemed appropriate to appoint P&L Internal Audit Co., Ltd. to act as the Company's internal auditor for the year 2023.
6. The Audit Committee has considered, selected, proposed the appointment, and proposed the remuneration of the Auditor for the year 2023 to be presented to the Board of Directors for approval from the Annual General Meeting of shareholders for the year 2023. The Audit Committee has considered the performance, independence, and appropriateness of the remuneration. It was deemed appropriate to propose to appoint Mr. Peeradech Phongsthiansak, Certified Public Accountant No. 4752, or Ms. Soraya Tintasuwan, Certified Public Accountant No. 8658, or Ms. Sulalit Atsawang, Certified Public Accountant No. 7517, Miss Thanyaphorn Tangtanopajai, C.P.A. License No. 9169, on behalf of Dharmniti Auditing Co., Ltd., as the Company's Auditor for the year 2023 due to:
    - Having a good standard of work with expertise in auditing, and has performed very well continuously
    - Providing good advice and consultation on new accounting standards with clear details and having proposed the audit fee for the year 2023 in the amount of THB 1,070,000 (One million seventy thousand baht).
    - (Auditing office and the auditors listed above) Having no relationship or conflict of interest with the Company, the management, major shareholders, or those related to such persons. Therefore, they are independent in auditing and expressing opinions on the Company's financial statements.
  7. The Audit Committee has performed its duties in accordance with the scope of authority specified for the role of the audit committee in accordance with the law on securities and exchange, and regulations of The Stock Exchange of Thailand.
  8. Review the Audit Committee Charter To ensure that the contents of the charter It is consistent with the current regulations and laws. To present to the Company's Board of Directors for consideration.

The Audit Committee is of the opinion that the Company's operating results for the year ended December 31, 2023, have been performed under the proper internal control system and appropriate internal audit process. The financial reports are accurate, complete, and reliable. The risk management is suitable for the business conditions, and the practice is in compliance with the laws, rules, and regulations related to the Company's business. In addition, the information disclosure to regulatory institutions is accurate. The performance is in line with a good corporate governance system sufficiently, with transparency and reliability.



(Mr. Wuttichai Chartisaranuwat)  
Chairman of the Audit Committee



The Practical Solution Public Company Limited

SOLVE BUSSINESS CHALLENGE

“ PASSION TO **YOUR SUCCESS** ”

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**The Practical Solution Public Company Limited**

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