




Annual Registration Statement /  
Annual Report 2023  
| Form 56-1 One Report |

nForce Secure Public Company Limited





nForce Secure Public Company Limited  
is a Thai Value-added specialty distributor  
of IT Security, Information Management  
and Network Solutions.

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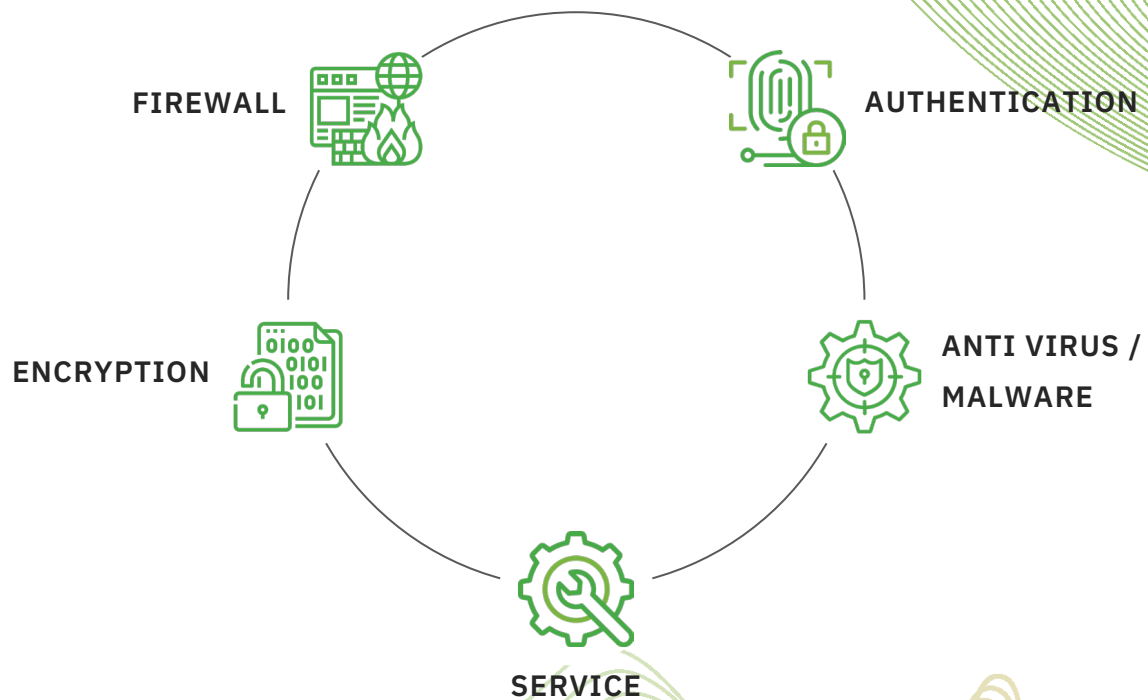
## Vision

To be the Leader in Cybersecurity Solutions to protect business and organizations by highly secured innovation, aiming to be the Regional Leader.

## Mission

To be the distributor of Cybersecurity Solutions with quality and high-technology services, care for stakeholders and employees wellbeing, building up alliance to enhance business opportunity.

## Products & Services of the Company business



### nForce Secure Public Company Limited

Distributor of Cybersecurity Products and related Network Management such as Palo Alto Networks, Trend Micro, Solarwinds, Radware, Gigamon, ExtraHop, Big ID etc. These products are leaders in Cybersecurity fields for example, Firewall, Anti-Virus/Anti-Malware, Authentication, Encryption, etc.

Moreover, there are also services related to the products that the Company is the distributor to facilitate customers who use products such as Training, Installation and Maintenance, including consulting services for various problems caused by the use of the system or software that the Company is a distributor.





## Message from CEO

In 2023, the growth rate of cybersecurity products jumps up around the world due to the main factor as many industries still drive business by technologies for convenience, speed and cost control. As the current situation, hackers have developed a variety of cyber treats and evade detection such as malware, phishing, vishing, wormware, and ransomware, etc. As a result, The organizations alert attacks, seek effective security system and also provide cybersecurity awareness training to staffs for protecting stably and closing vulnerabilities within the organization's systems as much as possible.

SECURE is veteran cybersecurity experts and specialty distributor with more than 18 years' experience for offering new several worldclass products and developing the company's services. For supporting customers' business operations in every dimension, The Company proposes products and solutions such as Application security, Cloud security, Email security, endpoint security, Identity and Access Management (IAM), Network Performance and Monitoring, Security Operations Center (SOC), Network security, PDPA & Data security and others related to ensure that the systems of customer are stable and safe. The Company would like to be as a part of promoting cyber security in long-term for the digital industry in Thailand.

In 2023, Directors, Executives and employees fully devote for stable growth. The Company's performance for the year 2023 with total 1,072.26 million baht increasing 19.51% for the previous year and total net profit 91.05 million baht increasing 61.47% for the previous year. However, the Management team under the supervision of the Board of Directors would like to give thanks to shareholders, business partners, employees and all parties related for being good corporation and a part of the Company's success. We commit to provide products and develop services and expertise team for the Company's strength to increase the competitiveness and push forward the sustainable growth under the principles of Corporate Governance and Code of Conduct with our responsibilities to stakeholders for the utmost benefit of all parties.

Nakrop Niamnamtham  
Chief Executive Officer

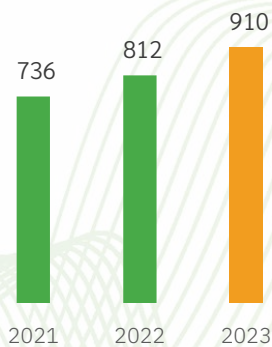




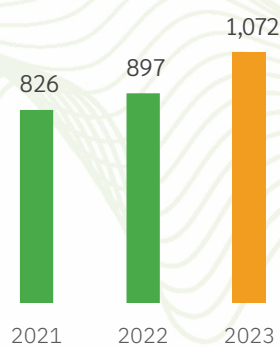


## Financial Highlights

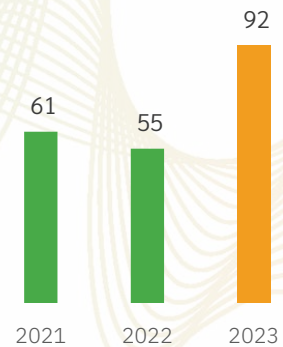
**Total Assets**  
(Million Baht)



**Total Revenue**  
(Million Baht)



**Net Profit**  
(Million Baht)



(Unit: Million Baht)	2021	2022	2023
<b>Financial Data</b>			
Total Assets	736.02	811.87	909.75
Total Liabilities	162.54	199.83	237.06
Equity	573.27	612.04	672.69
Paid-up Capital	51.37	51.37	51.37
Total Revenue	826.34	897.20	1,072.26
Profit (Loss) from Other Activities	(2.08)	8.03	(0.03)
Net Profit	61.11	55.06	91.77
EPS (Baht)	0.69	0.54	0.89
<b>Financial Ratio</b>			
ROA (%)	14.38	8.86	13.57
ROE (%)	17.79	9.29	14.29
Net Profit Margin (%)	7.40	6.14	8.56



## Board of Director member



**Asst. Prof. Dr. Pattanant Petchchedchoo**

Chairman (Independent Director) /  
Chairman of the Audit Committee /  
Chairman of the Risk Management  
Committee / Member of the Corporate  
Governance Committee



**Mr. Karoon Phungsoondara**

Independent Director /  
Chairman of the Corporate Governance  
Committee



**Dr. Smitti Darakorn Na Ayuthaya**

Independent Director / Member of the  
Audit Committee / Chairman of the  
Nomination and Remuneration  
Committee / Member of the Risk  
management Committee



**Mr. Piyasak Chotipruk**

Independent Director / Member of the  
Audit Committee / Member of the Risk  
management Committee / Member of  
the Corporate Governance Committee





**Dr. Supachai Sukhanindr**

Independent Director /  
Member of the Nomination and  
Remuneration Committee



**Asst. Prof. Dr. Siridech  
Kumsuprom**

Independent Director



**Mr. Anotai Adulbhan**

Director / Member of the Nomination  
and Remuneration Committee /  
Member of the Executive Committee



**Mr. Nakrop Niamnamtham**

Director / Chairman of the Executive  
Committee / Chief Executive Officer



**Ms. Sukanya Luanchamroen**

Director / Member of the Risk  
management Committee /  
Member of Executive Committee /  
Deputy Chief Executive Officer /  
Company Secretary

# 1 Business Operation and Operating Results



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nForce Secure Public Company Limited





## Organizational structure and operation of the group of companies

### 1. Policy and business overview

In 2005, Niamnamtham Group and Luanchamroen Group jointly established nForce Security System AP Company Limited ("nForce AP"), which was registered on 5 August 2005, with an initial authorized capital of 1,000,000 Baht. Niamnamtham Group and Luanchamroen Group hold 30% and 40% of nForce AP's authorized capital respectively, with other shareholders holding 30% of nForce AP's authorized capital. Later in 2014, the group of shareholders, Niamnamtham Group and Luanchamroen Group, agreed to establish nForce Secure Company Limited (Converted into a public company under the name nForce Secure Public Company Limited in 2020; The details appear in the report content Material changes and developments. Page 10) with an authorized capital of 30,000,000 Baht to operate as a distributor of cybersecurity products and related products in network management. nForce AP has transferred the contracts of being a distributor of certain products to the Company, and this has caused the same group of customers who used to trade cybersecurity products with nForce AP to instead buy and sell cybersecurity products with the Company instead, while nForce AP changed its name to Altair Management Company Limited and its main business changed to the real estate business. nForce AP is the owner of an office building renting to the Company.

The Company focuses on being a distributor of products that can meet the needs of customers in the field of cybersecurity by offering quality and reputable products in each product category, which can be classified into 4 categories; (1) End Point Security, (2) Network Security, (3) Network Performance and Monitoring and (4) Others, such as Encryption Solution, software related to Authentication and software related to Archiving, etc. Most of the product owners are manufacturers, inventors and developers of their own software and equipment, giving each product unique and different operational capabilities. The

products that the Company distributes are internationally famous and recognized, including Palo Alto Networks Inc., Trend Micro Australia PTY Limited (Trend Micro), Solarwinds Software Europe Limited (Solarwinds), Giggamon Inc., (Giggamon) and Extrahop Networks Inc. (Extrahop Networks), etc. The product owners that the Company is the distributor of are all leaders in cybersecurity fields, whether it is a firewall, anti-virus, as well as anti-malware, authentication, and encryption, etc.

Moreover, there are also services related to the products that the Company is the distributor to facilitate customers who use products such as installation services (Installation) and maintenance service (Maintenance), including consulting services for various problems caused by the use of the system or software that the Company is a distributor and training services for the using of system (Training), etc.

The Company's main customers are System Integrators or SI that act as aggregators of various information technology needs of users directly (End User), design and install various information technology systems by presenting in the form of information technology solutions to meet the needs of users directly in the enterprise. The direct users consist of Government and private sectors. The system and technology integrator contractors will work with product dealers (distributors), who are knowledgeable and specialized in the desired products. The dealer will be responsible for the procurement and delivery of the product to be in accordance with the information technology system that the contractor assembles the design system according to the requirements. The system integrators (SI) who are the Company's main customers are mostly well-known companies and have business potential, making them often those who have been selected to undertake various projects of both public and private organizations.



## 1.1 Vision and Goals in Business Operations

The Company is determined to be one of the leading distributors of security products and cybersecurity which are parts of the country's infrastructure that enhances the efficiency of cybersecurity and the products in the field of network management (Network Management) that are related, including the development of software products to effectively meet the needs of domestic corporate customers. The goal is to be a leader in being a distributor of a wide range of products of international standard quality in the

Southeast Asian market. Moreover, the Company is also determined to add value in the supply chain by offering a complete range of services both before and after sales to build trust in the products as well as to meet the needs of customers both in terms of installation services (Installation), maintenance services (Maintenance), as well as consulting services for various problems which are caused by the use of the system or software that the Company is a reseller and training services for using the system (Training), etc.

## 1.2 Material changes and developments

The Company has been registered as nForce Secure Co., Ltd. Since January 9, 2014, by the shareholder group of Niamnamtham Group and Luanchamroen Group and has been listed on the Stock Exchange of Thailand (Market for Alternative Investment: MAI) since July 1,

2021. In 2023, there have been no material changes in the nature of the business operations in the Company. Throughout over 18 years since operating in the cybersecurity business, there have been significant changes and developments as follows:

### 2005

nForce Security Systems AP Company Limited<sup>/1</sup> was established on August 5, 2005, with an authorized capital of 1,000,000 Baht by Niamnamtham Group and Luanchamroen Group holding 30% and 40% of nForce AP's authorized capital respectively, to operate as a distributor of cybersecurity products with partners producing and developing software systems that enhance cybersecurity efficiency for various organizations.

### 2014

Subsequently, on January 9, 2014, the group of shareholders which are: Niamnamtham Group and Luanchamroen Group agreed to establish nForce Security Company Limited with a authorized capital of 30,000,000 Baht to operate as a distributor of cyber security products and related products in network management (Network Management) with purpose to lead the Company to be listed on the Stock Exchange of Thailand by increasing the authorized capital to reflect the stability of the Company's financial status and build confidence for the Company's partners, including creating opportunities for future business growth. Niamnamtham Group and Luanchamroen Group hold shares in the Company in the proportion of 45% and 55% of the total shares respectively.

Remark: <sup>/1</sup> nForce Security Systems AP Company Limited changed its name to Altair Management Company Limited and registered the name change on 28 May 2020, including changing the place of incorporation and changing the purpose of business operation to a real estate business in accordance with the facts without operating its business as a distributor of cyber security products and will not engage in business competition with the Company.







## 2014

nForce AP has transferred the contracts of being a distributor of certain products to the Company. This made the group of existing customers who had been dealing cybersecurity products with nForce AP, to buy and sell cybersecurity products with the Company instead, while nForce AP has changed its core business to real estate by owning office buildings renting to the Company.

## 2017

The Company sold all its investments in nForce AP to the major shareholders group in order to restructure the Company to be ready for listing on the Stock Exchange of Thailand. nForce AP was not a subsidiary of the Company anymore.

## 2018

The Company was ranked as one of the 25 Hottest Cyber Security Companies 2018 by APAC CIO Outlook magazine, a magazine for information technology business resources in the Asia-Pacific region, to be one of the 25 Most Recognized Cyber Security Companies of 2018.

The Company received the “50 Most Admired Companies of the Year 2018” certification from Silicon Review Magazine, one of the most trusted online and print media related to news, business, and the industry related to technology as one of the 50 Companies to Watch for 2018.

On August 29, 2018, the 2 major shareholder groups which are Niamnamtham Group and Luanchamroen Group has jointly established Moz Seguro Co., Ltd. with an authorized capital of 1,000,000 Baht, and holding 45% and 55% of the total shares respectively, with the objective of investing in holding the main shares in the Company. Moz Seguro Co., Ltd. is a major shareholder of the Company by holding 24.36% of the total registered capital of the Company. (As of December 30, 2022)

## 2019

On July 8, 2019, the 2 major shareholder groups, namely Niamnamtham Group and Luanchamroen Group sold shares to Moz Seguro in the proportion of 35% of the authorized capital to prevent being taken over by outsiders. After the transaction of the shares, the ultimate shareholding proportion of the Company will consist of a group of shareholders which are Niamnamtham Group and Luanchamroen Group holding shares in the proportion of 45% and 55% of the total shares respectively.

On December 20, 2019, the Company and the existing shareholders has signed a share purchase agreement with Hudson Asia Holdings PTE Limited (Hudson Asia)<sup>2</sup>, which operates as a holding company that focuses on investing in technology businesses with the potential to compete and grow in the future.

## 2020

On January 22, 2020, the Extraordinary General Meeting of Shareholders No. 1/2020 resolved to approve the increment of authorized capital in the amount of 1,470,000 Baht from the original authorized capital of 30,000,000 Baht to 31,470,000 Baht by issuing 147,000 new ordinary shares at par value of 10 Baht and a premium on par value of 330.14 Baht per share, totaling 50,000,000,000 Baht which Hudson Asia bought the whole capital increase shares because other shareholders waive their rights, and the existing shareholders, Mr. Nakrop Niamnamtham and Ms. Wipaporn Buristrakul agreed to sell 356,400 shares to Hudson Asia through NFS PV Limited. NFS PV Limited is held by Mr. Nakrop Niamnamtham and Ms. Wipaporn Buristrakul in the proportion of 45% and 55% of the total shares respectively. As a result, after the increase in the paid-up capital and from the purchase of existing shares, Hudson Asia holds a shares in the Company of 16% of the authorized capital.

Remark: <sup>12</sup> Henderson Capital Asia Limited<sup>13</sup> holds 100.00% of the Hudson Asia's shares. Henderson Capital Asia Limited operates its business by investing in potential Asian companies.

<sup>13</sup> Henderson Capital Asia Limited is 100.00% owned by Lakeshore Capital I LP. Lakeshore Capital I LP operates by investing in potential companies in Asia. Lakeshore Capital I LP's shareholders include 5 major institutional investors with a combined stake of more than 85%, and 24 individual investors invest no more than 15%, and currently, Lakeshore Capital I LP's investors are not individuals who may have conflicts with the Company in accordance with the announcement of the Securities and Exchange Commission and The Stock Exchange of Thailand (except Mr. Anotai Adulbhan who is a representative from Hudson Asia Holdings PTE Limited to be a director of the Company)



## 2020

On April 23, 2020, the 2020 Annual General Meeting of Shareholders resolved to approve the increment of authorized capital in the amount of 6,030,000 Baht from the original authorized capital of 31,470,000 Baht to 37,500,000 Baht by issuing 603,000 new ordinary shares at the par value of 10 baht per share, offered to the existing shareholders of the Company.

Converted into a public company under the name nForce Secure Public Company Limited, which was registered to be a public company limited on September 10, 2020 to be listed on the Stock Exchange of Thailand, and Changed the par value of ordinary shares from the original value of 10.00 Baht per share to 0.50 Baht per share, which made the number of registered shares and the number of issued and paid-up shares increased by 71,250,000 shares, an increment from 3,750,000 shares to 75,000,000 shares, with the registered and paid-up capital remained unchanged. The change was registered with the Ministry of Commerce on 10 September 2020.

On September 9, 2020, the Extraordinary General Meeting of Shareholders No. 3/2020 resolved to approve to Increase the authorized capital of ordinary shares in the amount of 15,470,500 Baht at a par value of 0.50 Baht per share, which increases the authorized capital from 37,500,000 Baht to 52,970,500 Baht by issuing new ordinary shares as follows:

1. Allocation of 27,741,000 newly issued ordinary shares of the Company with a par value of 0.50 Baht per share for sale to the directors, executives and employees of the Company and for sale to the general public for the first time.
2. Allocation of 3,200,000 newly issued ordinary shares of the Company with a par value of 0.50 Baht per share to be reserved shares for the issuance and offering of warrants to purchase ordinary shares (ESOP) of the Company to the management and employees of the Company.
3. Approved the introduction of the Company's ordinary shares Listed as listed securities on the Market for Alternative Investment (“mai”)

Remark: <sup>/4</sup> Data Wow is a company that specializes in software development and data analytics.

<sup>/5</sup> On December 28, 2021, nDataThoth received a promotional certificate from the Board of Investment, type of business 5.7.3, high-value-added software development business.

## 2021

As of 1 April 2021, the Company and Data Wow Company Limited<sup>/4</sup> (“Data Wow”) jointly established nDataThoth Company Limited<sup>/5</sup> (“nDataThoth”) to engage in the business of developing and distributing software related to personal data protection (PDPA), as well as related services. nDataThoth has an authorized capital and paid-up capital of 15.00 million Baht and has a stake in nDataThoth between the Company and Data Wow at 55.00% and 45.00% of authorized and paid-up capital.

The Company had Listed as listed securities on the Market for Alternative Investment (“mai”) on July 1, 2020.

## 2566

The company, together with Group-IB Digital Forensics & Incident Response, a group of experts with more than 70,000 hours of experience managing and responding to global cyber threats, has launched the Digital Crime Resistance Center in Thailand and established an Incident Response team to Dealing with cyber threats Under this cooperation The company will serve as the distributor for all Group-IB products and services. It will also establish the first Incident Response (IR) team in Thailand with the assistance of Group-IB.







### 1.3 The use of fundraising funds is in accordance with the objectives as disclosed by the Company as follows:

The Company made its initial public offering (IPO) on 23 – 25 June 2021, amounting to 27,741,000 shares at the offering price of 16.00 Baht per share, with the remaining money after deduction of various expenses related to the offering of shares in the amount of 420.72 million Baht, which the purpose for use as research and development proceeds in Cybersecurity and for use as working capital to support the Company's

operations and/or to support the Company's business expansion in the future.

As of December 31, 2023, the Company has used the capital increase from the initial public offering (IPO) totaling Baht 75.58 million, according to the capital increase objectives. In summary, the details of the use of additional funds are as follows:

Spending Objectives	Amount of Spent Money (approximate)	Spending Duration (approximate)	Details / Spending Progress
1. Use of net proceeds in Technical Support Center Project	10.15 Million Baht	Jan – Dec 2022	Technical Support Center has been operating since September 2022.
2. Use of net proceeds on related business investment <sup>/1</sup>	2.75 Million Baht	August 2022	The Company and Data Wow Co., Ltd. jointly established nDataThoth Co., Ltd. (The detail on page 33) to develop and distribute software related to personal data protection (PDPA), as well as related services.
3. Use of net proceeds for operational working capital of the Company	62.68 Million Baht	Jul 2021 – Dec 2022	Working capital of the Company including repayment of short-term loans, interest.

Remark: <sup>/1</sup> Investing in related businesses to create growth for the Company depending on the business opportunity and appropriateness for future investments; this may include expanding the business through other acquisitions.

### 1.4 Company General Information

nForce Secure Public Company Limited Ticker symbol SECURE securities (the "Company") is engaged in the business of Distributor of cyber security products and products related to the field of Network Management, which is registered as a legal entity under the law on public limited companies on September 10, 2020, Registration No. 0107563000258.

As of December 31, 2022, the Company has a registered capital of Baht 52,970,500 and a paid-up capital of Baht 51,370,500, representing 102,741,000 ordinary

shares with a par value of Baht 0.50. In this regard, the registered capital includes registered capital for the Exercise of warrants (Employee Stock Option Program) of Baht 1,600,000.

Head Office Location No.9/2 The Synchronized Project, Soi Ratchadaphisek 18, Ratchadaphisek Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310, Tel. +662 274 0984, Website at [www.nforcesecure.com](http://www.nforcesecure.com)



## 2. Nature of Business

### 2.1 Income structure

Types of Income	2021		2022		2023	
	MB	%	MB	%	MB	%
<b>Revenue from sales</b>						
– Network security	619.83	75.07%	684.92	76.34%	797.68	74.39%
– EndPoint Security	105.97	12.83%	124.81	13.91%	161.34	15.05%
– Network Performance and Monitoring	73.90	8.95%	40.09	4.47%	24.85	2.32%
– Others	2.90	0.35%	19.33	2.16%	55.02	5.13%
Total Revenue from sales	802.60	97.20%	870.80	97.06%	1,038.89	96.89%
Revenue from rendering of services	20.94	2.54%	23.10	2.57%	27.08	2.53%
Other income <sup>1/</sup>	2.16	0.26%	3.29	0.37%	6.29	0.59%
<b>Total revenue</b>	<b>825.70</b>	<b>100%</b>	<b>897.19</b>	<b>100%</b>	<b>1,072.26</b>	<b>100%</b>

Remark: <sup>1/</sup> Other income are as follows; Interest income, and Revenue from processing activities.

### 2.2 Product information

#### 2.2.1. Characteristics of products and services.

The Company's business operations can be divided into 2 main parts as follows: 1) business as a distributor of cybersecurity solutions and 2) business that provides

services related to products that the Company is a distributor for.

#### A distributor of cybersecurity solutions

The Company is a distributor of cybersecurity for many world-renowned vendors, including Palo Alto Networks, Trendmicro, Solarwinds, Gigamon and Extrahop, etc. The product owners that the company is that dealer are all leaders in cybersecurity in various fields, such as a device firewall, anti-virus, including anti-malware, authentication, and encryption, etc.

The products that the company is a dealer can be classified into 4 types: 1.) Network Security 2.) EndPoint Security 3.) Network Performance and Monitoring and 4.) Others. including software related to Encryption Solution, Authentication, Archiving, etc. Most of the product owners are manufacturers, researchers, and developers of software and equipment with outstanding and different abilities. The products that the company is the dealer have been selected to be

famous and internationally recognized products with the features and strengths of work that differ in each product making the company able to offer a wide range of products and generate sales for each product owner which causes the continually growth of income of the Company. Each type of product is detailed as follows:

##### 1.) Network Security

Network security refers to the protection of networking infrastructure from breaches, malicious access and cyberattack related to users, applications, and devices by using IT security policies and deploying network software and hardware that can protect data, assets and all IT resources from cyber threats. The products in this group that the Company is a dealer, including. (Network Security)





### Palo Alto Network

The Zero Trust Network Security Platform secures a world where any user can work anywhere-without restrictions. Zero Trust, including enabling secure access for all users irrespective of location, inspecting all traffic, enforcing policies for least-privileged access control, and detecting and preventing advanced threats. This significantly reduces the pathways for adversaries, whether they are inside or outside your organization, to access your critical assets. It supports Hardware Appliances (PA-Series), Virtual Appliances (VM-Series) and Secure Access Service Edge (SASE). Next Generation Firewall Palo Alto can increase capabilities with cloud security service such as Adv TP, Adv WF, Adv URL, DNS Security, etc.



### Trend Micro

Trend Micro is powerful network security capabilities developing software security for servers, containers, networks, and end points and providing XDR with network detection and response.

Trend Micro Tipping Point (IPS) detects the unknown and protects the unmanaged by leveraging network analytics and network vulnerability protection by updating new vulnerabilities from Zero Day Initiative (ZDI) and running on the Deep Discovery Inspector (DDI) with sandbox; detect Zero Day or unknown threat in an internal system. After the detection, the system delivers threats data to Tipping Point for protection against known threats and unknown threat. Furthermore, Tipping Point can also operate with XDR (Trend Micro Vision One) for increasing the capability of threat detection.



### VIASCOPE

VIASCOPE provides network access control solutions, traffic monitoring and IP Address management with more than 20 years. IPScan XE can control network access of devices that connect within an organization without automatic authorization, investigate devices in real-time and provide centralized management. While detecting threat, IPScan blocks unauthorized devices from communicating through the network and sends IP conflict protection report for administrators to manage devices in an organization accurately.



### Gigamon

Because of complexity and fast alternation of IT Infrastructures, security control doesn't receive all Data Feed and can't process effectively. Gigamon platform helps collect Data Feed from all IT Infrastructures such as Physical Network, Private Cloud, and Public Cloud, screen and transform Data Feed for matching each security control. Therefore, it can work with efficiency and save cost.



### ExtraHop

ExtraHop Reveal (x) NPM is Platform Cloud Native having Unsupervised AI and machine learning for analyzing big and complicated data. There are accurate integrations, identifications of application performance and real-time analytics also. Further, ExtraHop can monitor complex attacks and normalize communications data as metadata for investigating and finding back incidents easily.



### Arista Networks

ARISTA suite of security solutions helps organizations accelerate their journey towards zero trust maturity. Based on the CISA Zero Trust Maturity Model, Arista supports all the key functions CISA recommends for the network: network segmentation, network traffic management, traffic encryption, and network resilience along with controls for visibility and analytics, automation, and orchestration, as well as governance.





## 2.) Endpoint Security

Endpoint security is devices protection connecting with computer network such as laptops, tablets, mobile phones, Internet- of-things devices, and other wireless devices from malicious attackers and cyber threats such as data breach, ransomware, stolen credentials, etc. The products in this group that the Company is a dealer, including.



### Palo Alto Network

Cortex XDR - the industry's first endpoint-based extended detection and response platform that integrates data from any source. The Cortex XDR app offers you complete visibility over network traffic, user behavior, and endpoint activity. It simplifies threat investigation by correlating logs from your sensors to reveal threat causalities and timelines. This enables you to easily identify the root cause of every alert. The app also allows you to perform immediate response actions.



### Trend Micro

Trend Micro offers a security platform to defend the endpoint through every stage of an attack with consolidating endpoint, server, and workload security. There is an Extended Detection & Response (XDR) which can detect, investigate, and respond to the threat faster. It can provide Streamline IT security operation and analyzes the attack rapidly and effectively.

## 3.) Network Performance and Monitoring

Network Performance and Monitoring is a solution to verify network quality between office sites, data centers, clouds, and applications in real-time. It helps a network administrator troubleshooting problems with an appropriate solution such as network delay, data loss and availability of any network link internal, Hybrid Networks and VPN. The products in this group that the Company is a dealer, including.

## ARISTA

### Arista Networks

DANZ Monitoring Fabric (DMF) is the industry's first network packet broker (NPB) that leverages an SDN-controlled fabric to deploy network visibility and security solutions. Traditional box-based, hardware-centric NPBs are architecturally constrained to meet emerging security and visibility demands of cloud-native data centers. DMF addresses the challenges of traditional NPB solutions, by enabling a scale-out fabric for enterprise-wide security and monitoring, a single pane of glass for operational simplicity, and multi-tenancy for multiple IT (NetOps, DevOps, SecOps) teams.



### Solarwinds

Solarwinds provides easy-to-use network performance and monitoring platform in full-stack visibility for end-to-end monitoring as configuration, protocol analysis, data transmission, monitoring bandwidth usage, troubleshooting and network topology. The observability to fully autonomous operations and full visibility into the networks are offered to users. SolarWinds can operate with multi-vendor supported and extend systems in the future also.



### Colasoft

Colasoft proposes Network Performance Analysis System solution and real time network packet data storage 24/7. Colasoft can monitor service quality of all aspects of a business network, detect and pinpoint problems affecting performance and stability of key business based on real incidents. There is full presentation as Hop-by-Hop with flexible custom report, alert and dashboard via web UI.

## 4.) Others

In addition to the main products mentioned above, the company also sells other products that are important for system administration and data management, including user identification, which is another important aspect of network management to be efficient and secure. The products in this group can be classified into 7 types:





#### 4.1) Application Security

Application Security is a process of secure software applications through application development lifecycle which includes the usage of software, hardware, and techniques. These are also a requirement analysis, design, development, implementation, verification as well as maintenance to identify a weakness and maximize secure using application. It helps to protect from a cybersecurity attack. The products in this group that the Company is a dealer, including.



##### **Palo Alto Network**

Palo Alto Prisma Cloud is a Cloud Native Application Protection Platform (CNAPP) that combines many functionalities into a unified solution to secure cloud native applications across the full application lifecycle.

The Web Application and API Security (WAAS) module is integrated into the cloud native security platform to provide comprehensive detection and protection of web applications and APIs such as OWASP Top 10 Protection, API Security and Bot risk management for any cloud native architecture.



##### **Cloudflare**

Cloudflare is SaaS Platform to help websites, applications, and API more secure and faster. Cloudflare's architectures are designed to support every service which is managed from a single console and delivered from 300 data centers in more than 100 countries for increasing effectiveness accurately and unlimited scalability.

The examples of Cloudflare services: DDoS Protection, Web Application Firewall [WAF], API Gateway, Bot Management, Page Shield, Rate Limiting, SSL/TLS Encryption, Advanced Certificate Manager, Security Center, Analytics, Logs, Threat Intelligence, Images and Stream.

#### **SYNOPSYS**

##### **SYNOPSYS**

SYNOPSYS is a leader in the Magic Quadrant for Application Security Testing for the 7th year in a row. SYNOPSYS offers DevSecOps Solution for example Coverity, Static Application Security Testing (SAST) is fast, accurate and flexible. There is Black Duck analyzing Software Composition Analysis (SCA), managing security risks, and having open-source certificates and seeker as Interactive Application Security Testing (IAST). So, organizations can identify and manage security risks associated with vulnerabilities discovered in running web applications for "Build Trust Your Software."

#### 4.2) Cloud Security

Cloud security refers to the use of Cybersecurity software, technologies, policies, and security procedures to control the users on cloud infrastructure, protect applications, data, network, and infrastructure on cloud environments from cyber-attack and comply with the legal regulation. The products in this group that the Company is a dealer, including.



##### **Palo Alto Network**

Prisma Cloud is the industry's most complete cloud-native application protection platform (CNAPP), with the industry's broadest security and compliance coverage for infrastructure, workloads, and applications, across the entire cloud-native technology stack-throughout the development lifecycle and across hybrid and multi cloud environments.

Prisma Cloud protects and integrates with cloud-native architectures and toolkits to ensure complete security coverage while breaking security operational silos across the entire application lifecycle.





#### Cloudflare

Cloudflare Technology Zero Trust Network Access connects cloud access security from various resources. Users identify and authenticate by agent and no agent before accessing to systems. Zero Trust Network Access set flexible and precise control policies. It can also support unlimited expansion of the number of users in urgent incidents such as the COVID 19 pandemic crisis.



#### Trend Micro

Trend Micro proposes Workload Security with XDR that is a cloud security solution for securing hybrid clouds and detecting malware, Zero-Day malware, and threats. There is Virtual Patch which can protect cyber-attacks and vulnerabilities without patching at all. It also detects, analyzes, and responds to threats quickly and accurately. Certainly, Trend Micro leverages cloud provider integrations and helps increase protection efficiencies and provide more stable services.

#### 4.3) Email Security

Email security is the preventive process for email-based threats for the protection of inboxes, domains spoofing phishing attacks, fraud, block malware delivery, and filter spam by the encryption of email messages in order to protect the confidential and personal information from unauthorized persons. The products in this group that the Company is a dealer, including.



#### Trend Micro

Trend Micro Email Security Solution protects against cyber threats such as Malware, Spam, Phishing, BEC (Business Email Compromise). It provides email encryption for encrypting confidential and important email for protecting unauthorized persons. In addition, it can support XDR (Trend Micro Vision One) and scan internal email (Trend Micro Cloud App Security) on office 365 and G-Suite with advanced threat protection services from internal and external organization comprehensively and stably.



#### Cloudflare

Cloudflare Email Security for SaaS can protect a deliver secure to users from attacks such as Phishing, Business Email Compromise (BEC), and Email Supply Chain Attacks. Cloudflare uses technology machine-learning to analyze and try to understand natural language processing in an email and related relationship of users. So, Cloudflare indicates the infiltrated attacks accurately which can't be detected by other common email security methods.



#### Group-IB

Group-IB is an email detection and protection solution which can block advanced email threats. There is a unified risk platform to collect intelligence on threats and prevent digital risks. The notification will be sent directly to organizations if systems are attacked, and data leak. Group-IB Business Email Protection (BEC) leverages patented technologies and industry-leading threat intelligence to detect, block, and analyze all email attacks, from spam and phishing to malware delivery and BEC attacks. Moreover, it increases the efficiency of protection in every stage of Cyber Response Chain and identifies sources of attackers.

#### 4.4) Identity and Access Management: IAM

Identity and Access Management (IAM) is a framework to protect cybercrime by utilizing various technologies and processes which control the authorized users accessing system and important information securely and block insecure access. The products in this group that the Company is a dealer, including.



#### BeyondTrust

BeyondTrust is an expert in Privileged Access Management (PAM) which can manage all access and secure the organization's systems by identifying the internal and external users. There is a system for access control in real-time and enforce adaptive based on suitable and flexible environment of organization so that it can reduce risks and effectively follow the international security standard.







#### 4.5) Security Operations Center: SOC

Security Operations Center (SOC) is cybersecurity hub for organizations which helps to investigate real-time network and security incidents. If a cyberattack is detected, SOC will analyze, monitor, examine the network system and threat responses to reduce the organizational impacts by integrating people, processes, and technologies. The products in this group that the Company is a dealer, including.



##### **Palo Alto Network**

Cortex XSIAM, or extended security intelligence and automation management, is a cloud-delivered, integrated SOC platform that unifies key functions, including EDR, XDR, SOAR, ASM, UEBA, TIP, and SIEM. XSIAM customers can consolidate multiple products into a single, integrated platform, improving operations, and increasing analyst productivity. XSIAM delivers an intelligent data foundation that can easily integrate telemetry from any source, providing unified security operations across any hybrid IT architecture. XSIAM can work automatically according to workflow that have been prepared to respond to incident quickly.

##### **ARISTA**

##### **Arista Networks**

CloudVision is Aristas modern, multi-domain management platform that leverages cloud networking principles to deliver a simplified NetOps experience. Unlike traditional domain-specific management solutions, CloudVision enables zero-touch network operations with consistent operations enterprise-wide including a software suite of capabilities for automated provisioning, compliance, telemetry, analytics, and orchestration. It breaks down the complexity of siloed management approaches.

##### **ExtraHop**

##### **ExtraHop**

ExtraHop Reveal(x) is NDR Platform that helps organizations detect cyber threats in real-time with complete visibility. There are AI learning and deeply analyzing user's behaviors especially complicated information. That's why ExtraHop can detect the unknow attack which old technologies of security control don't perform. Moreover, it responds to cyberattacks faster and accurately and protects important assets.

##### **GROUP-IB**

##### **Group-IB**

Group-IB is a platform providing MXDR (Managed Extended Detection and Response) and Threat Intelligence for increasing the potential of Security Operations Center (SOC) team. There are many challenges of SOC team such as IT infrastructures (endpoint, server, application and devices running on different operating systems) which are difficult to manage, investigate and protect. But all challenges can decrease by integration of MXDR and Threat Intelligence. The Team can be visible all aspects of attacks in an organization and reduce workload for analyzing problems and incidents accurately. Moreover, Group-IB MXDR also updates information and cyber-attack incidents around the world immediately.

##### **Cymulate**

##### **Cymulate**

Cymulate is SaaS platform collecting knowledge and cyber-attacks and sending to related persons who assess and validate security control effectiveness. It ensures that security control tools can detect Breach and Attack Simulation (BAS) for protection and incident response effectively. It still benchmarks cyber performance and alerts threats to confirm the controls are functioning correctly.



#### 4.6) PDPA & Data Security

Data security is the process to protect digital confidential data from data loss, data breach and unauthorized access by adapting various technology tools and good practices with focusing on data security methods such as encryption, masking, erasure, and resilience. The products in this group that the Company is a dealer, including.



##### **Palo Alto Network**

The Data Security capabilities on Prisma Cloud enable you to discover and classify data stored in AWS S3 buckets and Azure Blob storage and protect accidental exposure, misuse, or sharing of sensitive data. To identify and detect confidential and sensitive data, Prisma Cloud Data Security integrates with Palo Alto Networks Enterprise DLP service and provides data classification that includes built-in data profiles with data patterns that match sensitive information such as PII, health care, financial information, and Intellectual Property.



##### **UCP**

Unified Consent Management Platform (UCP) is a solution for supporting the Personal Data Protection Act (PDPA). Personal data owners can ensure that their data is consented to be stored securely. UCP can manage all data from many applications as Centralized Management, so data owners can access and withdraw consent according to Data Subject Right and Personal Data Protection Act. UCP offers services as Consent Management, Data Subject Request Management and Cookie Banner.



##### **BigID**

BigID is a leader in Data Discovery which can automatically scan, search, and classify important data in the organization with high accuracy and precision and supports scanning of database, file document application on petabyte level also. So, the organization can see the overall of all data. The result can show the store of personal data and kinds of data collected. The organization can supervise data accurately and comprehensively.



##### **Data Locker**

Data Locker is an advanced encryption solution offering hardware, gateway encryption on cloud and data centralized management. The products include SafeConsole, Encrypted Storage and Alpha Series that are convenient and functional integration, enhances security system, control, and transfer important data easily. Data Locker can also protect sensitive data and intellectual property of clients: government, military, and other organizations around the world.

#### **FASOO**

##### **FASOO**

FASOO is a leader in Enterprise DRM (Digital Rights Management) with more than 20 years' experience that help protecting, controlling, and tracking the important documents by encrypting files and adding granular control. You can limit editing, printing, and sharing sensitive content with unauthorized users both inside and outside your organization. FASOO Enterprise DRM (digital rights management) can prevent data breaches and enforce the highest level of protection to unstructured data.

#### 4.7) Others

Several world-class products and solutions are offered to enhance cybersecurity systems and facilitate business operation in the digital transformation era. The products in this group that the Company is a dealer, including.



##### **Builder.Ai**

Builder.AI is a platform for building applications. If you would like to create a high-tech application and don't have your developer team. You just share the ideas with no tech knowledge needed. Builder.AI can build applications with your exact specifications and custom features with showing clear timeline and calculating a price. So, you can get your application faster and cost effectively.



**FORTRA**  
**Terranova Security****Fortra's Terranova Security**

Terranova is a security awareness platform that protects organizations and employees from cyber-attacks such as data breaches, system interruptions, ransomware, etc. These incidents can severely tarnish the image of the organization. Cybersecurity awareness training is very important in organizations. So, Fortra's Terranova Security can keep sensitive information safe and reduce the threat from hackers by phishing simulation trial or cyber challenge Demo.

The Company has jointly invested with Data Wow Company Limited ("Data Wow"), a company specializing in highly complex technology systems, especially in the field of Artificial Intelligence (AI) and database. In the establishment of nDataThoth Ltd. ("nDataThoth"). nDataThoth is engaged in software development and product development related to personal data protection under the Personal Data Protection Act, B.E. 2019 with basic products as follows: (The Details of the Joint venture of nDataThoth are on the report content "Shareholding structure of the group of companies" on pages 33 – 34)

- a) Enterprise consent Management (nForce Unified Consent Management Platform: UCP) Consent management system for collecting personal data from various data collection points, for example, when using a mobile application or website, consent will be requested for the collection of such information, etc., to obtain personal information stored in the database and bring such information to analyze and process for use in various fields.
- b) PDPAFORM Consent Form to collect, use, or disclose personal information.
- c) COOKIE WOW The consent system uses cookies or small data collected on the website to collect and use.
- d) PDPA PRO A protection of personal information service system, whereby the Company has 1) Consultants to provide advice to customers about various systems and legal requirements of the PDPA 2) Consent Form System to collect, use or disclose personal information and 3) Consent systems for cookies or small data collected at the website to be collected and used to enable customers to comply with the Personal Data Protection Act B.E. 2019
- e) Visitor Management Visitor management system, that is, the registration system for entering and leaving the area for visitors for systematic management and building safety.





The products that the Company is a distributor for are categorized by product type and can be as follows:

Product	Hardware																					
	Palo alto Network	Trendmco	Acalvio	Cyfirma	Colasoft	Gigamon	Vascope	CloudFlare	Solarwinds	Synopsys	Extrahop	AIC	Datalocker	Beyondtrst	BigID	Ruijie	Terranova	Allied Telesis	Arista	Cymulate	Group IB	Builder AI
<b>Server:</b> This is the computer that performs one or more services for the client computer.												✓										
<b>Storage:</b> Centralized storage devices.												✓	✓									
<b>Hyper converged infrastructure: HCI:</b> This is a computer with multiple nodes, or the basic unit of a data structure on the same computer.												✓										
<b>Network Security:</b> Security devices used on the network	✓	✓					✓															
<b>Network Performance:</b> A devices that speed up the use of various operational systems in the organization.																		✓	✓			
<b>Network Monitor:</b> A device used to monitor network traffic.					✓	✓					✓							✓	✓			
<b>Security Monitor:</b> Security devices used on the network	✓	✓	✓								✓							✓	✓			
<b>Network Equipment</b> : Network equipment for connecting, including wireless																		✓				





Product	Palo alto Network	Trendmicro	Acalvio	Cyfirma	Colasoft	Gigamon	Viascope	CloudFlare	Solarwinds	Synopsys	Extrahop	AIC	Datalocker	Beyondtrst	BigID	Ruijie	Terranova	Allied Telesis	Arista	Cymulate	Group IB	Builder AI
Software																						
Endpoint Security:PC security software including data leakage prevention.	✓	✓																				
Network Performance: A devices that speed up the use of various operational systems in the organization					✓				✓													
Information management system: Software that performs centralized data management, browsing, data matching, and data management services															✓							
Network Monitor: The software used to monitor the network and the computers in the network.									✓													
Security Monitor:Network monitoring software to analyze security risks.			✓								✓									✓		
Risk Analysis System: Software used for analysis by viewing usage data on systems such as client computers or receiving information from the protection system or analyzing commands in the source code	✓	✓	✓	✓																✓	✓	
Network Security: Network monitoring software to analyze security risks	✓																					
Security and use of Cloud								✓														
High-performance user control system:A device that controls for user that has the highest authority in the computer system and network.														✓								
System that manages security knowledge and other courses:System that facilitates security courses and testing of security																	✓					
No Code platform: No Code software																						✓



In addition to selling hardware and software in each project, the Company is also a distributor for the renewal of service contracts (MA - License) of the product owners; this is a renewal of service related to the hardware device from the product owner, for example the hardware device has a problem, fan not working, or the electricity does not enter the device. As a result, the customers can report the problem in order to send the hardware for repair or replacement from the product owner; this includes the renewal of services related to software running in conjunction with the hardware device to enable subscription software support, such as updates or other special functions that the product owners have continuously developed each year, including software upgrades to fix in the event of bugs depending on the version of the software in use so that the software can be used to its full potential again, etc. Usually in the first sale of products, the customer shall purchase a service agreement (MA- License) with purchase of the product; the service agreement may be valid for 1 year or more depending on the initial purchase agreement. For the second service agreement renewal, before the expiration of the service agreement period, the Company will coordinate with the product owner and the system and technology integration contractor to renew the mentioned service agreement. Consequently, the Company has revenue from selling

the renewal of the service agreement (MA- License) every year continuously.

In addition, the Company provides subscriptions of the vendors to the customers. Where the software that customers purchase on-demand, such as Palo Alto firewall software or Trend Micro antivirus software, runs on the product owner's hardware device. Subscription updates will provide the software with a new virus recolonization database, different types of threats, and ways to counter or prevent them. If the customer does not renew the subscription, the device can still be used. Only in the event of a new virus or a new threat, the software will not be able to detect or prevent emerging threats. Therefore, most customers renew their subscriptions regularly to reduce such risks.

In selling products such as MA-Vendor or Subscription from the second year onwards, the Company has a system to contact customers whose products are close to maturity by the Service Renewal Team that coordinates to track the purchase history of every MA-Vendor or subscription of every customer to inform customers to purchase MA-Vendor or subscription to renew the service agreement after the original service agreement expires. This will result in effective maintenance and assistance in fixing the customer's operational system equipment by the product owner.

## **Business of providing services related to products that the Company is a distributor.**

The Company has a technical team with knowledge and understanding, specializing in products that the Company is a dealer in each category as well. The service team will offer related services from the stage of the product offering with various services for customers who are System Integrator (SI) to be able to choose and purchase various services of the Company to meet their needs which can be divided into 3 types of services as follows:

### **1.) Installation Service**

The Company provides installation services for equipment and/or systems that the customer has purchased the Company's services for so that the system can work according to the contractor's design and technology integration and to meet the needs of users directly by installing various systems, including

related equipment according to the pre-defined scope of work. The installation of the system and equipment will be carried out by the Company's technical team, which consists of engineers who have knowledge and expertise in each product and passed the training and standardized testing with a certificate of competence from the product owner in order to build confidence for customers who are system integrator (SI) or end users and to ensure them that they will receive good and quality service from the Company, which reduces the chances of a product being damaged or not properly installed due to a lack of understanding of the product.

After installing the products that the Company is a dealer, if a customer is subject to a cyberattack, as a result, the customer's data is lost and the customer can't access data or the computer is damaged, the Company will not be





obligated to pay damages to the customer due to the distribution documents and/or services between system integrator (SI) and the Company, there is no guarantee of liability, in case of damage caused by the system integrator (SI) selling products to end user, and end user is damaged from using the mentioned product. In addition, the damaged data may happen for many reasons, such as misuse, awareness, or knowledge of people on cybersecurity towards work procedures or process of customers may have channels for cyber risks, etc. Moreover, the cybersecurity products that the Company is a distributor are the ownership and responsibility of the vendors, which the Company has no right to modify or revise the products and has no responsibility for the product cybersecurity. Additionally, in the past, the Company has never had any lawsuits filed on such issues.

## 2.) Training Service

The Company provides training services to end users directly according to the scope of services that are initially agreed upon after installation. The short training course will be held for 1-2 days by the Company's technical team with expertise in that product to allow direct users to understand the use and control of various system devices correctly and appropriately.

In this regard, the Company will provide training to customers based on the course content established by the product owner. If the product has a variety of features or functions, such as systems for detecting abnormalities in network systems or devices, or a system for detecting the amount of information in the network at any given time, etc., the Company will provide training based on the functions of the system purchased by the customer for the customer to understand the correct usage.

## 3.) Maintenance Service

Providing maintenance services for information technology systems and equipment related to the products that the Company is a distributor consists of two services as follows:

### a) Corrective Maintenance

Corrective Maintenance will be in the form of a service contract with different rates of service according to the scope and duration of the service. Most of the contracts will have a service contract term of approximately 1 year, mainly providing basic advice to customers in the event that the system or device crashes so that the system or device can continue to work efficiently. If a hardware device problem, the Company will coordinate to inform the owner of the product to send the hardware to repair or replace the new hardware device from the product owner. While waiting for the product to be sent for repair, the Company has a service to lend demo devices instead of waiting for the repaired product so that the customer's business can continue to operate. The Company also has various services according to customer requirements, for example in the case of software upgrades, but the customer is unable to download software upgrade and installation, the Company will provide services for uploading software and installing such software, etc. Customers can contact to report the incident to the Company via 2 channels, which are telephone number 02- 274- 0984 or email support@nforsecsecure.com etc.

In addition, in order to facilitate and increase the variety of corrective maintenance services, the Company provides additional services for customers as follows:

- Providing corrective maintenance services on business days and hours 8x5 at the customer's location on the next business day after receiving the notification (8x5 next business day on site)
- Providing 24 remedial maintenance and temporary product replacement or lending (24x7 hardware replacement)
- Providing a 24-hour corrective maintenance service at the customer's location and offering temporary replacement or lending of test products (24x7 onsite and hardware replacement)

### b) Preventive Maintenance

Preventive Maintenance is the form of the service to check the operation of equipment and systems according to the scheduled maintenance intervals. This is usually a period every 6 months.





*Summary Table of the Characteristics of Value-added Services that the Company Distributes*

Characteristics of additional services	Scope of service of corrective maintenance <sup>1/</sup>					
	Scope A	Scope B	Scope C	Scope D	Scope E	Scope F
<b>1. Corrective maintenance service on business days and hours (8 hours x 5 business days)</b>						
1.1 Corrective maintenance services during business hours (Standard 8x5)	8 x 5	✓	✓	✓		✓
1.2 Provision of corrective maintenance services on business days and hours 8x5 at the customer's location on the next business day after receiving the notification (8x5 next business day on site)	8 x 5	✓	✓	✓	✓	✓
<b>2. Providing 24hour corrective maintenance service (24 hours x 7 days)</b>						
2.1 24hour remedial maintenance service and temporary product replacement or lending service (24x7 hardware replacement)	24 x 7	✓	✓	✓		✓
2.2 Providing 24hour corrective maintenance services at the customer's location and offering temporary replacement or lending of test products (24x7 onsite and hardware replacement)	24 x 7	✓	✓	✓	✓	✓

Remark: <sup>1/</sup> Scope of service of corrective maintenance includes Scope A = Service hours | Scope B = Remote control of the display screen | Scope C = Service by phone call channels | Scope D = Service by E-mail Channels | Scope E = Correction service at the customer's location (Onsite) | Scope F = Temporary product replacement or lending service (Hardware Replacement)

## 2.2.2. Marketing and competition

### Competitive strategies

From the vision of the Company that the Company is determined to be one of the leading distributors of cybersecurity products and products in the field of Network Management, the Company therefore focuses on offering products and services to meet the needs of customers and creating a competitive strategy as well as developing the strengths of the Company to maintain the reputation and trust of vendors which the Company is a distributor and the system integrators that are direct customers and users who are indirect customers of the Company. The Company's main competitive strategy consists of:

#### 1.) Being a distributor of a wide range of products and internationally renowned products.

The Company focuses on being a distributor of cybersecurity products to famous and internationally

known product owners who are the market leaders in each product category with awards to guarantee the quality of the product of the product owner itself, focusing on quality products that can meet the needs of various customers which consist of 1) Network security 2) End point security 3) Network performance & monitoring and 4) Others. The Company has been appointed as a reseller from several of the leading product owners in the cybersecurity market, including Palo Alto Networks, Trend Micro Solarwind, Gigamon, BigID, and others; most of which are known internationally, emphasizing on selecting products that are famous and are the strengths of each product owner to offer a variety of technologies and an alternative to system integrator (SI) and can meet the needs of users directly.





## 2.) Strong relationship with stable business partners, both Vendor and system integrator (SI), leading in Thailand and abroad, are professional and reliable, in order to support the sustainable growth of the Company in the future.

The Company has strong and long-standing relationships with business partners who own leading products abroad. The business partners have expertise in research, product development, a strong team, ability to continuously develop innovation and production networks in many countries around the world, such as

- Palo Alto Networks, one of the leaders in Network Security, trusted by more than 70,000 customers in over 150 countries worldwide and
- Trend Micro, with over 500,000 customers worldwide, is a market leader in Endpoint Security. In addition, Trend Micro is the market leader in cloud security. The awards include Google's "Google Cloud 2019 Technology Partner of the Year for Security," which highlights the capabilities of cloud-based security technologies.
- Solarwinds is one of the leaders in Network Performance and Monitoring, offering products that are able to monitor and help better manage the performance of IT environments with more than 275,000 customers in over 190 countries worldwide.

Such business partners caused the expansion of the Company's business to be done quickly and sustainably through cooperation with these partners. In addition, in distributing its products in the country, the Company places great emphasis on relationships with leading system integrators in Thailand. The Company has a sales department that is responsible for liaising with various customers as specified in the list continuously to build and maintain good long-term relationships. In addition to cooperating, the Company and the system integrators also organize seminars to educate about new products and merchandises, trends of cyber threats as well as various technologies that arise in order to directly educate users and maintain good relationships between the Company and customers.

Although the Company is a distributor of a variety of products, the products that the Company chooses to be that reseller have technical differences. As a result,

each product is not competitive or competing for market share between products that the Company is the direct distributor, making the product owners feel that they can trust. There is continuous communication to buy or sell products. The Company is considered the main distributor of many product owners. This can be clearly seen from the awards that confirm the ability to market and to sell products for the owners of the Company's products.

- Solarwinds - Best Sales Growth Distributor 2019
- Palo Alto Networks - Best Product Manager- Thailand 2020
- Trend Micro - Distributor Solution Architect of The Year 2020
- Gigamon - APAC Distributor Advisory Council 2022
- Gigamon - ASEAN Highest Growth Distributor of the Year 2022
- Trend Micro - Proactive Distributor of the Year 2022
- Palo Alto Networks - Thailand Distributors Perfect Pitch the Winner 2023
- Palo Alto Networks - Distributor of the year 2023

One of the Company's main strategies is to select products that are reputable and unique to each product owner in order to offer a variety of technologies as an alternative to the social integrator (SI) and can fully meet.

## 3.) To be a leading Value-Added Distributor in a fast-growing industry.

The sales department and technical team consisting of the Company's expert engineers will jointly analyze the needs of users directly (Proof of Concept) with the products that the Company is a reseller of and various systems that the system integrator (SI) designed to meet the needs of users directly (End User) and for consideration, including providing trial product lending services to allow system integrators (SI) to assemble systems and technologies (SI) or direct users (End User) to test the quality and functionality of the device in order to determine whether such products are compatible with the user's system directly (End User) or can work together with various systems or devices that the system integrators (SI) designed to work appropriately before actually placing an order to ensure that the ordered products can work according to the purpose of use. In this pre-sale process, the Company will not charge any expenses to the customers; this is considered a pre-sale service to



initially impress customers and is the strength that creates competitive advantages for the Company. For after-sales service (post-sale), the Company provides services related to the products that it has as a dealer, including system installation services, equipment, training, maintenance services, advice on basic troubleshooting and consulting on system operation and/or equipment to allow the device itself to be able to return to work as before.

However, the Company has focused on adding value to the products that it sells, including being a leader in finding innovative products for cybersecurity systems. to meet the needs of customers. As a result, the Company was able to generate long-term revenue growth.

#### 4.) Having team and quality personnel

The Company believes that talented people, particularly the Company's senior executives, led by Mr. Nakrop Niamnamtham, Chief Executive Officer, and Ms. Sukanya Luanchamroen, Deputy Chief Executive Officer, are at the heart of its business operations and the foundation for the success of the Company's long-term strategy. They both have prior experience in technology-related businesses, particularly in the cybersecurity industry for a long time in leading Thai

companies. Furthermore, both have been executives at the level of Executives, with extensive experience and expertise in various management positions. The management team brought ideas and knowledge from leading corporations to be used in creating a vision, company values, and various operational processes in order to bring professionalism to be adapted for a Thai company and create a knowledgeable team to import innovative products to meet the needs of target customers and increase the Company's business growth potential. In addition, the Company has a policy of training and developing personnel to have knowledge and understanding of the products that the Company is a distributor. To provide in-depth expertise, the Company divides employee work lines by product and provides training with product owners, as well as supporting knowledge training and testing to get certificates by each product owner to confirm personnel knowledge and competence in order to instill confidence in customers. Currently, the Company has 30 technical staff members who have been certified (Certificate) by each product owner, for a total of 24 people, which will help to improve the service level and add value to the products that the Company sells.

### Pricing Policy

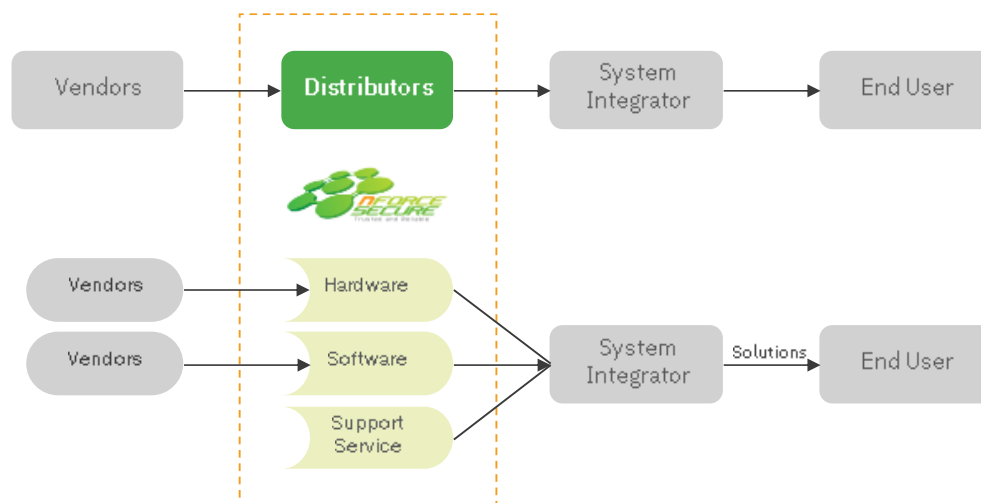
The Company has set the selling price at the cost of goods plus a margin. The cost of goods consists of equipment or system costs, transportation costs, freight costs, including estimating the fluctuation of foreign exchange rates, etc. For service pricing, the scope of service, duration, number of times of service and the complex nature of the system or device will be determined and estimated as the contingent service cost plus the specified margin. Determining the cost of

each trade or service, the Company will consider the margin of profit at an appropriate rate in each project, which may differ depending on the suitability of each product type, order value, customer group who are direct users. However, when determining each purchase price, the Company must keep the gross profit margin in mind in order to support the selling and administrative expenses and avoid a loss from such operations.





## Characteristics of customers and target groups



The Company's main customers are system integrator (SI) who collect various information technology needs, according to the diagram showing the distribution of products in the information technology system, serving to directly collect information technology needs of users and design various systems. It is presented as an information technology solution to meet the needs of users directly at the enterprise level which consists of government agencies and the private sector.

The revenue generated by the sale of the Company's products and services is determined by how much information technology requirements of various organizations that wish to improve cybersecurity or system administration in order to promote the security of information and networks are used within the Company. Moreover, the revenue also depends on the

opportunity for each system integrators (SI) who are the customers of the Company will be successful in bidding or being recruited to work on various projects of users directly. When the Company has been contacted by the system integrator (SI) about various needs of users directly (End User), the Company will recommend or design and offer products and services that the Company is a distributor to the system integrator (SI) to assemble a technological solution to offer to direct users (End User). The system integrators (SI) who are the Company's customers are mostly the companies with a reputation and business potential. Therefore, they are often chosen to undertake corporate projects, such as NTT Solutions (Thailand) Limited, Metro Systems Corporation Public Company Limited, Yip In Soi Company Limited, G-Able Co., Ltd., etc.

## Sales Channels

The Company has a sales channel, which is the acquisition of work through the sale of products and services by the Company's sales team cooperating with each system integrator. The revenue from the sale of goods and services is contingent on the possibility that the system integrators (SI) who are partners will win the auction or be selected to directly undertake various projects for the end user. During the competition for the job, the Company, as a product distributor, will work with the system integrator (SI) to register the project via the online system or a dedicated channel of the product owner and to avoid conflicts and competition between distributors that may not be transparent. As a

result, the product owner has a mechanism to establish a policy for ordering products through the registration project by requiring the product distributor, who may be a system integrator in some cases, to be in charge of registering the project to provide basic information about the project, such as the dealer's name, the name of the contractor who will assemble the system, as well as the name of the technology project or direct user-related information systems, including other information systems, etc. Part of the product owner's consideration will be in the form of a project registration prior to obtaining the right to consider first (First Come First Serve), along with the completeness





of the preliminary information provided to the product owner. The method eliminates the possibility of duplication or price competition. In addition, to avoid conflicts of interest, the project registration requires

the system integrators (SI) to purchase goods or services from the product owner only through a registered agent.

### 2.2.3. Procurement of products or services

The hardware and software products that the Company sells are divided into four categories: endpoint security, network security, network performance and monitoring, and other systems or software. including software related to identifying and verifying identity (authentication), as well as software that helps managing personal databases of employees in the organization and the corporate customers, software that encrypts data on storage devices in the form of USB sticks, external hard disks, etc. The main products being sold are Palo Alto Networks, Trend Micro, SolarWinds and Gigamon.

During the years 2021 – 2023, the Company purchased products from Palo Alto Networks, one of the Company's main products, in proportions of 74.38%, 66.91% and 68.06 %of the total purchase price of the Company, respectively. Most organizations pay more attention to such matters because the majority of Palo Alto Networks' products are related to Network Security. It is a valuable resource because of the variety of information that an organization has. Furthermore, both public and private sector organizations must focus on data security comply with the law's requirements to protect oneself against cyber-threats.

During the years 2021 – 2023, the total amount of product purchases from the top ten product owners

accounted for 99.57%, 99.10%, and 98.09% percent of the total purchase price of the Company each year.

The Company has a good relationship with each product owners that the Company distributes. Moreover, the Company is a prominent distributor of the owners of certain products and received awards confirming the ability to market and sell products to the owner of the Company's products, as the details appear on page xx.

Usually, the Company has no policy for ordering products from vendors other than the product owner, but there are cases where the Company necessitates to order some items from other dealers in order for the project of the Company to be commissioned to provide goods according to customer requirements of the system integrators so that the designed system can work at full efficiency. Most of them are products that the product owner requires to purchase from their own distributors, making purchases directly with the product owner not possible, especially in the case of a product or accessory parts to make equipment or the purchased software work better with the network of end users. The Company has ordered products from other distributors during the year 2021 - 2023 at 0.28%, 0.90% and 0.05% of the total purchase price of the Company each year, respectively.





## Delivery of goods to customers

The Company does not have a policy of ordering in advance in order to keep stock or to avoid having to wait for distribution. Except for some spare parts or test equipment that must be kept in reserve for maintenance, the product will be ordered from the product owner only after receiving the order from the customer, a temporary replacement, which is one of the Company's service scopes, such as power supplies and circuit boards, testing equipment, and so on.

Usually when receiving orders from customers, the purchasing department will review the details of the customer's order document with the sales department and project managers. Once the details of the order are correct, a purchase order document will be sent to the product owner for ordering, and normally, the period of ordering from the product owner until the product is delivered to the Company is about 30 days. When the product arrives at the Company, the warehouse department is responsible for preliminary inspection of

goods by checking the number of products to determine if the received products are as exactly as ordered or not, to inspect if the overall exterior condition is in good condition and will receive the products into the warehouse by collecting the products separately for each project; there will be a project code with the name of the customer on it for clarity when delivering the next product. Subsequently, the warehouse staff will then notify the project manager and the technical department in charge of the project to test the quality of the product to see if it can be used normally. If no error is found, the technical department will coordinate with the accounting department to coordinate with the customer in order to deliver the products or to install the product at the location specified by the customer according to the scope of the service contract. If an error is discovered, the Company will notify the product's owner, who will then be able to send a replacement product.

### 2.2.4. Assets used in business undertaking.

In 2023, the Company and its subsidiaries have main assets used in business operation as follows:

#### Property, plant and equipment and right-of-use assets

Property Listings	Proprietary owner	Value (MB)	Obligation
1. Building improvements	-	8.09	-none-
2. Office equipment	the Company	1.59	-none-
3. Computer and equipment	the Company	9.25	-none-
4. Furnisher and fixtures	the Company	0.20	-none-
5. Right-of-use assets <sup>1/</sup>	under lease	21.35	-none-
Total		40.48	

Remark: <sup>1/</sup> Altair Management Co., Ltd. and N P K and Sons Co., Ltd. has rented a building to the Company to serve as its office building and Technical Support Center per the lease term of 3 years. The lease agreement details are in the report content "Summary of lease agreements" on page 32.

#### Intangible Assets


Asset types	Proprietary owner	Value (MB)	Obligation
Computer program	the Company	0.79	-none-



## Important Trademarks/Service Marks

The company registered trademarks/services to The Department of Intellectual Property of Thailand in the amount of 1 item, with a trademark registration valid

for 10 years from the registration date, and can be renewed for 10 years each time, with the details of the trademark as follows:

Trademark / Service	Registration No.	Type of Product / Service	Registration Valid
	221107777	<ul style="list-style-type: none"> <li>Computer equipment/software</li> <li>Training</li> <li>Provide solutions to implementing a computer security system.</li> </ul>	August 14, 2020 – August 13, 2030

## Summary of lease agreements

### 1.) Office Building Lease Agreement

The Company rented an office building at no. 9/2 of The Synchronize, Soi Ratchadaphisek 18, Ratchadaphisek Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok, which is currently the office headquarters of the Company, with the area of 747.75 square meters, a rental period of 3 years from January 16, 2023 – January 15, 2026

#### The lease agreement details.

Tenant: nForce Secure Public Company Limited

Lessor: Altair Management Company Limited

Remaining rental period:

2 Years 15 Days (as of December 31, 2023)

Rental Payment (2023): THB 2,880,000

### 2.) Technical Support Center Lease Agreement

The Company rented a building at no. 274/4 and 274/5, Soi Rung Rueang, Samsen Nok Subdistrict, Huai Khwang District, Bangkok, which is currently the Technical Support Center (“Defenza Lab”), with the area of 752.00 square meters, a rental period of 3 years from March 1, 2022 – February 28, 2025.

#### The lease agreement details.

Tenant: nForce Secure Public Company Limited

Lessor: Altair Management Company Limited

Remaining rental period:

1 Years 2 Months (as of December 31, 2023)

Rental Payment (2023): THB 3,030,000

### 3.) Office Lease Agreement (A Tower)

The Company rented an office at no. 240/29 Floor 22, A Tower, Ratchadaphisek Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok, which is currently the office of Operation Support Department, with the area of 300 square meters, a rental period of 3 years from October 1, 2023 – September 30, 2026

#### The lease agreement details.

Tenant: nForce Secure Public Company Limited

Lessor: N P K and Sons Company Limited

Remaining rental period:

2 Years 9 Months (as of December 31, 2023)

Rental Payment (2023) : THB 180,000

### 4.) Office equipment Lease Agreement (A Tower)

The Company rented an office equipment at no. 240/29 Floor 22, A Tower, Ratchadaphisek Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok, which is currently the office of Operation Support Department, a rental period of 3 years from October 1, 2023 – September 30, 2026

#### The lease agreement details.

Tenant: nForce Secure Public Company Limited

Lessor: N P K and Sons Company Limited

Remaining rental period:

2 Years 9 Months (as of December 31, 2023)

Rental Payment (2023): THB 90,000

In this regard, the Summary of lease agreements No. 1.) – 2.) considered as a connected transaction for detail of the transaction is on page 108.



## Investment in Subsidiaries and Associates

The Company has a policy of investing in companies with the same business objectives as the Company's core business or similar businesses, including businesses that support the Company's business, which will result in the Company having more turnover or profit, or investing in businesses that provide benefits (synergy) to the Company, which can support the Company's core business operations to be more comprehensive in order to increase the competitiveness of the Company. However, the Board of Directors may consider investing in businesses other than the Company's main business or other businesses, if the Board of Directors believes that such a business has potential and that such an investment will benefit the Company and its shareholders as a whole. The investment must be consistent with the business's conditions, policies, goals, and growth direction as well as the Company's strategic plan. The Company will

consider the investment proportion in this regard with proper investment analysis procedures, expected profit potential risks, and the Company's financial status prior to deciding to invest in various projects. Making such investment decisions must be approved by the Board of Directors' meeting or the shareholders' meeting (or as the case may be) Moreover, requesting approval for such investments must be in accordance with the notification of the Capital Market Supervisory Board, Securities and Exchange Commission, and the Stock Exchange of Thailand.

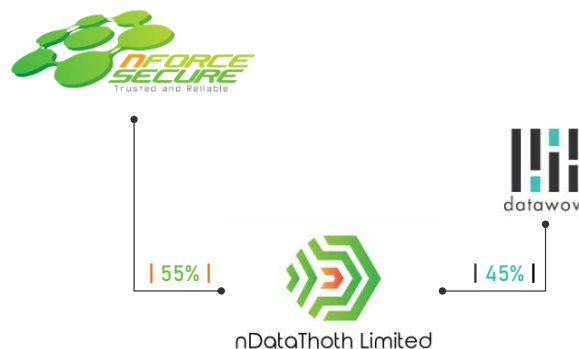
As of December 31, 2023, the Company has an investment in associated companies accounted for 0.56% of total assets, as nDataThoth Co., Ltd. of Million Baht 5.40, representing 55.00% of authorized and paid-up capital of nDataThoth Co., Ltd.

## 3. Shareholding Structure

### 3.1 Shareholding structure of the group of companies

In 2021, the Company and Data Wow jointly established nDataThoth Company Limited (“nDataThoth”) to engage in the business of developing and distributing software related to Personal Data Protection Act B.E. 2562 (2019) (“PDPA”), as well as related services. nDataThoth has an authorized capital and paid-up capital of 15.00 million

Baht and has a stake in nDataThoth between the Company and Data Wow at 55.00% and 45.00% of authorized and paid-up capital. nDataThoth is engaged in software development and product development related to personal data protection under the Personal Data Protection Act, B.E. 2019.



The Company will be responsible for technical knowledge and understanding related to cybersecurity, understanding the market of cybersecurity as well as

contact to find customers for nDataThoth while the Data Wow has the duty to transfer knowledge, information, knowledge, technology, and relevant





technical expertise for the development and production of relevant software under the Personal Data Protection Act and operates business for nDataThoth, including expertise in digital marketing as well.

In addition, nDataThoth has received one Investment Promotion Certificate from the Office of the Board of Investment (BOI) with tax benefits, including corporate income tax exemption and exemption of import duty on machinery as approved by the Board as approved by the Board in summary as follows:

Investment Promotion Certificate No.:

64-1441-1-00-2-0

Date of approval: December 28, 2021

for the Company: nDataThoth Company Limited

Type of business that have been promoted:

HIGH VALUE-ADDED SOFTWARE

Period of corporate income tax exemption: 8 Year(s)

Important rights and benefits:

- Permission to bring foreigners who are craftsmen or experts, spouses and dependents of both types of people, and dependents of both types of people, into the Kingdom in the amount and for the period determined by the Board.

- An alien who is a craftsman or an expert and is permitted to stay in the Kingdom as mentioned above is granted permission to work only in the position and duties approved by the Board for the period as long as he/she is permitted to stay in the Kingdom.
- Exemption of import duty on machinery as approved by the Board.
- For a period of 8 years from the date of starting income from the business, the net profit received from the promoted business operation is exempt from corporate income tax.
- In the case of operating a business and having a loss during the period of corporate income tax exemption, it is permitted to deduct annual losses incurred during the tax exemption period from net profits incurred after the corporate income tax exemption period for a period not exceeding five years from the date of the expiration of such period. Net profit of any year or several years can be chosen to be deducted.
- Exempt from bringing dividends from promoted businesses to be included in the calculation for income tax payment throughout the period of corporate income tax exemption.

### Juristic persons held by the Company or its subsidiaries at least 10%.

#### nDataThoth Company Limited

<b>Type of Business:</b>	The business of software development and distribution related to personal information protection software (PDPA) and related services.
<b>Joint venture:</b>	1) nForce Secure Public Company Limited 2) Data Wow Company Limited
<b>Head Office Location:</b>	1778 Summer Hub Building, 6th Floor, Sukhumvit Road, Phra Khanong Sub district, Khlong Toei District, Bangkok
<b>Authorized and Paid-up Capital:</b>	Bath 15,000,000
<b>Type of Securities:</b>	Common Stock
<b>Number of paid-up stocks:</b>	1,500,000 shares
<b>Par value:</b>	Bath 10 per Share

## 3.2 Relationship with major shareholders' business

- none -





### 3.3 Shareholders

Top 10 Major Shareholders as of December 28, 2023

List of Shareholders	No. of Shares Held (Share)	Percentage (%)
1. Moz Seguro Company Limited <sup>1/</sup>	25,023,840	24.36%
2. Luanchamroen Group <sup>2/</sup>		
2.1 Ms. Sukanya Luanchamroen <sup>3/</sup>	16,265,480	15.83%
2.2 Ms.Arpoporn Luanchamroen	1,941,920	1.89%
2.3 Mrs. Rungrawee Luanchamroen	1,858,920	1.81%
2.4 Ms. Weerana Buristrakul	886,940	0.86%
3. Niamnamtham Group <sup>2/</sup>		
3.1 Mr. Nakrop Niamnamtham <sup>3/</sup>	14,766,920	14.37%
3.2 Ms. Phasikha Rattanapong	2,323,640	2.26%
4. Humanica Public Company Limited	3,230,000	3.14%
5. N.C.B. TRUST LIMITED-NORGES BANK 1	1,932,300	1.88%
6. Mr. Apichart Kolapprasert	1,191,800	1.16%
7. Thai NVDR Company Limited	977,305	0.95%
8. Mr. Thanakorn Lekvichitthada	720,000	0.70%
9. Ms. Sirimas Chorrueangsak	640,500	0.62%
10. Mr. Kachendr Benchakul	590,800	0.58%
<b>Total</b>	<b>72,350,365</b>	<b>70.42%</b>

Remark: <sup>1/</sup> Moz Seguro Co., Ltd. is a company incorporated in Thailand, conducting business by holding shares in other companies (holding company)

<sup>2/</sup> This grouping is in accordance with the Notification of the Securities and Exchange Commission No. Kor Jor. 17/2551 dated December 15, 2008 only, not the grouping under Section 258 of the Securities and Exchange Act B.E. 1992 (including any amendments) in any way

<sup>3/</sup> Mr. Nakrop Niamnamtham and Ms. Sukanya Luanchamroen is a Director and Executive of the Company

#### Shareholders of the Moz Seguro Co., Ltd.

List of Shareholders	No. of "SECURE" Shares Held	Percentage (%)
1. Ms. Sukanya Luanchamroen <sup>4/</sup>	16,265,480	15.83%
2. Mr. Nakrop Niamnamtham <sup>4/</sup>	14,766,920	14.37%
3. Ms. Phasikha Rattanapong	2,323,640	2.26%
4. Ms.Arpoporn Luanchamroen	1,941,920	1.89%
5. Mrs. Rungrawee Luanchamroen	1,858,920	1.81%
6. Ms. Weerana Buristrakul	886,940	0.86%
7. Mr. Channarong Buristrakul	-	0.00%
8. Ms. Vipaporn Buristrakul	-	0.00%
<b>Total</b>	<b>38,043,820</b>	<b>37.03%</b>

Remark: <sup>4/</sup> Mr. Nakrop Niamnamtham and Ms. Sukanya Luanchamroen are Directors of the Company and of Moz Seguro Co., Ltd., and Held shares of Moz Seguro Co., Ltd. more than 30%.



## 4. Amounts of registered capital and paid-up capital

As at December 31, 2023, the Company registered capital with the Ministry of Commerce was Baht 52,970,500, of which Baht 51,370,500 had been paid up. The paid-up capital comprises of 102,741,000 ordinary shares with a par value of Baht 0.50 per share,

After the exercise of all warrants, the Company will have a paid-up capital of 52,970,500 Baht, representing 105,941,000 ordinary shares with a par value of 0.50 Baht per share.

## 5. Issuance of other securities

The Extraordinary General Meeting of Shareholders No. 3/2020, held on September 9, 2020, resolved to approve the issue and offering of warrants to purchase ordinary shares of the Company (ESOP Warrants) to the Company's executives and employees for a total of 3,200,000 units (1 unit of warrant is entitled to purchase 1 ordinary share of the Company) and an allotment of 3,200,000 newly issued ordinary shares of the Company with a par value of 0.50 Baht per share to support the exercise of the warrants. The warrants represent 3.02 percent of the total number of shares after the public offering and the exercise of the warrants. The details of executives and employees that have been allocated warrants as follows:

### Securities Initial:

Employee stock option program warrant nForce Secure Public Company Limited. ("Warrants")

**Offeror:** nForce Secure Public Company Limited.

### Objectives of the issuance and offering of warrants to purchase ordinary shares:

- In order to create motivation and boost the morale of the Company's executives and employees that have contributed to the success of the Company in the past,
- To create a sense of ownership among the Company's executives and employees,
- In return for the management and employees who have the determination, dedication, and sacrifice to work for the Company,
- To motivate talented and efficient personnel in work to jointly work for the Company in the long term.

- When the warrants are exercised, the Company will use the cash received from the exercise of the warrants to purchase ordinary shares of the Company as working capital.

### Category/type:

Except in the case where the warrant holder is deceased, the holder's name is specified and cannot be transferred. When an executive or employee dies, the heirs of such individuals have the right to purchase shares under the warrants on their behalf until the expiration of the allocated warrants.

### Total number of warrants:

The amount does not exceed 3,200,000 units.

### Number of ordinary shares allocated to support the exercise of rights:

3,200,000 shares (par value 0.50 Baht per share), representing 3.02 percent of the total number of shares after the initial public offering (IPO) and the exercise of all warrants at this time.

### Term of Warrants:

5 years from the date the warrants were issued. The warrants will not be extended by the Company.

**Offering price per unit:** 0 Baht (zero baht)

### Exercise ratio:

1 unit of warrant is entitled to purchase 1 ordinary share. Unless the exercise ratio is adjusted in accordance with the conditions for right adjustment specified in the terms and conditions governing the rights and obligations of warrant issuers and warrant holders to purchase the Company's ordinary shares.



**Exercise ratio:**

The same price as the price for the initial public offering (IPO price)

**Terms and conditions for the exercise of rights:**

Warrant holders can exercise their warrant rights as follows:

At the end of 2 years from the date of issuance of the warrants, the right can be exercise no more than 20% of all warrants allocated according to the exercise price.

At the end of 3 years from the date the warrants were issued the right can be exercised on no more than 20% of all warrants assigned based on the exercise price.

At the end of 4 years after the warrants' issuance date, the right can be exercised for no more than 30% of the total number of warrants allotted based on the exercise price.

At the end of 5 years from the date of issuance of the warrants, they can exercise all warrant rights that have been allocated based on the exercise price.

**Reasons for issuing new shares to support a change in rights exercise:**

When the exercise price is adjusted in accordance with the rights adjustment conditions specified in the terms and conditions of the warrants, which is an event specified in accordance with the Securities and Exchange Commission's Notification ("SEC Office")

**Other rights and benefits other than ordinary rights and benefits: - none -****Warrant secondary market:**

The warrants issued this time will not be listed as listed securities on the Thai Stock Exchange. ("SET")

**The secondary market for ordinary shares created by the exercise of warrants:**

The Company's will bring the ordinary shares of warrant as a listed security on the Alternative Investment Market (MAI).

In this regard, the Board of Directors and/or the Chief Executive Officer, as well as the person designated by the Board of Directors and/or the Chief Executive Officer, are authorized to consider other details. related to warrant allocation, such as warrant allocation for each occasion, one time or regularly, payment of a warrant, offering method, conditions and other details regarding warrant allocation as seen appropriate under the rules, conditions, and procedures prescribed by the shareholders' meeting and not contrary to or inconsistent with the law, rules, and regulations of the Securities and Exchange Commission, the SEC, and the Stock Exchange of Thailand

As of July 28, 2023 (the first exercise of warrant rights), there has been no exercise of warrant rights. As a result, the total number of unexercised warrants is 3,200,000 units.





## 6. Dividend policy

The policy of the Company is to pay dividends to shareholders at a rate of not less than 50% of the net profit from the separate financial statements after tax and various reserves and all types as specified in the laws and regulations. The Board of Directors will consider dividend payments with the interests of the shareholders as the primary consideration, and dividend payments must not interfere with the Company's normal operations. However, the dividend payment is subject to change based on the Company's operating results and financial position, economic conditions, liquidity, and investment plans as needed and in any other manner deemed appropriate by the Board of Directors. Except for interim dividends, the annual dividend payment must be approved by the shareholders' meeting. The Board of Directors has the

authority to approve interim dividend payments from time to time. When the Company's profits are sufficient to pay interim dividends without jeopardizing the Company's operations, the Company shall report the payment of such interim dividends to the shareholders' meeting for approval at the next meeting.

In 2023, the Company paid the dividend payment from the operational performance of the year 2022, which was in accordance with the resolution of the Annual General Meeting of the Shareholders 2023 on April 20, 2023. The resolution approved the dividend payment from the operational performance for the year 2022 at a rate of 0.30 Baht per share or 54.66% of the net profit, totaling Baht 30,822,300.

### Historical of the dividend payment for the operating results of the year 2020 - 2022.

	2020	2021	2022
Net Profit	23.73	63.44	56.39
Dividend payout	57.40	54.91	30.82
Dividend payout ratio	241.90%	86.56%	54.66





## Risk Management

### 1. Risk management policy and plan

nForce Secure Public Company Limited realizes the importance of enterprise risk management in the management system and operations with the aim of making risk management a corporate culture. All employees must apply the policy appropriately and realize the importance of sustainable risk management. In addition to helping the company to be able to operate the business to achieve the main objectives and goals set, including having good corporate governance, it also creates a concrete added value for the Company. Therefore, in order for various departments in the Company to have a risk management approach in the same direction, the

Executive Committee therefore formulates the Company's risk management policy. This edition is intended to serve as a guideline and framework for operational risk management for all employees. This will lead to the achievement of risk management objectives throughout the organization and the maximum benefit to the Company in the future.

The overview of the risk management policy of the Company is as follows: (For the full version of Risk management policy, please visit

<https://investor.nforcesecure.com/en/corporate-governance/policies-and-documents>)

### The Company's Risk Management Framework

#### At the organizational level

including the Executive Committee, under the policy and supervision of the Board of Directors, where the Chairman of the Executive Committee is the chairman whose duties and responsibilities are in accordance with the Company's guidelines. As well as the internal control system is reviewed by the Audit Committee.

#### At the departmental level

department manager and all internal employees (Risk Management Working Group) under the supervision of the Executive Committee.

### Roles, Duties, and Responsibilities in Risk Management

Risk management is the duty of the Company's employees at all levels, including those acting as consultants, person acting on behalf of the Company. The roles and responsibilities are as follows:

#### The Risk Management Committee

- 1) Develop a risk management policy in regards to overall risk management which covers main risks that are consistent with the entity's objectives, key goals, strategies, and acceptable risks as a framework for the operation of the risk management process for everyone in the organization to be in the same direction to propose to the Board of Directors for consideration by

supervising the Company and its subsidiaries to have risk identifications by considering both external and internal factors that may cause the Company and its subsidiaries to fail to achieve the stated objectives.

- 2) Establish the Company's risk management strategy and guidelines in accordance with the risk management policy so that each type of risk can be assessed, monitored, and controlled at an appropriate level by engaging various entities in risk management and control.
- 3) Maintain and monitor compliance with risk management policies under guidelines and



procedures approved by the Board of Directors By focusing on the process of the Company's risk assessment, Monitoring, and communication.

- 4) Supervise the Company to prevent and monitor the emerging risks that may ensue.
- 5) Review the adequacy of the policy, the Company's risk management system, and subsidiaries, including the effectiveness of the system and compliance with specified policies.
- 6) Give suggestions to the Company for review of the risk management framework at least once a year to ensure that the framework is still consistent and suitable for the Company's operations and the process of risk management of the Company.
- 7) Give suggestions on matters that require improvements to implement according to the risk management process, including consulting recommendations to the company in risk management operations with the policy and strategies set by the Board of Directors.
- 8) Review the Company's risk management reports to ensure that the organization has adequate and appropriate risk management.
- 9) Authorize to appoint and assign specialized personnel and/or insufficient knowledge and expertise to consult on the company's risk management process and assessment to achieve its objectives within the specified timeframe.
- 10) Provide opinions and suggestions in cases where the Company has a need to outsource some of its functions where the Company has specialized personnel and/or insufficient knowledge and expertise to perform duties in order to achieve the planned results. However, such employment shall be from time to time only.
- 11) Supervise the subsidiaries (if any) to comply with the Company's risk management policy, including operating under the Company's risk management framework.
- 12) Communicate and exchange information and coordinate the risks and internal control with the Audit Committee at least once a year.

#### **Risk Management Working Group**

- 1) The Risk Management Working Group will be responsible for implementing the risk management guidelines to prepare the relevant risk mitigation

plans. Implement and report the results of the implementation of the plan to the secretary of the Executive Committee on time. Under the supervision of the Executive Committee Each party must perform the following actions: Identifying various risks and analyzing and assessing potential risks, including the likely impact on the Company.

- 2) Prepare a risk management plan in the responsible line in order to include the risk management system as part of the work process as well as communicate and convey it to the operators in the line to acknowledge and practice properly, to ensure that risks are assessed, managed, and reported on in practices properly.
- 3) Examine, review, and assess potential risks, including the trend of impacts that external and internal risks may have on the organization.
- 4) Determine risk management policies, guidelines, and risk management processes for submission to the Executive Committee for consideration of the overall risk management plan.
- 5) Determine the risk management strategies and resources used by the Company in accordance with the risk management policy, as well as the Company's strategy and business direction.
- 6) Report on the results of risk management and risk management, including the risk status of each specified topic, to the Executive Committee for consideration every quarter.

#### **The Audit Committee**

Examining the performance of the internal audit department and auditors and creating reports as required by external regulators as well as reviewing the adequacy and efficiency of risk management of the Company and its subsidiaries to ensure that the Company's operations and information disclosure are transparent and reliable.

#### **Internal Auditor**

- 1) Communicate with management and auditors about risks to plan an audit that focuses on risk (Risk-Based Auditing).
- 2) Ensure that the Company has sufficient and appropriate internal controls for risk management and that controls are effectively followed.





## Risk Management Policy

Risk management is the process of dealing with risks in the operations of the Company according to the goals that have been set by providing a system and a plan for risk management. In order to manage the risks affecting the Company, the level and size of the

impacts to be at an acceptable level, including systematic assessment, control, and audit, by taking into account the achievement of the Company's goals as a priority.

## The Company's risk management process

The Company's risk management process, which follows the risk management guidelines of The Committee of Sponsoring Organizations of the Treadway Commission (COSO), consists of 6 steps as follows:



### Stage 1 Objective Setting

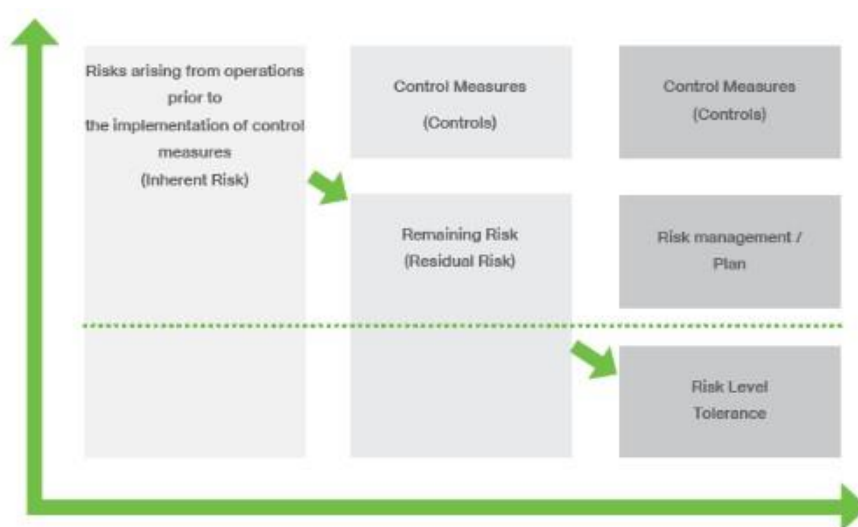
Establish business objectives or the purpose of the work that makes it clear that it is consistent with policies, goals, strategies, and acceptable risks in order to be able to analyze the expected risks in their entirety in all departments. This will lead to good risk management at the department level.

### Stage 2 Risk Identification

Risk Identification is to find out what risks are likely to occur and prevent agencies and organizations from achieving their objectives. Risk classification can be divided into 4 categories as 1) Strategic Risk 2) Operational Risk 3) Financial Risk and 4) Compliance Risk



### Stage 3 Risk Assessment



### Stage 4 Risk Response

Risk response entails determining operational guidelines to reduce the likelihood of loss by using the results of the risk assessment from step 3 to develop a risk management plan. The agency that owns the risk understands the risks that are most relevant to their departments and manages risk management plans by analyzing how to manage the expected risks. One or a combination of methods to reduce the risk of occurrence and/or reduce the severity of the risks' impact to an acceptable level, as well as manage risk management plan for the unit itself.

### Stage 5 Control Activities

Control activities are policies and operational guidelines for control established by management to ensure that an effective risk management/management plan is clearly defined for those responsible and the timing of implementation. And that control activity is one of the methods of risk management/ management plan.

### Stage 6 Monitoring & Evaluation

Monitoring and evaluation refer to the processes of performance quality control, and evaluation of additional risk management/management plans or control activities are implemented continually and consistently by following up during the operation and evaluating it from time to time to ensure efficient and effective management/plan. Therefore, progress, problems, and obstacles to risk management/management plan must be reported to be used as a guideline for further review or improvement of risk management/management plans.

In 2023, the Risk Management Committee considered and followed up on the risk control effectiveness, including regularly every 6 months monitoring the risk assessment results, and gave suggestions to the risk management working group to revise the Company's risk practice to be consistent with the business plan, and the current economic situation.





## 2. Risk factors on business operation

### Operational risk associated with the Company or the group of companies.

#### 1) The risk of dependence on vendors

The Company operates as a distributor of cyber security products and related network management products from world-renowned vendors, wherein all the vendors that are distributors are leaders in cybersecurity in areas such as firewalls, anti-virus, and anti-malware software, authentication, and encryption, etc. There are also services related to the products that the Company provides to customers who use various products, such as training services for the use of the system, installation services, and maintenance services, including consulting services for various problems caused by the use of the system or software that the Company sells as a distributor, etc.

In 2023, the Company has orders for goods and services from 1 product owner that account for more than 30% of total purchase value each year, namely Palo Alto Networks, which accounts for 68.06% of total purchases. Most of the products that Palo Alto Networks sells are network security-related products, so most organizations pay more attention to them. The risk of relying on product owners to supply goods and services: in the event that the product owner does not renew the distributorship contract or is unable to supply products to the company on time and the company still can't find a new product to replace it, this

may affect the operation of the company and the company's income significantly. However, the Company has been a distributor for over seven years and has had a good rapport with the vendors. The Company is therefore confident that it will be able to renew the contract with the owner of this product continually. Moreover, the product owner is also a company. It is famous for selling global security hardware and software. From the above, this ensures the supply of quality products that the vendors can deliver to meet the needs of the direct users of the Company.

The Company focuses on selecting products that are well-known as well as having a unique point of various products to promote the diversity of technology and as alternatives to the contractors and system integrators (SI) and effectively meet the needs of end users. The products that the Company chooses to be a reseller of are different in terms of technicality. The products that the Company selects for sale are not causing any competition or to compete in the market share between the products that are the distributors themselves, causing the company to gain the trust of various product owners. As a result, there is a diversification of the risk of relying on a single large product owner.

#### 2) The risk of failure to comply with the terms and conditions of the vendors' contract

The Company is a distributor of cyber security products. Many leading vendors place orders with the Company with the agreement to appoint distributors for the main products manufactured by the Company. Distribution contracts have an average contract term of 1-2 years, and most of them can automatically renew the contract to appoint dealers if the Company can comply with the terms and conditions. The Company must also comply with the reseller contract established by each vendor. Each vendor has terms and conditions that the Company must comply with under different contracts, such as performance requirements, marketing or

recommending products, requirements relating to the training of employees to know about the product, etc. If the company fails to follow the terms and conditions of the said contract, the Company may be at risk of contract termination as a distributor; or will not receive a contract renewal of the distributorship upon contract termination, which may affect the business operation and revenue of the Company.



The Company has given importance to complying with the terms and conditions of various contracts to meet the key performance indicators set by certain vendors with certain requirements, including consideration of the renewal of the contract with the vendors. It also takes many factors into account, such as the reputation of the company, the company's ability to provide services related to products that are distributors, etc. The Company focuses on the knowledge and

competence of personnel related to various products and technologies. The Company, therefore, has a policy for related personnel to receive training from the vendors that the Company is their distributor to increase knowledge and work potential for employees. It also creates a competitive advantage over other competitors in the market as well. As a result, the Company has been renewing the distributorship contract with the product owner continuously.

### 3) The Risk from Technological Change

The Company's business operation is related to information technology. The nature of such a business is the rapid development and change of technology by the production and introduction of new products of the vendors with additional features to support customers' needs. If the Company is unable to keep up with the changing conditions or keep up with the changes in the industry, it will be eliminated from consideration. This may result in customers turning to other dealers for services, which may affect the total revenue of the Company.

The Company has guidelines to reduce the risks from such technology changes by closely monitoring business-related information, news, and changes and adjust to keep up with the changes, including offering products and services to meet the market's demand, including introducing new products to be known to the market. This is to create business opportunities or prevent disadvantages from competitors. In addition, the Company has a policy for personnel in related

fields, such as engineers and salespeople, to monitor, study, develop knowledge and attend training and seminars with both product owners and product owners or continuous training with external organizations to be aware of the changes in technology and supply products or suitable equipment, as well as improve the service to be able to support the changes that may occur. As a representative of the world's leading products in information technology, the Company will receive information and regular training from the product owner, so the company is aware of technology changes quickly and promptly.

In addition, the Company reduces the risk of product obsolescence by implementing a policy of no pre-ordering to prevent overstocking, except for spare parts or some equipment as necessary to prepare the relevant services, including corrective maintenance services or related after-sales services. The storage of such spare parts or equipment has a small value.

### 4) The Risk of Relying on Personnel with Specific Expertise

The Company is a distributor of cyber security products for use at the enterprise level with complexity and diverse application requirements, which rely on the knowledge, ability, and experience of specialized groups of personnel, namely the Technical Department, which consists of engineers, technical experts.

As of 31 December 2023, the Company has 56 technical staff members and a sales department, which consists of knowledgeable salesmen specializing in products that the Company is a distributor for. Their duty is to sell products to customers who are contractors for

system and technology integration (SI) as of December 31, 2021, the Company has 13 salesmen. At every step of the product presentation process (Pre-Sale), after the Company gets to know the objectives and needs of the users (End User) from the system and technology integration contractor (SI). In the process of product presentation, the sales department and the technical department which consist of the Company's expert engineers will jointly analyze the needs of the users (End User) directly with the products that the Company distributes as well as various systems that the systems





and technologies integration contractors (SI) designed to be presented directly to the end user to present a good product that meets the needs of the direct user (End User) has considered and in after-sale service. The Company provides services related to the products that the Company has provides services as a distributor such as system and equipment installation, maintenance service training, including troubleshooting and consultations on system operation and/or equipment. All of these require personnel specialized with knowledge and expertise in order for them to be able to provide services. Therefore, the Company may have a risk of relying on personnel with specific expertise and this may affect the Company's operations if the Company cannot employ sufficient number of employees to its needs.

However, the Company recognizes the importance of personnel and has established guidelines to prevent the risk of personnel shortage, including a clear,

adequate, and appropriate manpower planning to be in line with the Company's growth direction by prioritizing the development of personnel knowledge on a regular basis by focusing on real-world practice, improving problem-solving skills, and increasing service capacity. This also includes focusing on both technical and practical training, as well as improving the connection and working environment, creating a culture of teamwork, strengthening relationships among personnel at all levels within the Company, and encouraging participation in brainstorming and problem solving, as well as competitively setting remuneration and welfare comparing to other companies in the same industry. In addition, the Company also allocated share warrants under the issuance and offering of warrants to purchase the ordinary shares of the Company to employees under the Company's program (ESOP Warrant) to incentives longer tenure with the Company.

## 5) Risk from Fluctuations in Foreign Exchange Rates

The Company purchases products from product owners, most of which are companies located in foreign countries. In 2023, the proportion of purchases from foreign trading partners accounted for 99.95% of the total purchase value. The purchase of such products in US dollars may cause the Company to be exposed to foreign exchange risks. Especially if the exchange rate fluctuates or the baht tends to depreciate. This will result in an increase of the Company's product cost and may affect the profit of the Company. In 2023, the Company had a profit from foreign exchange in the amount of 2.18 million baht.

However, the Company is aware of such risks by determining the allowance for exchange rate fluctuations to be included in the calculation of the cost of goods and services. This is part of the pricing structure for some customers. In 2023, the Company has considered using financial instruments by signing a contract to purchase foreign currency exchange rates

in advance (Forward Contract) in order to reduce currency exchange rate fluctuations when purchasing goods from abroad. In addition, the Company's executives are responsible for overseeing and managing foreign exchange risks by following the trend of the Baht currency as it is necessary to consider signing the contracts of currency exchange (Forward Contract). Each time that the exchange rate changes more than 5% from the exchange rate that was originally specified, the executives will consider signing only part of the advance contracts to be in line with the order quantity to reduce the risks that may occur at the discretion of the management and to reduce the risk to be within acceptable level and suitable for the Company's business conditions. As of December 31, 2023, the Company has forward contracts totaling USD 1.92 million. The Company does not have any policies regarding assuming profit from currency exchange.



## Investment risk imposed on the securities holders.

### 6) The Risk of Dependence on Executives

The Company relies on a group of top executives that are important in the Company's business operations. Mr. Nakrop Niamnamtham holds the position of Chief Executive Officer (CEO). As of December 30, 2023, the Niamnamtham shareholder group holds a total of 16.63% of the Company's total shares. Ms. Sukanya Luanchamroen, who is the Deputy Chief Executive Officer (Deputy CEO), holds a total of 20.39% of the Company's total shares. Both executives are the founders of the Company and is regarded as an executive with good knowledge and expertise in the cybersecurity business, which is one of the key factors that contribute to the growth and expansion of the Company's business, as well as having a good relationship with product owners and customers. Having knowledge and competence in business and organizational management is essential. In addition, the aforementioned senior executives also determine the direction of the Company's business operations by selecting new products to be presented to the market and generating sales for the Company. In 2023, the Company has revenue from sales and services of 1,065.97 million baht or has a 3-year average growth rate (CAGR) equal to 18.92%. The Company's future business success depends on the ability of the Company to maintain such top executives to stay with the Company. Therefore, the loss of such top executives without being able to find suitable executives to replace them may harm the management and the performance of the Company.

However, the Company recognizes the importance of relying on key executives that may affect business operations. Therefore, to reduce the risk of relying too much on a person, the Company has decentralized its organizational structure, by not relying solely on the decisions of key management. By including the

Company's Audit Committee, Nomination Committee, Board of Directors, and management team to take part in the managing and deciding within to the powers and duties that have been established, this reduces dependence on such executives. As for the responsibilities in terms of maintaining relationships with product owners and customers, the Company requires engineering teams to collaborate with the marketing team in coordination with the product owner to organize exhibitions as well as providing knowledge on cybersecurity as a channel to introduce new products, which increases business opportunities, personnel development and reduces dependency on executives.

In addition, the Company uses rules and procedures when selecting personnel for the Company's important management positions to be appropriate and transparent to ensure that the Company hires executives who have qualifications, skills, experience, and professional competency, through the Nomination and Remuneration Committee and/or the appointed committee in recruiting or selection and planning for succession, in the event of a vacancy or inability to perform in the position of executive chairman or the equivalent positions. The Company will have a system which will utilize personnel at a similar executive level or the personnel next in line to be the acting executives until the recruitment and selection of qualified personnel according to the criteria set by the Company. Such personnel must be visionaries, have the knowledge, ability, experience, and suitability for organizational culture. The Nomination and Remuneration Committee will consider the candidates and present them to the Board of Directors for consideration and approval of the appointment of a suitable person as a replacement.





## 7. Risks from Major shareholders

As of December 30, 2023, Moz Seguro Company Limited and the shareholder's group have held 61.39% of the Company's total shares, thus allowing control of almost all resolutions of the shareholders' meeting. Therefore, other shareholders may not be able to

collect votes to review and balance matters proposed by major shareholders except for legal matters or matters related to the Company's regulations, which require three-fourths of the votes of the shareholders' meeting.

## Foreign investment risk.

- none -







## 1. Policy and objectives of sustainable management

The Company realizes the importance of conducting business with responsibilities under the principles of Good Corporate Governance and transparency and considering the stakeholders' benefits and impacts in business value chain. The Company has defined policies, operational guidelines and sustainability management goals and has committed to develop the sustainability management by integrating and covering the sustainability management's issues into business operations and strategies in short-term and long-term. The guidelines of business sustainability as follows (For the full version of Corporate Social Responsibility policy, please visit

<https://investor.nforcesecure.com/en/corporate-governance/policies-and-documents>)

1. The Company conducts strict business under the principles of Good Corporate Governance and Code of Conduct.
2. The Company focuses on the impacts that may occur to stakeholders throughout the business value chain including economic, social, and environmental impacts. Responsibly. The Company's action is based on honesty, transparency, fairness and human rights.
3. The Company promotes the operational integration guidelines with vision, mission, goals and sustainable business practices.
4. The Company improves continuously work-life quality management, environmental management, safety management, occupational health, and working environment to comply with relevant regulations, laws and international standards.
5. The Company evaluates efficiency and effectiveness in sustainability for determining guidelines of business processes improvement and integrating sustainability practices according to international standards.
6. The Company educates and shares ideas about sustainable business to Executives and employees at all levels of the Company to create awareness and participation in the Company's sustainability management.
7. The Company reviews, evaluates, and follows up on sustainable business development operations in the economic, social and corporate governance aspects.

### Driving and Monitoring Sustainability Operations

The Corporate Governance Committee assigned by the Board of Directors as a supervisor and encourage the Management to conduct concretely in sustainability management. The secretary of the Corporate Governance Committee acts as the main coordinator and constantly report the performances of environment, society, and corporate governance.

Anyhow to execute the sustainability integration, the Risk Management Committee will monitor and assess the risks, or any other impacts related to the sustainability management of the Company.



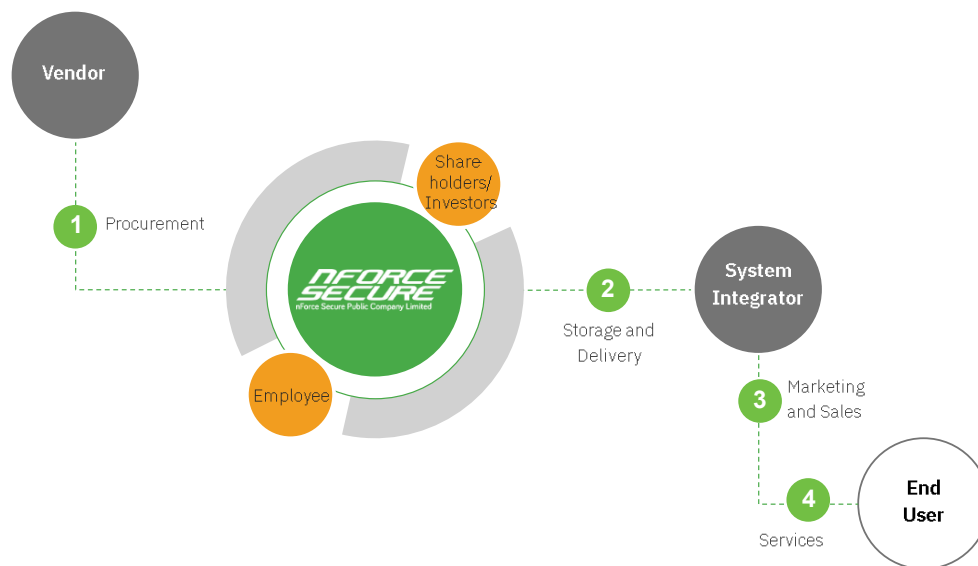


## 2. Management of impacts on stakeholders in the business value chain

### Business value chain

The effective supply chain management is as a key of the Company's business and a part of driving the Company's competitiveness. The core business has 2 main parts: distributor of cybersecurity solution and services related to products distributed. The products are outstanding and world-class with unique and strength qualifications for offering the diversified

technologies, the alternatives to System Integrator: SI and responses of End User's demands effectively. The Company commits to analyze and source high-class products/technologies with the international standard for responding the demand and the best interest of System Integrator "SI" and End User.



#### 1) Procurement

- Sourcing from various vendors which are the product owners to reduce the risk of relaying on large vendors.
- Sourcing products directly from the vendors or authorized distributors to obtain quality products by providing a variety of technology to keep up with cyber threats and respond to the needs of customers effectively.

#### 2) Storage and Delivery

- Inspecting the product condition before accepting the goods into the warehouse

- Store the product in the appropriate area without negatively affecting the quality of the product. Each project is separated to prevent shipping errors.
- Test product quality before delivery. In case that an error is found, the Company will notify the vendor so that the vendor can send a new product for replacement.
- Timely delivery

#### 3) Marketing and Sales

- Plan and analyze the basic system of the end-user, presenting products that meet their needs and in accordance with their budget.
- Liaise with system integrator (SI) for new projects.



#### 4) Services

- Meet the needs of customers to meet their goals by analyzing the needs of end users directly with the products that the Company is a distributor, including various systems where systems integrator designed to present good products effectively meet the needs of users for considering.
- Trial Demo service to allow systems integrator (SI) or end-users to test the quality, including the functionality of the device before actually placing an order, to ensure that the products can work as intended.
- Provide basic instructions to repair the system or device crashes which are not caused by software bugs or the device itself in order to resume normal operations.
- Provides loan/return of spare demo for use while waiting for the product or equipment that the product owner is repairing or sending a new device for replacement under the condition and scope of the service contract that the systems integrator (SI) have purchased from the Company.

### Analysis of stakeholders in the business value chain

The Company places the importance to all of stakeholders because the stakeholder's opinions can improve the Company's performance efficiently and build the confidences of the Company's shareholders, business partners, customers and other stakeholders.

#### Shareholders/Investors

Engagement Channels	Stakeholder Expectations	Companies' Responses
<ul style="list-style-type: none"><li>• Shareholders' meeting</li><li>• Annual report</li><li>• Quarterly financial report</li><li>• Analyst meeting</li><li>• Opportunity Day</li><li>• Disclosure of the Company's information on the website and online media</li></ul>	<ul style="list-style-type: none"><li>• Stable operational performance and growth, and good investment returns</li><li>• Operates according to Corporate Governance Policy</li><li>• Receive the Company's information accurately, completely, up-to-date, and transparently.</li><li>• Have a risk management system</li></ul>	<ul style="list-style-type: none"><li>• Proper dividend payment.</li><li>• Manage and develop the organization for sustainable growth.</li><li>• Conduct business with transparency and fairness.</li><li>• Transparent and reliable disclosure</li><li>• Careful risk management</li></ul>





## Customer

Engagement Channels	Stakeholder Expectations	Companies' Responses
<ul style="list-style-type: none"> <li>• Meeting and visiting customers.</li> <li>• Organize customer relation/marketing activities.</li> <li>• Annual Customer Satisfaction Survey</li> <li>• Complaints, suggestions and opinions through various complaint systems</li> </ul>	<ul style="list-style-type: none"> <li>• Acknowledge the needs of customers.</li> <li>• Present and sell products and service charges reasonably.</li> <li>• Recommend products and services that will help increase the potential to effectively prevent potential threats to customers.</li> <li>• Treat customers equally</li> <li>• Secure customers' data and their privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Constantly develop and respond to customers' needs.</li> <li>• Gain the reputation and trustworthy for the Company.</li> <li>• Supervise the business with transparency, fairness, and auditable.</li> <li>• Have an anti-corruption policy in place.</li> <li>• Quality management with international standards</li> <li>• Possess the code of ethics in maintaining the confidentiality of customer information</li> </ul>

## Vendors

Engagement Channels	Stakeholder Expectations	Companies' Responses
<ul style="list-style-type: none"> <li>• Contact vendors for procurement.</li> <li>• Vendors selection and performance assessment process</li> <li>• Vendors' satisfaction assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with the rules and regulations regarding the Company's procurement</li> <li>• Trade compliance</li> <li>• Conduct business with transparency, fairness and equality.</li> <li>• Cooperation in business development and growth together</li> <li>• Maintain confidentiality of vendors' information</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the efficiency of work processes related to procurement</li> <li>• Strict compliance with the terms and mutual trade agreements</li> <li>• vendors assessment for sustainable business development</li> <li>• Maintain confidentiality of vendors' information</li> </ul>



## Employee

Engagement Channels	Stakeholder Expectations	Companies' Responses
<ul style="list-style-type: none"> <li>• Communicate relevant information through various communication channels.</li> <li>• Employees satisfaction assessment</li> <li>• Annual performance assessment</li> <li>• Listen to ideas and suggestions through the Company's various channels</li> </ul>	<ul style="list-style-type: none"> <li>• Receive reasonable compensation and benefit.</li> <li>• The environment and working space are suitable and safe for work.</li> <li>• Emphasize on the development of employees' knowledge and abilities by giving them equal opportunities.</li> <li>• Strict compliance with labor laws</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive and fair compensation and benefit management</li> <li>• Organizing a work environment that takes into account of work safety</li> <li>• Encourage employees to develop skills and knowledge continuously.</li> <li>• Establish guidelines and practices for occupational safety and health, and promote employees' wellness</li> <li>• Provide opportunities and career growth</li> </ul>

## Society/Community and Environment

Engagement Channels	Stakeholder Expectations	Companies' Responses
<ul style="list-style-type: none"> <li>• Encourage environmental conservation and energy conservation efforts.</li> <li>• Listen to ideas and suggestions through the Company's various channels.</li> <li>• Whistleblowing, fraud or unlawful acts report</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage and support community and social activities that benefits the society.</li> <li>• Focus on anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage and support activities that benefit society, the community, and the environment.</li> <li>• Response and handle complaint</li> <li>• Fair corruption investigation (if any)</li> </ul>

## 3. Management of environmental sustainability

### Environmental Policy and guidelines

The Company is responsible for the society, environmental protection, and the environmental impacts by controlling and strictly following the environmental preservation laws for the conservation and the evasion of environmental destruction. Moreover, the Company promotes an engagement of other social sectors by organizing the activities in preservative and quality's improvement of the

environment as setting the operational guidelines as following:

1. Create the conscience of environmental responsibility and natural resources for all level of employees.
2. Promote and realize the efficient use of resources by refusing any actions caused the negative environmental impacts in term of the use of







materials, energy (for production, transportation or in the office), water and renewable resource.

3. Share the environmental data, support, and always attend several beneficial environmental activities

for creating an awareness of environmental impacts.

## Environmental operating results

Although the business nature doesn't directly affect the environment or causes pollution obviously, the Company gives continually precedence to the environment and is aware of global climate change and livelihood impacts of the people by campaigning and creating the conscience of environmental responsibility continuously for employees. The Company executes the environmental management to reduce, reuse, find friendly materials or alternative methods for decreasing resources use and global warming.

### 1) Energy Management

The Company manages the energy effectively both of electricity system and air conditioning system by the installation, maintenance of electrical controlling equipment and the energy awareness campaign properly. There is the solar rooftop installation which can be generating the electricity 5,127.27 kilowatt-hours (In the office building only). In 2023, the Company had the electricity consumption comparing with previous year as details below.

(Unit: kilowatt-hours)	2022	2023	% Changed
Office building	103,825	100,066	-3.62%
Technical Support Center	21,530	37,922	+76.14%
Support Operation Office (A Tower)	-	15,069	-

Because of officially opened Technical Support Center in September 2022, the amount of change in electrical energy consumption in 2023 increased. However, the amount of electrical energy consumption in the same period in 2023 during September to December had decreased by 55.15%.

### 2) Water Management

As same as an energy management, the Company provides valuable water using campaign such as draining reduction, no water leakage and regular inspection of water system and equipment in the office. In 2023, the Company had the water consumption compared with previous year as details below.

(Unit: cubic meter)	2022	2023	% Changed
Office building	482	527	9.34%
Technical Support Center	115	693	502.61%
Support Operation Office (A Tower)	-	51	-

Because of officially opened Technical Support Center in September 2022, the amount of change in water consumption in 2023 increased. There were many events, conferences and trainings sessions for employees, partners and vendors in Technical Support Center in a whole year.

### 3) Waste and Pollution Management

The Company has garbage and waste management in process of 3R (Reduce Reuse Recycle) by creating the garbage campaign and educating employees to understand about waste management comply with the international practices. This way helps decreasing the



amount of garbage and waste polluting, affecting the environment and infecting in the office; besides, the reduction of the amount of waste disposal by landfill methods.

#### 4) Greenhouse Gas Issue Management

The Company focuses on the reduction of greenhouse gas problem and the business activity release the

highest amount of greenhouse gas emissions is the use of electricity and air conditioners in the office; thus, the Company has measures to maintain the air conditioners according to the energy conservation plan continuously and set a goal to reduce the electricity use as following 1). In 2022, there aren't the amount of greenhouse gas emissions record; however, the Company is still considering in guidelines or measures reducing greenhouse gas emissions. The Company will reveal the next process later.

## 4. Social sustainability management

### Social policy and guidelines

The Company respects the human rights, the equality, and the fairness for employees. In addition to the security of community and society related to the business's operation, the Company determines the operational guidelines as the Good Corporate Governance Policy and Code of Conduct for all levels of the Company's personnels adhered strictly. There are the summaries of practical guidelines as follows.

#### 1) Respect of Human Rights

The Company has the policy to support and respect the protection of human rights by treating all stakeholders, such as employees, communities, and the surrounding society, with respect for human values, equality and equal freedom, do not violate fundamental rights and does not discriminate in matters of race, nationality, religion, language, skin color, gender, age, education, physical condition, or social status, including ensuring that the Company's business is not involved in human rights violations such as child labor, sexual harassment, etc. In addition, the Company has promoted the surveillance for compliance with human rights requirements by providing participation in expressing opinions and channels for complaints about those who have suffered damage from rights violations arising from the Company business operations and taking appropriate remedies.

#### 2) Fair Treatment to Labor

The Company realizes that the employees are valuable resources and significant factor for the successful

organization; therefore, the Company commits to treat all employees in the human rights principles and not conflict with the laws. The Company consider the employees' needs for the promotion of skill development, stability and career path by defining the employees' policies and guidelines based on the Labor Protection Act B.E. 1998, this includes Social Security, the Compensation Fund, and the provision of various levels of employee benefits, covering health insurance, protection, insurance, etc.

The Company has a policy to continually promote the development of personnel abilities at all levels by combining both skill development knowledge and competence, as well as instilling corporate culture and ethics together, to be in line with the Company's strategy and business guidelines. In addition, the Company has provided participation in expressing opinions and channels for complaints about those who have suffered damage from rights violations arising from the Company's business operations and taking appropriate remedies, including the protecting process for the employees reporting such matters and setting the policies and guidelines for employees such as the Corporate Social Responsibility Policy, Whistleblower Policy, Succession Plan Policy and Workplace Safety and Hygiene Policy, and Practices. (Full version of guidelines via the Company's website at

<https://investor.nforcesecure.com/en/corporate-governance/policies-and-documents>)





### 3) Responsibility to Consumer

The Company are determined to develop its products and services for the highest satisfaction and benefit of customers and adhere customer treatment with responsibility and honesty and taking care of customers as follows:

- 3.1) The Company conducts business with honesty, fairness, ethics, and commits to commercial competition in accordance with business ethics, laws, and principles of equal trade competition. The Company refuses any action that obstructs fair competition such as seeking confidential information of business competitors, demanding, receiving any unlawful benefits, etc.
- 3.2) The Company takes into account the quality and standards of products and production efficiency. The Company focuses on selecting products that are safe and meet international standards as well as developing a service management system for customers to use products, receive quality services, and receive the highest satisfaction.
- 3.3) The Company has a project to continuously procure new products to meet the needs of customers so that they can use a variety of products of high quality and standard to meet their needs. The Company adheres to fair marketing and has a policy of providing customers with accurate information about the Company's products and services without distorting,

ambiguous, or exaggerating advertisements to provide customers with accurate and sufficient information to make decisions.

- 3.4) The Company realizes the importance of effective risk management by considering opportunities, risks and impacts for the entire business value chain of the Company.
- 3.5) The Company will keep the information confidential of customers and end-users and also develop the information systems for protecting against cyber threats and protect customer personal data.
- 3.6) The Company provides a customer communication system to communicate with its customers, including receiving complaints about the quality of goods and services, effectively through the Company's website to be able to respond to the needs of customers quickly.

### 4) Development of Community or Society

The Company realizes its responsibility to the community and society in order to strengthen the community and give back to society through promoting social assistance activities, improving the quality of life of people in the community, continuously promoting volunteer activities related to community and social development, and instilling a sense of responsibility towards communities, society, and the environment for employees at all levels.

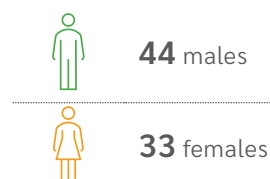
## Social operating results

The Company operated strictly along with the Corporate Social Responsibility Policy and Guidelines. In 2023, There are the performances as follows.

### 1) Employees

The Company follows the human rights principles from employment to employees' cares so that all employees have good relationship in the organization as a family. In 2022, the Company has the main operation for employees as follows.

**The Employment** (as of 31st December 2023): the Company has male and female employees:



### Employee Remuneration and Benefits:

The Company has established a Performance Assessment Guide that is designed to assess the performance of employees, consistent with the Company's performance and is used as a tool for evaluation to consider the employee's compensation, wage adjustment, bonuses, etc., by considering the obligations and responsibilities and the success of the work as assigned, the assessment of skills and



characteristics in various fields. The Company has criteria for considering wage, salary, and annual bonus increases that are clear and equitable.

In addition to the Company realizes the importance of the employees' families as well, therefore providing welfare and various activities to make employees have a good life and happiness, which will affect their work. The Company has announced the annual welfare to employees which is an announcement of the Company's internal communication channels, such as

*Health and life insurance:*

Annual employee health check, group health insurance and group accident insurance

*Fund:*

Social Security Compensation Fund, Provident Fund

*Welfare subsidy:*

subsidy for travel expenses to work abroad with allowance, child tuition allowance, funeral allowance, maternity allowance.

*Others:*

budget for hosting a monthly welcome party for new employees, welfare support for sports within a specified budget, including football fields and badminton courts rental, etc.

**Employees' Training:**

In 2023, the Company provides the employees the training courses for increasing skills and potential with the average number of training hours or the activities of knowledge development 24.68 hours per person per year.

**Occupational safety and health:**

In 2023, the Company develops and adjusts the efficiency of safety operations to reduce the risks of illness, injury or death and care life's quality of employees properly. There are important operations as encouraging employees and executives to attend Occupational Health and Safety Training and working environments to enhance knowledge and understanding of the management and operation of occupational safety, health, and the work environment, as well as the implementation to enhance the safety of

employees in the organization. The content of the training course consists of knowledge of occupational safety, occupational safety, health and work environment laws and regulations on safety, occupational health and working environment, etc. In 2023, There aren't any injuries cases from work that caused to stop working.

**2) Customer**

The Company provides and develops services continually for responding to customers' satisfaction with the responsibilities, honesty and ethic and analyzing the satisfaction survey for the products and services improvement. The assessment has 4 parts as follows.

- Regarding service personnel, such as personality, verbs, manners, and appropriate dress code. The knowledge and ability of the staff to provide installation services or set up the products, providing guidance on how to use the product is critical to providing information on ongoing technological developments as well as a technical explanation that is simple to understand and to the point.
- Facilities and communication include a variety of service channels and procedures for reporting problems that are convenient and fast, as well as responding within a reasonable time.
- Operations and service procedures include the ability to perform tasks and deliver the tasks on time. The tasks accomplishment is orderly, correct, and complete at each step, as well as the ability to solve problems that have been notified within a reasonable time.
- The overall service aspect of the Company includes products that customers receive and services that meet their needs and are received on time as agreed as well as the quality and satisfactory of work and services.

In 2023, the Company received customers' satisfaction at 4.32 points (full score = 5 points), and the Company has not received any significance complaints from the customer.



Summary of customer satisfaction survey (full score = 5 points)

	Engineering	Sales
1. Service personnel	4.72	4.47
2. Facilities and communication	4.56	4.37
3. Operations and service procedures	4.63	4.43
4. The overall services of the Company	4.68	4.65
Overall satisfaction score	4.65	4.48

### 3) Community and Society

The Company operates under the community and social responsibilities by focusing on the reduction of environmental impacts and avoiding the negative operations affecting quality of life and community near the Company. In 2023, there aren't any communities complains in the social and environmental issues.

Furthermore, the Company helps life's quality development and the promotion of involvement

cybersecurity for various agencies and organizations in Thailand such as Fish Market Organization and the Office of the Securities and Exchange Commission in Cyber Club Q-Meeting. The Company representatives as guest speakers educate cyber-attacks and scammer's tricks, recommend guidelines how to protect against various cyber threats and use technology safely in order not to be cybercrime's victims.







## 1. Operation, financial condition, and material changes

### Business overview

nForce Secure Public Company Limited (the Company) is a distributor of cyber products and solutions as well as network management products and solutions. Wherein the revenue for the year ended 31 December 2023 consisted of (1) revenue from sales of all products related to information technology systems, accounting for 96.89%; (2) revenue from services, it is the revenue generated from providing information technology services related to due to the products that the Company being a full-service distributor, accounting for 2.53% (3) other revenue, accounting for 0.59%, respectively.

### Performance summary for the year ended 31 December 2023

For the year ended 31 December 2023, the Company had total revenue of Baht 1,072.26 million, an increase of Baht 175.07 million compared to the previous year or an increase of 19.51% with a total comprehensive income of Baht 91.05 million, increased by Baht 34.66 million from the previous year or an increase of 61.47%.

Items	2021		2022		2023	
	MB	%	MB	%	MB	%
<b>Revenue</b>						
Revenue from sales	802.44	97.11	870.80	97.06	1,038.89	96.89
Revenue from service	20.94	2.53	23.10	2.57	27.08	2.52
Other income	2.96	0.36	3.29	0.37	6.29	0.59
<b>Total Revenue</b>	<b>826.34</b>	<b>100.00</b>	<b>897.19</b>	<b>100.00</b>	<b>1,072.26</b>	<b>100.00</b>
<b>Expenses</b>						
Cost of sales and services	(667.53)	(80.78)	(748.82)	(83.46)	(856.52)	(79.88)
Selling expenses	(37.59)	(4.55)	(41.07)	(4.58)	(47.91)	(4.47)
Administrative expenses	(44.28)	(5.36)	(46.81)	(5.22)	(50.97)	(4.75)
Profit (Loss) on exchange rate, net	(0.91)	(0.11)	13.41	1.49	2.18	0.20
Fair value gain (loss) on derivatives	0.22	0.03	(1.57)	(0.17)	0.01	0.00
Gain (loss) from changes in fair value of financial assets at fair value through profit or loss	(0.04)	-	(1.97)	(0.22)	0.19	0.02
Share of loss from joint ventures	(1.35)	(0.16)	(1.84)	(0.21)	(2.41)	(0.22)
<b>Total expenses</b>	<b>(751.48)</b>	<b>(90.94)</b>	<b>(828.67)</b>	<b>(92.36)</b>	<b>(955.43)</b>	<b>(89.10)</b>
<b>Profit before finance costs and income tax expenses</b>	<b>74.86</b>	<b>9.06</b>	<b>68.52</b>	<b>7.64</b>	<b>116.83</b>	<b>10.90</b>
Financial Cost	(1.41)	(0.17)	(0.83)	(0.09)	(0.80)	(0.07)
<b>Profit before income tax</b>	<b>73.45</b>	<b>8.89</b>	<b>67.71</b>	<b>7.55</b>	<b>116.03</b>	<b>10.82</b>
Income tax expenses	(12.34)	(1.49)	(12.65)	(1.41)	(24.26)	(2.26)
<b>Profit for the year</b>	<b>61.11</b>	<b>7.40</b>	<b>55.06</b>	<b>6.14</b>	<b>91.77</b>	<b>8.56</b>





## Revenue, cost, and gross profit

Sales revenues when considering the sources of products classified by type can be divided into 4 groups as follows:

1. Revenues from sales of network security system solutions, comprising of comprehensive Cybersecurity products and solutions to prevent cyber threats, including hacking attacks and malware attacks, for example, Firewall and proxy servers.
2. Revenues from sales of endpoint security systems, comprising of endpoint protection hardware and software, for example, antivirus software and anti-malware software.
3. Revenues from sales of network performance & monitoring systems, comprising of hardware and software that contribute to efficiency and effectiveness of computer networks and equipment in order to enhance organization management, including programs that monitor systems and notify system administrators of the issues in the systems so the administrators can plan ahead as a precaution against system failure or disruption.
4. Revenues from sales of other products, comprising of management products, data management systems and user identification products.

	2021		2022		2023	
	MB	%	MB	%	MB	%
1. Network security	619.83	77.24	684.92	78.65	797.68	76.78
2. Endpoint security	105.97	13.21	124.81	14.33	161.34	15.53
3. Network performance & monitoring	73.90	9.21	40.09	4.6	24.85	2.39
4. others	2.74	0.34	19.33	2.22	55.02	5.30
<b>Revenue from sales</b>	<b>802.44</b>	<b>100.00</b>	<b>870.80</b>	<b>100.00</b>	<b>1,038.89</b>	<b>100.00</b>

For the year ended 31 December 2023, the Company's revenue from sales amounted to Baht 1,038.89 million, increased by Baht 168.09 million or 19.30% from the previous year mainly due to revenue from sale of Network Security products, the Company's main products, increased by Baht 112.77 million or 16.46% and Endpoint Security products, which has increase by Baht 36.53 million, or 29.27% and revenue from the sale of other increased by Baht 34.04 million or 162.24%; compared to the previous year, while revenue from sale of network performance and monitoring products decreased by Baht 15.24 million or 38.03% compared to the previous year.

In addition, if considering the sources of revenue from sales classified by type of users (End user), can be divided into 5 groups of users as follows:

1. Banking, Financial services and Insurance (BFSI) in the banking, securities, and insurance industries
2. Industry group (Enterprise), which is in the manufacturing industry.
3. Government & State enterprise
4. Telecom & Internet service provider (ISP) in the information and communication technology industry
5. Others, which are in the private sector business that focuses on providing services such as movie theaters, hotels, hospitals, schools, nursing homes, and trading, etc.

The Company will sell products to system integrator contractors (SI) to assemble a technology solution offered directly to the end user.



	2021		2022		2023	
	MB	%	MB	%	MB	%
1. Banking, financial services and insurance	174.38	21.73	214.28	24.61	243.37	23.43
2. Industry (Enterprise)	219.12	27.31	230.48	26.47	298.63	28.75
3. Government and State Enterprises	211.36	26.34	189.20	21.73	247.58	23.83
4. Telecommunication (Telecom & ISP)	87.80	10.94	111.48	12.80	127.42	12.26
5. Others	109.79	13.68	125.36	14.40	121.89	11.73
<b>Revenue from sales</b>	<b>802.44</b>	<b>100.00</b>	<b>870.80</b>	<b>100.00</b>	<b>1,038.89</b>	<b>100.00</b>

The main end user group is the Enterprise group, which during the year ended 31 December 2023, the Company's revenue from sales through those group totaled 28.75%.

Revenue from sales for the year ended 31 December 2023 was a Baht 1,038.89 million, increased by Baht

168.09 million from the previous year, or 19.30%, mainly due to the increasing demand from users, including semiconductor shortage which began to unravel since late 2022. As a result, total revenue increased.

## Revenue from services

	2021		2022		2023	
	MB	%	MB	%	MB	%
1. System maintenance service	12.89	61.53	13.14	56.86	14.10	52.05
2. Installation service	7.09	33.87	9.34	40.41	11.96	44.18
3. Training service	0.96	4.60	0.63	2.73	1.02	3.77
<b>Revenue from services</b>	<b>20.94</b>	<b>100.00</b>	<b>23.10</b>	<b>100.00</b>	<b>27.08</b>	<b>100.00</b>

Service revenue is divided into 3 main categories: Maintenance Service, Installation Service, and Training Service

In addition, if considering the sources of revenue from sales and services, which are divided into 3 types as follows:

1. Revenue from software sales in the first year
2. Revenues from maintenance service agreement (MA) which were recurring income.
3. Revenues from sales of other products and services

	2021		2022		2023	
	MB	%	MB	%	MB	%
1. Revenue from sales of software	376.90	45.77	363.89	40.71	515.90	48.40
2. Maintenance agreement: MA	268.06	32.56	349.32	39.08	367.49	34.47
3. Revenue from others	178.42	21.67	180.69	20.21	182.58	17.13
<b>Total revenue from sales and services</b>	<b>823.38</b>	<b>100.00</b>	<b>893.90</b>	<b>100.00</b>	<b>1,065.97</b>	<b>100.00</b>





## Other revenue

Other revenue consists of interest income, rental income, profit from disposal of assets, and operating expenses from activities etc. For the year ended 31 December 2023, had other income of Baht 6.29 million

or 0.59% of total revenue increased Baht 3.00 million mainly due to interest from investment in maturing bond and operating revenue from events.

## Cost of sales and services, and gross profit

	2021		2022		2023	
	MB	%	MB	%	MB	%
Revenue from sales and services	823.38	100.00	893.90	100.00	1,065.97	100.00
Cost of sales and services	(667.53)	(81.07)	(748.82)	(83.77)	(856.52)	(80.35)
<b>Gross profit</b>	<b>155.85</b>	<b>18.93</b>	<b>145.08</b>	<b>16.23</b>	<b>209.45</b>	<b>19.65</b>

For the year ended 31 December 2023, the Company's gross profit margin was 19.65%, an increase compared to the previous year mainly due to adjustment of the strategy to expand the market into products with profit potential for the Company.

## Selling expenses

	2021		2022		2023	
	MB	%	MB	%	MB	%
Employee expense	24.03	63.93	25.41	61.87	28.71	59.93
Advertising and promotional costs	1.56	4.15	2.53	6.16	3.36	7.01
Commission	8.50	22.61	8.18	19.92	11.11	23.19
Other selling expenses	3.50	9.31	4.95	12.05	4.73	9.87
<b>Total</b>	<b>37.59</b>	<b>100.00</b>	<b>41.07</b>	<b>100.00</b>	<b>47.91</b>	<b>100.00</b>

For the year ended 31 December 2023, the Company had selling expenses in the amount of Baht 47.91 million, or 4.47% of total revenue; whereas selling expenses for the year ended 31 December 2023

increased compared to the previous year in the amount of Baht 6.84 million or 16.66%. mainly due to increased commission in line with the increase in sales in the period and increased in employee expenses.



## Administrative expenses

	2021		2022		2023	
	MB	%	MB	%	%	MB
Employee expense	22.46	50.72	26.94	57.55	28.43	55.78
Professional fee	8.25	18.63	5.98	12.78	4.96	9.73
Depreciation and Amortization	5.65	12.76	8.03	17.15	10.40	20.40
Employee's benefit expense	2.23	5.03	1.49	3.18	1.34	2.63
Administrative expenses	5.69	12.86	4.37	9.34	5.84	11.46
<b>Total</b>	<b>44.28</b>	<b>100.00</b>	<b>46.81</b>	<b>100.00</b>	<b>50.97</b>	<b>100.00</b>

The main administrative expenses are employee expenses and depreciation and amortization. For the year ended 31 December 2023, the Company had administrative expenses in the amount of Baht 50.97 million, slightly increased compared to the previous year Baht 4.16 million or 8.90%. This was mainly due to increased employee expenses and depreciation and amortization.

## Net profit and net profit margin

For the year ended 31 December 2023, the Company had a net profit of Baht 91.77 million, increasing from the previous year by the amount of Baht 36.71 million or 66.66%. Net profit margin for the year ended 31 December 2023 was 8.56%, increased compared to the previous year mainly due to increased gross profit margin.

## Statement of financial position

### Total assets overview

As at 31 December 2023 and 2022, the Company had total assets of Baht 909.75 million and Baht 811.87 million, respectively. The details of each item can be described as follows:

#### Current assets

As at 31 December 2023 and 2022, the Company had current assets of Baht 792.26 million and Baht 706.47 million, representing 87.09 percent and 87.02 percent of total assets in each year, respectively. The main current assets were cash and cash equivalents, account receivables and other receivables, inventories, and receivables under lease agreements due within one year – net. Major change in each current assets can be described as follows:

#### Cash and cash equivalents

As at 31 December 2023 and 2022, the Company had cash and cash equivalents amounting to Baht 450.12 million and Baht 398.24 million, respectively. Cash and cash equivalents increased mainly due to operating results and repayment from trade account receivables and other receivables.





### Account receivables and other receivables

Items	2021		2022		2023	
	MB	%	MB	%	MB	%
Account Receivable	170.14	97.35	236.52	95.03	258.47	98.13
Accounts receivable - related party	2.51	1.44	8.97	3.60	0.40	0.15
Accrued income	2.68	1.53	1.94	0.78	3.40	1.29
<u>Less</u> Loss allowance	(2.40)	(1.37)	(2.70)	(1.08)	(1.28)	(0.48)
<b>Total accounts receivables - net</b>	<b>172.93</b>	<b>98.95</b>	<b>244.73</b>	<b>98.32</b>	<b>260.99</b>	<b>99.09</b>
Prepaid expenses	1.61	0.92	3.98	1.60	2.03	0.77
Employee account receivable	0.20	0.11	0.17	0.07	0.05	0.02
Accrued interest - related party	0.03	0.02	0.02	0.01	0.33	0.12
Accrued interest - unrelated party	-	-	-	-	-	-
<b>Total other receivables</b>	<b>1.84</b>	<b>1.05</b>	<b>4.17</b>	<b>1.68</b>	<b>2.41</b>	<b>0.91</b>
<b>Total account and other receivables - net</b>	<b>174.77</b>	<b>100.00</b>	<b>248.90</b>	<b>100.00</b>	<b>263.40</b>	<b>100.00</b>

As at 31 December 2023 and 2022, the Company had account and other receivables amounting to Baht 263.40 million and Baht 248.91 million, or accounted for 28.95% and 30.66% of total assets, respectively. As at 31 December 2023, the Company's account receivables and other receivables increased in the

amount of Baht 14.49 million, mainly due to receipt of payment from account receivable during the period.

The Company has accounts receivable classified by overdue period, counting from the date the payment is due as follows;

Items	2021		2022		2023	
	MB	%	MB	%	MB	%
Not yet due	15.95	9.10	21.98	8.88	43.46	16.57
Less than 3 months overdue	157.85	90.03	224.47	90.72	212.96	81.20
Overdue more than 3 months but not over 6 months	0.54	0.30	-	-	-	-
Overdue 6 months but not over 12 months	-	-	-	-	5.20	1.98
Over 12 months overdue	0.99	0.56	0.99	0.40	0.65	0.25
<b>Total account receivables</b>	<b>175.33</b>	<b>100.00</b>	<b>247.43</b>	<b>100.00</b>	<b>262.27</b>	<b>100.00</b>
Allowance for expected credit losses / doubtful accounts	(2.40)	(1.37)	(2.70)	(1.09)	(1.28)	(0.49)
<b>Total account receivables - net</b>	<b>172.93</b>	<b>98.63</b>	<b>244.73</b>	<b>98.91</b>	<b>260.99</b>	<b>99.51</b>

### Inventory

As at 31 December 2023 and 2022, the Company had net inventories of Baht 41.05 million and Baht 13.88 million, respectively. Most inventories included the ordered devices, equipment, and computer software, pending delivery as per customers' purchase orders for which the Company has no policy of storing inventory

for sale. As at 31 December 2023, the Company's inventories increased compared to 31 December 2022, due to the delivery of products from vendors near the end of period and the Company has not yet delivered the products to the customers.





## Non-current assets

As at 31 December 2023 and 2022, the Company had non-current assets of Baht 117.49 million and Baht 105.40 million, accounting for 12.91% and 12.98% of

total assets, respectively. The majority of non-current assets are restricted deposits, Lease receivables-net, property, plant and equipment, and right-of-use assets. Major change in non-current assets was increased in Lease receivables-net.

## Liability overview

### Liability structure

As at 31 December 2023 and 2022, the Company had total liabilities of Baht 237.06 million and Baht 199.83 million, respectively. Total liabilities as at 31 December 2023 increased from as at 31 December 2022 amounting to Baht 37.23 million or 18.63%. The details of each item can be described as follows.

### Current Liability

As at 31 December 2023 and 2022, the Company has current liabilities of Baht 195.5 million and Baht 165.77 million, accounting for 82.47% and 82.95% of total liabilities, respectively. The main items are trade and other payables and deferred revenue.

#### Trade and other payable

Most of the trade payable are the owners of the products, the developers of hardware and software systems that the Company purchases to sell to the customers. As at 31 December 2023, the Company has trade and other payables amounting to Baht 156.91 million, increase from as at 31 December 2022 Baht 22.34 million or 16.60% due to the delivery of goods from the Vendor near the end of the period, thus most of trade payables at the end of the period are not yet due.

#### Deferred revenue - current

Deferred revenue from customers mostly came from customers who purchased equipment maintenance services, for which the Company received money from such customers before the actual service. As at 31 December 2023, the Company had an increase in current deferred revenue of Baht 1.93 million. The number of customers purchasing equipment maintenance services continues to increase in line with the Company's constant acquisition of service competency and expertise each year.

### Non-current liability

As at 31 December 2023 and 2022, the Company has non-current liabilities of Baht 41.56 million and Baht 34.06 million, respectively. The main non-current liabilities are deferred revenue, liabilities under finance lease agreements and employee benefit obligations.

#### Lease liabilities

As at 31 December 2023 and 2022, the Company has financial lease liabilities of Baht 22.68 million and Baht 22.44 million, respectively, has recorded office rental items as financial lease liabilities in accordance with the Notification of Financial Reporting Standard No. 16 (TFRS16). During the year, lease liabilities increased from the lease agreement with an external party to expand the office space.





## Overview of Shareholders' Equity

As at 31 December 2023 and 2022, the Company had shareholders' equity of Baht 672.69 million and Baht 612.04 million, respectively. The Company's shareholders' equity as at 31 December 2023 increased

by Baht 60.65 million from the Company's performance amounting to Baht 91.05 million. However, during the year, the Company paid dividends Baht 30.82 million.

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

According to advancements in the technological world that play an important role in the work of various organizations and new innovations in the cyber world, cyber threats have become more novel and advanced, and organizations have adapted in terms of the concept of using cybersecurity products and services. For example, organizations have changed from investing in long-term cybersecurity in terms of

equipment and related personnel to using products that come in the form of services from a company with knowledge and expertise in that field. From this change, the Company is not complacent in finding new products and offering services that can meet customer's demands to become a leader in cybersecurity.

## 3. Disclose information from the financial statements and significant financial ratios

### Significant Financial Ratios

	2021	2022	2023
<b>LIQUIDITY RATIO</b>			
Current Ratio (times)	4.74	4.26	4.05
Quick Ratio (times)	4.15	3.88	3.64
Cash Flow Liquidity Ratio (times)	0.34	0.17	0.50
Account Receivable Turnover (times)	5.41	4.23	4.18
Average Collection Period (days)	67.46	86.31	87.26
Inventory Turnover (times)	14.07	30.55	31.19
Average Sale Period (days)	25.94	11.95	11.70
Account Payable Turnover (times)	6.06	6.66	6.93
Average Payment Period (days)	60.26	54.81	52.66
Cash Cycle (days)	33.13	43.44	46.31



	2021	2022	2023
<b>PROFITABILITY RATIO</b>			
Gross Profit Margin	18.93	16.23	19.65
Operating Profit Margin	9.06	7.64	10.90
Other Revenue to Revenue Ratio	0.36	0.37	0.59
Operating Cash Flows to Operating Profit Ratio	50.59	37.37	77.30
Net Profit Margin	7.40	6.14	8.56
Return on Equity	17.78	9.29	14.29
<b>EFFICIENCY RATIO</b>			
Return on Assets (%)	11.74	7.11	10.66
Return on Fixed Assets (%)	266.96	205.89	251.12
Assets Turnover (times)	1.59	1.16	1.25
<b>FINANCIAL POLICY RATIO</b>			
Debt to Equity Ratio (times)	0.28	0.33	0.35
Interest Coverage Ratio (time)	36.36	53.02	137.83
Debt to EBITDA (times)	0.12	0.28	0.17
Debt Service Coverage Ratio (Cash basis) (time)	0.11	0.68	2.04
Dividend Payout Ratio (%)	241.90%	86.56%	33.85

### Liquidity Ratio, quick Ratio

As at 31 December 2023, the liquidity and quick ratio were 4.05 times and 3.64 times, respectively, slightly decreasing from as at 31 December 2022, However, the Company's operating profit has provided the Company with good liquidity.

### Cash cycle.

As at 31 December 2023, the Company's cash cycle was at 46.31 days, increased from the previous year by the amount of 2.87 days, mainly due to 1) the average debt collection period increased 0.95 days due to the credit term to customers 2) The average selling period has decreased 0.25 days because the Company is able to sell and ship most product in period due to customer demand for products 3) the average repayment period has decreased by 2.15 days because the Company having good liquidity from the Company's operating

results, the Company therefore repays debts to the product owners (Vendor) faster.

### Financial Policy Ratio

As at 31 December 2023, Debt to Equity ratio (D/E ratio) was 0.35 times, a slightly increase compared to as at 31 December 2022 due to increase in account payables as at 31 December 2023 compared to as at 31 December 2022 because the Company received goods from vendors near the year ended. As a result, most accounts payable were not yet due.

Interest coverage ratio and Debt service coverage ratio as at 31 December 2023 was 137.83 times and 2.04 times, respectively increased compared to as at 31 December 2022. This is mainly because the Company has no short-term loan from financial institutions, as well as cash flow from operations, enabling better repayment of debts.





## Financial Statement

### Statement of Financial Position

	2021		2022		2023	
	MB	%	MB	%	MB	%
<b>Assets</b>						
<i><b>Current assets</b></i>						
Cash and cash equivalents	402.98	54.75	398.24	49.05	450.12	49.48
Financial assets measured at fair value through profit or loss	-	-	-	-	-	-
Trade and other receivables, net	174.74	23.74	248.91	30.66	263.40	28.95
Current portion of lease receivables, net	7.92	1.08	17.19	2.12	16.60	1.83
Inventories	35.14	4.77	13.88	1.71	41.05	4.51
Derivative assets	0.22	0.03	-	-	-	-
Other current assets	0.30	0.04	3.11	0.38	0.64	0.07
<b>Total current assets</b>	<b>656.26</b>	<b>89.16</b>	<b>706.47</b>	<b>87.02</b>	<b>792.26</b>	<b>87.09</b>
<i><b>Non-current assets</b></i>						
Restricted deposits at financial institutions	31.70	4.31	31.70	3.90	31.70	3.48
Investment in joint venture	6.90	0.94	7.80	0.96	5.40	0.59
Lease receivables, net	8.70	1.18	13.73	1.69	31.35	3.45
Property plant and equipment, net	11.39	1.55	20.73	2.55	20.54	2.26
Right-of-use assets, net	11.83	1.61	21.35	2.63	21.53	2.37
Intangible assets, net	0.91	0.12	0.79	0.10	1.81	0.20
Deferred tax assets	2.11	0.29	3.93	0.48	4.84	0.53
Other non-current assets	6.23	0.85	5.36	0.66	0.33	0.04
<b>Total non-current assets</b>	<b>79.76</b>	<b>10.84</b>	<b>105.40</b>	<b>12.98</b>	<b>117.49</b>	<b>12.91</b>
<b>Total assets</b>	<b>736.02</b>	<b>100.00</b>	<b>811.87</b>	<b>100.00</b>	<b>909.75</b>	<b>100.00</b>



	2021		2022		2023	
	MB	%	MB	%	MB	%
<b>Liabilities</b>						
<i><b>Current liabilities</b></i>						
Trade and other payables	121.26	16.48	134.56	16.57	156.91	17.25
Deferred revenue - current	8.98	1.22	10.96	1.35	12.88	1.42
Current portion of lease liabilities	2.50	0.34	5.18	0.64	6.21	0.68
Derivative liabilities	-	-	1.35	0.17	1.34	0.15
Income tax payable	-	-	-	-	5.29	0.58
Other current liabilities	5.93	0.81	13.72	1.69	12.87	1.41
<b>Total current liabilities</b>	<b>138.67</b>	<b>18.84</b>	<b>165.77</b>	<b>20.42</b>	<b>195.50</b>	<b>21.49</b>
<i><b>Non-current liabilities</b></i>						
Deferred revenue - non-current	5.35	0.73	7.03	0.87	12.79	1.41
Lease liabilities	8.13	1.10	17.26	2.13	16.47	1.81
Employee benefit obligations	9.83	1.33	9.76	1.20	12.30	1.35
Other non-current liabilities	0.57	0.08	-	-	-	-
<b>Total non-current liabilities</b>	<b>23.87</b>	<b>3.24</b>	<b>34.06</b>	<b>4.20</b>	<b>41.56</b>	<b>4.57</b>
<b>Total liabilities</b>	<b>162.54</b>	<b>22.08</b>	<b>199.83</b>	<b>24.61</b>	<b>237.06</b>	<b>26.06</b>
<b>Equity</b>						
Share capital						
Authorised share capital						
Ordinary shares, 105,941,000 shares at par value of Baht 0.5 each	52.97		52.97		52.97	
Issued and paid-up share capital						
Ordinary shares, 102,741,000 shares paid-up at Baht 0.5 each	51.37	6.98	51.37	6.33	51.37	5.65
Premium paid-up capital	466.89	63.43	466.89	57.51	466.89	51.32
Retained earnings						
Appropriated - legal reserve	5.30	0.72	5.30	0.65	5.30	0.58
Unappropriated	35.94	4.88	73.83	9.09	134.06	14.74
Other reserves - Share-based payment	13.98	1.90	14.66	1.81	15.08	1.66
<b>Total equity</b>	<b>573.47</b>	<b>77.92</b>	<b>612.04</b>	<b>75.39</b>	<b>672.69</b>	<b>73.94</b>
<b>Total liabilities and equity</b>	<b>736.02</b>	<b>100.00</b>	<b>811.87</b>	<b>100.00</b>	<b>909.75</b>	<b>100.00</b>





## Statement of Comprehensive Income

	2021		2022		2023	
	MB	%	MB	%	MB	%
Revenue from sales	802.44	97.11	870.80	97.11	1,038.89	97.11
Revenue from services	20.94	98.11	23.10	98.11	27.08	98.11
Cost of sales and services	(667.53)	99.11	(748.82)	99.11	(856.52)	99.11
<b>Gross profit</b>	<b>155.85</b>	<b>18.86</b>	<b>145.08</b>	<b>16.17</b>	<b>209.45</b>	<b>19.53</b>
Other income	2.96	99.11	3.29	99.11	6.29	99.11
Selling expenses	(37.59)	100.11	(41.07)	100.11	(47.91)	100.11
Administrative expenses	(44.28)	101.11	(46.81)	101.11	(50.97)	101.11
Gain (loss) on exchange rate, net	(0.91)	102.11	13.41	102.11	2.18	102.11
Fair value gain (loss) on derivatives	0.22	103.11	(1.57)	103.11	0.01	103.11
Gain (loss) from changes in fair value of financial assets at fair value through profit or loss	(0.04)	105.11	(1.97)	105.11	0.19	105.11
Finance costs	(1.41)	106.11	(0.83)	106.11	(0.80)	106.11
Share of loss from joint venture	(1.35)	107.11	(1.84)	107.11	(2.41)	107.11
<b>Profit before income tax expense</b>	<b>73.46</b>	<b>8.89</b>	<b>67.71</b>	<b>7.55</b>	<b>116.03</b>	<b>10.82</b>
Income tax expense	(12.34)	107.11	(12.65)	107.11	(24.26)	107.11
<b>Profit for the year</b>	<b>61.11</b>	<b>7.40</b>	<b>55.06</b>	<b>6.14</b>	<b>91.77</b>	<b>8.56</b>
<b>Other comprehensive income (expense)</b>						
Remeasurements of post-employment benefit obligations	2.91	107.11	1.66	107.11	(0.89)	107.11
Deferred income tax on remeasurements of employee benefit obligations	(0.58)	107.11	(0.33)	107.11	0.18	107.11
Total items that will not be reclassified to profit or loss	2.33	107.11	1.33	107.11	(0.71)	107.11
<b>Other comprehensive income for the year, net</b>	<b>2.33</b>	<b>0.28</b>	<b>1.33</b>	<b>0.15</b>	<b>(0.71)</b>	<b>(0.07)</b>
<b>Total comprehensive income for the year</b>	<b>63.44</b>	<b>7.68</b>	<b>56.39</b>	<b>6.28</b>	<b>91.05</b>	<b>8.49</b>
Basic earnings per share	0.69		0.54	107.11	0.89	





## Statement of Cash Flows

	2021	2022	2023
	MB	MB	MB
<b>Cash flows from operating activities</b>			
Profit before income tax	73.46	67.71	116.03
Adjustments for:			
Depreciation	11.04	12.16	13.89
Amortisation	0.13	0.13	0.13
Gain (loss) on disposals of equipment	(0.13)	(0.00)	0.00
Loss from write-off of equipment	0.00	0.00	0.01
(Reversal of) expected credit losses	0.40	0.30	(1.42)
Bad debts	-	0.01	-
Employee benefit expenses	1.96	1.60	1.65
Gains from changes in fair value of			
financial assets at fair value through profit or loss	-	(0.10)	(0.39)
Losses from disposals in fair value of			
financial assets at fair value through profit or loss	0.04	2.07	0.20
Interest income	(1.65)	(2.23)	(4.23)
Fair value loss (gain) on derivatives	(0.22)	1.57	(0.01)
Finance costs	1.41	0.83	0.80
Share of loss from joint venture	1.35	1.84	2.41
Unrealised (gain) loss on exchange rate	(0.78)	(4.05)	4.78
Share-based payments	0.56	0.67	0.42
Profit from operating activities before changes			
in operating assets and liabilities	87.57	82.50	134.27
Trade and other receivables	(41.79)	(74.49)	(12.76)
Inventories	24.60	21.26	(28.48)
Other current assets	0.06	(0.30)	0.09
Other non-current assets	-	0.87	(0.33)
Lease receivables	(16.62)	(14.30)	(17.03)
Trade and other payables	(4.49)	17.34	20.49
Deferred revenue	3.30	3.67	7.68
Employee benefits paid	(0.11)	-	-
Other current liabilities	0.72	7.79	(0.85)
Other non-current liabilities	-	(0.57)	-
Cash generated from operations	53.25	43.75	103.08
<u>Less</u> Interest paid	(1.46)	(0.83)	(0.80)
Income tax paid	(13.91)	(17.31)	(19.33)
Income tax receipt	-	-	7.37
Net cash generated from operating activities	37.88	25.61	90.31





	2021	2022	2023
	MB	MB	MB
<b>Cash flows from investing activities</b>			
Payments for investment in joint venture	(8.25)	(2.75)	-
Purchases of building improvement and equipment	(3.63)	(15.13)	(6.98)
Purchases of intangible assets	-	-	(1.15)
Proceeds from disposals of equipment	0.33	0.01	0.00
Payments for purchase of financial assets measured at fair value through profit or loss	(35.00)	(5.09)	(40.36)
Proceeds from disposals of financial assets measured at fair value through profit or loss	-	12.93	45.25
Interest income	1.69	2.25	3.91
Net cash (used in) generated from investing activities	(44.86)	(7.78)	0.67
<b>Cash flow from financing activities</b>			
Payments in short-term borrowings from financial institutions	(299.76)	-	-
Proceeds from short-term borrowings from financial institutions	276.09	-	-
Payments on lease liabilities	(2.68)	(4.07)	(5.38)
Proceeds from issue of ordinary shares	432.23	-	-
Payment on dividend	(36.42)	(18.49)	(30.82)
Net cash used in financing activities	369.46	(22.57)	(36.20)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>362.47</b>	<b>(4.74)</b>	<b>54.78</b>
Cash and cash equivalents at the beginning of the period	40.50	402.98	398.24
Exchange loss on cash and cash equivalents	-	-	(2.91)
<b>Cash and cash equivalents at the end of the period</b>	<b>402.98</b>	<b>398.24</b>	<b>450.12</b>





## General information and other material facts

### 1. General information



#### NFORCE SECURE PUBLIC COMPANY LIMITED

**Symbol:** SECURE

**Website:** <https://investor.nforcesecure.com/th>

**Type of Operation:**

Distributor for the cybersecurity products and network management products

**Investor Relations:** [ir@nforcesecure.com](mailto:ir@nforcesecure.com)

**Company Registration No.:** 0107563000258

**Head Office Location:**

9/2 The Synchronized, Soi Ratchadapisek 18,  
Ratchadapisek Road, Huai Khwang,  
Huai Khwang, Bangkok 10310

**Authorized Capital:** THB 52,970,500.00

**Paid-up Capital:** THB 51,370,500.00

**Type of Securities:** Common Stock

**Telephone:** +662 274 0984

**Number of paid- up stock:** 102,741,000 shares

**Par value:** Baht 0.50 per share.

### References

**Securities Registrar**

Thailand Securities Depository Co., Ltd.

93 The Stock Exchange of Thailand Building,  
Ratchadapisek Road, Dindaeng, Bangkok 10400

Telephone / Fax: +662 229 2800 / +662 359 1259

**Auditor**

Price Waterhouse Coopers ABAS Co., Ltd.

179/74-80 Bangkok City Tower, South Sathorn Road,  
Tungmahamek, Sathorn, Bangkok 10120

Telephone / Fax: +662 844 1000 / +662 286 5050

### 2 Other material facts: - none -

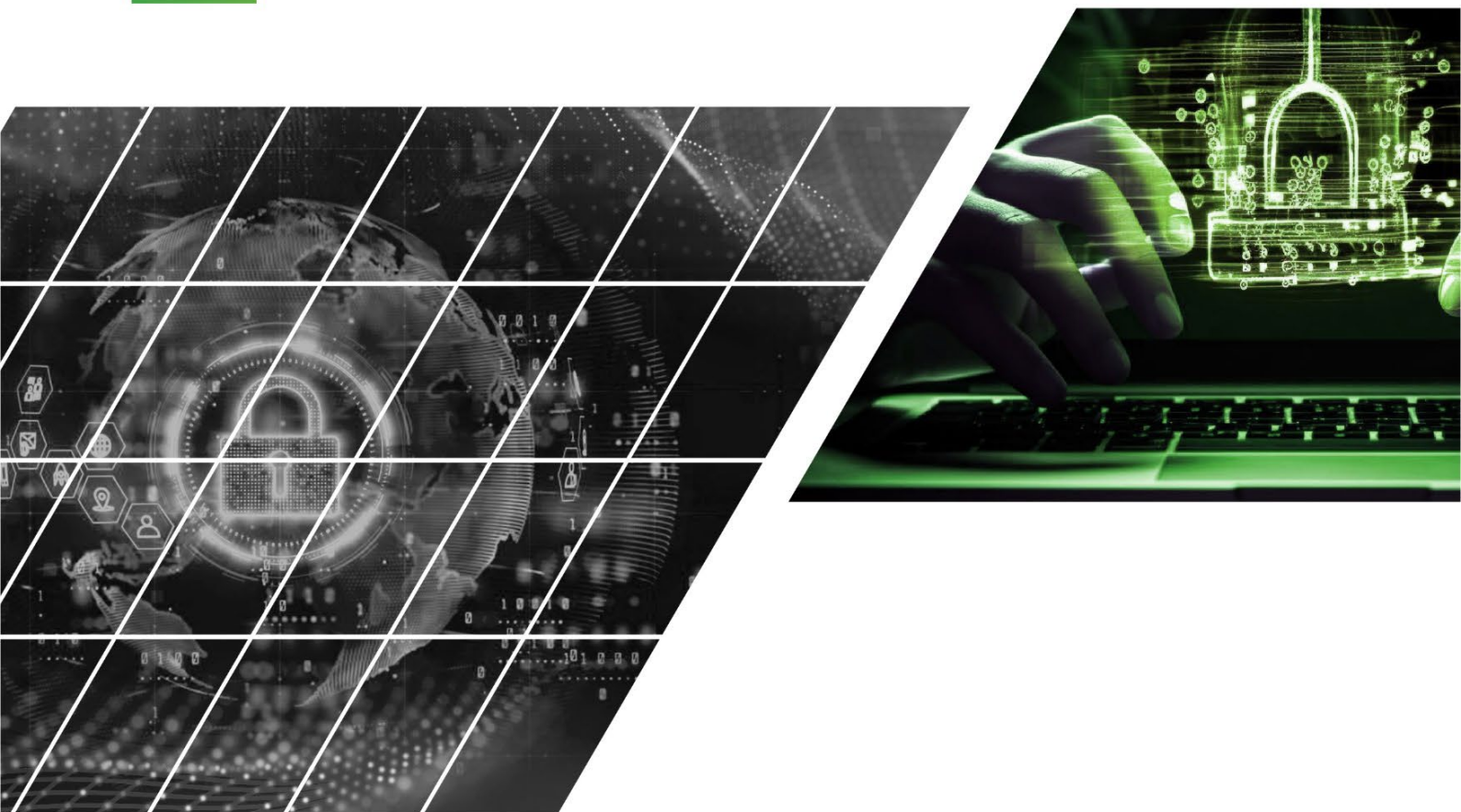
### 3 Legal disputes: - none -

### 4. Secondary market:

SECURE does not have securities listed on the stock exchange of other countries.



# 2 Corporate Governance



Annual Registration Statement /  
Annual Report 2023  
| Form 56-1 One Report |

nForce Secure Public Company Limited

## 1. Overview of the Policy and Guidelines

The Company is committed to conduct business with responsibility and fairness to all stakeholders of the Company through controlling of business operations within the framework of the Company's corporate governance policy and communicating through the Code of Conduct manual, which employees at all levels must adhere to.

The Company's Good Corporate Governance Policy is like a measure for supervision to create value and sustainability for the business. The board of directors has considered and formulated a policy together with the good corporate government (CG Code) of the Securities and Exchange Commission (SEC), which has 8 practical guidelines as follows:

### Principle 1

#### **Recognize the roles and responsibilities of the Board of Directors an organization leader that creates sustainable value for business.**

The Company has defined the roles and responsibilities of the Board of Directors in the Board of Directors Charter. Their main responsibilities include considering and approving vision, mission and values of the company as well as allocating any values by having their own realization in duties, purposes, and corporate governance rules for adding values to company's sustainment. Also, for subsidiary company to achieve target and goal.

The Board of Directors recognizes the roles, duties, and responsibilities in supervising the directors. and executives to perform their duties responsibly, cautious (duty of care) and honest to the organization. (Duty of loyalty) through written policymaking and fitting the scope of authority, duties, and responsibilities of the

Board of Directors in writing, forming the Charter of the Board of Directors and reviewing it at least once a year. Require the Board of Directors to comply with laws, objectives, regulations, resolutions of the Shareholders' Meeting and other policies or guidelines set forth, including the approval authority table, as well as the approval process for important operations such as investments, transactions that have a significant impact on the Company, making transactions with connected persons acquisition or disposition of assets and dividend payment, etc.

Roles, duties, and responsibilities of the Board of Directors appears in the report titled information about the Board of Directors page 85 – 86

### Principle 2

#### **Define the main objectives and goals of sustainable enterprise.**

The Board of Directors recognizes the importance of defining and supervising the objectives and main goals of the organization are for sustainability, as well as in line with creating value for the business, customers, stakeholders, and society. The guidelines for practice are as follows.

1. The Board of Directors will set the business model that creates values for the company, stakeholders and society by consideration as following:
  - Realize the environment and changing factors and the appropriate application of innovation and technology. To achieve competitiveness, the customers' needs and stakeholders are taken



into account in determining a balance between objectives or key goals.

- Assessing readiness, proficiency, and business's competitive ability.
- 2. The Board of Directors will take care of making strategies and annual plan to harmonize with the company's main objectives and targets by considering about company's factors at that moment, also chances, acceptable risks, and supporting to make or revise objectives, targets, and medium term's strategy to ensure that strategies and annual plan already think of effects in the longer term and properly predicted.
- 3. In setting annual strategies and plan, the Board of Directors will provide to analyzing environments, factors and risks that might affect to interested

person along value chain, also any risk factors that may affect to complete company's main targets by finding methods to understand a real demand of interested person.

- 4. The Board of Directors will take care in sharing objectives and targets by strategies and plan to entire company's action.
- 5. The Board of Directors will conduct and take care of resources' distribution and suitable operation control and follow up procedures of the annual plan and strategies or authorize someone to make an action plan. The Board of Directors shall set a person to oversee budgets along with strategy plan, operation term, indicators and follow up performance, and operation process, by holding a meeting.

### Principle 3

#### Strengthen effective committees.

The Board of Directors is aware of the responsibility to determine and review the Board of Directors' structure in terms of the size of each sector, including independent directors, as appropriate and necessary to lead the organization to the objectives and main goals. Therefore, the criteria and processes of the structure and qualifications of the Board of Directors have been determined as follows:

- 1. The Board of Directors will supervise for directors with a wide range of qualifications in terms of skills, experience, abilities, specific characteristics, gender, and age which are necessary to achieve the objectives and main goals of the organization. A skill matrix has been prepared to ensure that the Board of Directors as a whole are qualified and able to understand and respond to the needs of stakeholders. In addition, there must be at least one non-executive director who has experience in the main business or industry in which the Company operates.
- 2. The Board of Directors will consider the appropriate number of directors which are able to perform duties effectively by having at least five directors, depending on the size, type, and complexity of the business.
- 3. The Board of Directors shall establish a ratio between executive and non-executive directors,

which reflects the appropriate balance of power so that directors can freely express their opinions on management performance. The independent director of the Company must have a quantity and qualifications in accordance with the rules of related laws.

- 4. Independent directors of the Company have a term of office for up to 9 years, except The Board of Directors shall consider that such person deserves to serve as an independent director of the Company for the best interests of the Company.
- 5. The Chairman of the Board of Directors and Chief Executive Officer (CEO) have a different responsibility. The Board of Directors shall determine clearly the authority of the Chairman of the Board of Directors and CEO for preventing someone to use a power freely by separating CEO position from the Chairman of the Board of Directors. Roles, duties, and responsibilities of Chairman and Chief Executive Officer appears in the report titled information about the Board of Director and the Executive on page 86 and page 93
- 6. To consider important matters of the Company, it is considered with thoroughness. Therefore, the Board of Directors appoints a sub-committee to perform specific duties and proposes to the Board of





Directors for consideration or acknowledgement as follows.

#### 6.1 Audit Committee

Comprised of at least 3 independent directors who are the Company Directors and has at least 1 director who has sufficient knowledge and experience in accounting or finance and is capable of reviewing the trustworthiness of financial statements with a term of office according to the term of the Company's directorship.

The name list and the roles, duties and responsibilities of the Audit Committee appears in the report titled Information about Subcommittee, page 87.

#### 6.2 Nomination and Remuneration Committee

Comprised of 3 directors including 2 independent directors and 1 non-executive director. The chairman is an independent director with a term of office according to the term of the Company's directorship.

The name list and the roles, duties and responsibilities of the Nomination and Remuneration Committee appears in the report titled Information about Subcommittee, page 89.

#### 6.3 Risk Management Committee

Comprised of 4 directors, including 3 independent directors and 1 executive director with a term of office according to the term of the Company's directorship.

The name list and the roles, duties and responsibilities of the Risk Management Committee appears in the report titled Information about Subcommittee, page 90.

#### 6.4 Corporate Governance Committee

Comprised of 3 independent directors with a term of office according to the term of the Company's directorship.

The name list and the roles, duties and responsibilities of the Corporate Governance Committee appears in the report titled Information about Subcommittee, page 91.

#### 6.5 Executive Committee

Comprised of 4 directors, including 1 non-executive director, 2 executive directors, and 1 executive with a term of 3 years at a time or with a term of office according to the Company's directorship.

The name list and the roles, duties and responsibilities of the Executive Committee appears in the report titled Information about Subcommittee, page 92.

7. Nomination and Appointment of Directors to comply with the Company's regulations, relevant law and has a transparent, clear process under which the Nomination and Remuneration Committee is set to consider the selection of persons through the criteria and nomination process, which considers the appropriate qualifications and abilities as specified in the Charter of the Board of Directors or Subcommittees. In conjunction with the consideration of the diversity of the Board of Directors to be proposed to the Board of Directors and/or the Shareholders' Meeting for consideration and approval as the case may be.
8. The Board of Directors shall consider construction and remuneration rates to suit responsibility and persuade the board of directors to lead the company to perform along with the short and long-term goals. The Board of Directors assigned to The Nomination and Remuneration Committee proposes the criteria to the Board of Directors and the Shareholders' Meeting for approval.
9. The Board of Directors will specific qualifications for holding other companies for each director by considering from working efficiency. The Board of Directors ensures that the directors will devote their time enough by setting the number of companies they can hold related to the appearance and company business condition.
10. The Board of Directors will control a boundary and method to take care of policy and performance of the subsidiary company and other businesses that the company has invested significantly suitably also to have the same correct understanding.





11. To effectively perform the duties of the Board of Directors, it can also set a framework for improvement and operational development. The Board of Directors requires a performance evaluation of the Board of Directors. The assessment is divided into three types: 1) Self-assessment of the entire committee, 2) Self-assessment of individual director, and 3) The performance assessment of the sub-committees. The results of the performance assessment of the committee and such Subcommittees to analyze in order to assess guidelines for promoting and developing knowledge for the directors appropriately.

11.1 Self-assessment of the entire Board of Directors and Self-assessment of Directors individually.

The Corporate Governance Committee will determine the assessment criteria for self-assessment of the Board of Directors' performance. Both in the form of whole committee and individual (self) assessment, covering the structure and qualifications, roles, duties and responsibilities of the Board of Directors, Board Meeting, the performance of Directors, duties and other opinions that are beneficial to management, relationships with management and self-development of Directors and Executive development. Summary of performance appraisal results to be used to determine the appropriateness of the structure or composition of the Board of Directors.

11.2 elf-assessment of the Sub-committee.

Each sub-committee will determine the assessment criteria for evaluating the sub-committees and assessing the performance of those sub-committees. Summary of the performance evaluation results to be used as a factor in determining the appropriateness of the roles and duties of each subcommittee and suggest ways to improve in the event that there are recommendations on various issues from the Board of Directors.

12. The Board of Directors will ensure that person who appointed as new directors will be introduced and

have enough information that has advantages for duty which include understanding of objectives, main targets, vision, mission, corporate values along with nature of business and business guidelines.

13. The Board of Directors will ensure that directors are continually receiving training and developing the necessary knowledge, including disclosing training data and continuously improving knowledge for a Board of Directors in an annual report.

14. The Board of Directors schedules meetings annually in advance, more than 6 times per year and not less than 4 times per year, in which all directors must attend at least 75% of all board meetings, including meetings of the sub-committees unless there is a necessary reason to be unable to attend the meeting.

15. The Board of Directors will take care of the directors and executive division to propose matters on the agenda of the Company's meeting freely.

16. Each board meeting has a clear agenda. The meeting documentation is sufficient and delivered to the Board of Directors at least 7 days before the meeting date so that the Board of Directors has sufficient time to study the information before attending the meeting and will allocate sufficient meeting time for discussion and comment, except in an emergency to protect the Company's rights or benefits, other methods shall make the notification of the meeting, or the date shall be set earlier.

17. The Board of Directors will support the CEO to invite top executives to join the board of directors meeting for informing additional information as they are related with problems directly and have a chance to getting know top executives to include with considering succession plan.

18. All directors have access to the necessary information. More from the Chief Executive Officer, Company Secretary or other executives.

19. The Company has a policy for non-executive directors. There is an opportunity to meet among themselves to discuss various issues related to management that are of interest without the management that is involved at least once a year and notify the Chief Executive Officer of the meeting results.



## Principle 4

### Ensure Effective CEO and People Management

The Company will operate to ensure that the chief executive officer and other high-ranking executives have the necessary knowledge, skills, experience, and qualifications to drive the organization toward its goals. The Board of Directors delegate to the Nomination Committee the following criteria and methods for nominating suitable candidates for the position of Chief Executive Officer:

1. Consider the regulations and procedures for nomination, appointing persons and approving the persons proposed by the Chief Executive Officer and/or the president proposed to be Executive.
2. Supervise the succession plan for the Chief Executive Officer, and Executive. The Chief Executive Officer shall report the results of the

succession plan to the Board of Directors to acknowledge at least once a year.

3. The Board of Directors determine the remuneration structure as an incentive for the Chief Executive Officer, Executive, and employees at all levels to perform their duties comply with the salary, bonuses and benefit in long-term and setting up remuneration policy comparing with the same industry level, regarding to the operating performance.
4. The Board of Directors considers the criteria and factors for the performance appraisal as well as approves the remuneration structure of the top executives and follow up with the Chief Executive Officer and Executive and follow up the assessment to comply with the principles.

## Principle 5

### Nurture innovation and responsible business.

The Company prioritizes and supports the innovations that create value to the business customers or stakeholders. The Company shall be responsible to the society and the environment, and ensure that management reviews strategy planning, operation's improvement, and performance monitoring.

1. The Board of Directors monitors the management to operate business with a social and environmental responsibility following the operation plan the objectives, main goals, and business strategies.

2. The Board of Directors supervises the management to allocate and manage resources effectively by considering the impact, resource development and the value chain in order to achieve sustainable objectives and goals.
3. The Board of Directors established a framework for information technology and management supporting business's needs, increment of business opportunities, operational development, risk management so that the business can achieve its objectives and main goals.

## Principle 6

### Strengthen Effective Risk Management and Internal Control

The Board of Directors ensure that The Company has a risk management and internal control system in order to achieve the objectives effectively abide by related law and standards by indicating risk management policy, anti-corruption policy and clear practices and communicate at all levels of the organization and to outside for actual implementation.

1. The Board of Directors considers and approves the risk management policy consistent with the objectives, key goals, strategies, and acceptable risks as a framework of risk management process for everyone in the organization to perform in the same direction. The main risks that the Board of Directors will focus on are divided into Strategic Risk,





Operational Risk, Financial Risk and Compliance Risk. The Company prioritizes and ensure the risk management policy reviewed regularly at least once a year.

2. The Board of Directors sets up the audit committee that can perform duties efficiently and independently. the audit committee consists of at least 3 directors, all of whom must be independent directors and have qualifications and duties in accordance with the rules of the SEC and the Stock Exchange of Thailand in order to review financial reporting, the internal control system and the internal audit system effectively. The Audit Committee reports to the Board of Directors and discloses the report in the annual report.
3. The Board of Directors monitors and manages conflicts of interest between the Company and the management or shareholders including the prevention of unreasonable use of assets, information and opportunities and connected transactions unreasonable.
- Manage conflicts of interest transactions and determine guidelines and practices for transactions according to the procedures and disclosure such information as required by law and for the benefit of the Company and shareholders. The stakeholders shall not be involved in decision-making.
- Require the Directors reporting their stakes at least before their involved agenda in the Board of Director meeting and record them in the minutes of meeting, their participation shall not be permitted in such agenda.
4. The Board of Directors provides an anti-corruption policy or guidelines for anti-corruption including supporting activities that encourage all employees to comply with the law and related regulations.
5. The Board of Directors determines a mechanism for receiving complaints and taking action in case of clues by providing multiple convenient channels for receiving complaints as well as disclose the channels for receiving complaints on the website or annual report.

## Principle 7

### Ensure Disclosure and Financial Integrity

The Board of Directors manages a system for preparation of the financial statement and the disclosure of important information with accuracy and punctuality according to relevant rules, standards, and guidelines. The Board of Directors monitors the adequacy of financial liquidity and the ability to pay the debt. In a situation the business faces regarding face financial problems, the Board of Directors has a plan to solve the problem or other mechanisms which can solve financial problems regarding stakeholders' rights.

1. The Board of Directors governs the administration monitoring and assessing financial statements, Annual Report Form 56-1 which can reflect the financial status and company performance as well as to provide an explanation and Management Discussion and Analysis (MD&A) to disclose with the quarterly financial statements so that investors understand the information clearly to about the changes of the financial statement and the Company's performance in each quarter r apart from the numbers in the financial statements.
2. The Board of Directors ensures that the Executives monitor and assess the financial status and reports to the Board of Directors regularly. The Board of Directors and the Executives work promptly to find a solution if there are signs of problems of financial liquidity and the ability to pay debt.
3. The Board of Directors supervises the business to formulate a plan to resolve financial problems for stakeholders and creditors. The Executives report the resolving problems status to The Board of Directors regularly.
4. The Board of Directors will supervise the Executives to set up a unit or a person responsible for investor relations that communicates appropriately and unpunctually with shareholders and other stakeholders, such as investors, analysts, etc.



## Principle 8

### Ensure Engagement and Communication with Shareholders

The Board of Directors ensures that shareholders are involved in decisions-making on important issues on the shareholders' meeting which is complete smoothly with transparency, efficiency and convenience for shareholders to exercise their rights by disclosing the resolution and preparation minutes of the meeting with accuracy and completeness.

1. Opportunity was given to the minority shareholders to be able to propose additional agendas in advance of the meeting date. The Board of Directors will consider including the matters proposed by the shareholders on the meeting agendas. In the event that the Board of Directors rejects the matter proposed by the shareholders to be included in the agenda, the Board of Directors will inform the reason for the rejection to the shareholders' meeting for acknowledgement.
2. Opportunity was given to the minority shareholders to propose candidates for the position of director. The Board of Directors discloses the criteria to shareholders in advance.
3. Shareholders' meeting invitation letters and related documents will be sent and published on the Company's website at least 28 days before the meeting date.
4. Shareholders were given an opportunity to submit questions in advance of the meeting date by prescribing criteria for submitting such questions and publishing such criteria on the Company's website as well.
5. The invitation to the shareholders' meeting and related documents will be prepared and published in Thai and English version with accuracy, completeness, and sufficiency for shareholders to exercise their rights.
6. The Board of Directors ensures that shareholders' meetings are clear, transparent, effective, and convenient for shareholders to exercise their rights.
7. The Company will inform the shareholders of the rules and procedures for determining all forms of directors' remuneration and compare the remuneration data of directors in the past year to shareholders for consideration.
8. The Board of Directors will schedule a date, time, and place for the meeting, which will take shareholders' convenience to attend the meeting into consideration. For example, an appropriate meeting duration which is sufficient for the discussion, a convenient meeting location for travelling, etc.
9. The Board of Directors will ensure that there will be no action that limits the opportunity to attend the meeting or cause excessive burden to shareholders, such as obligating shareholders or proxy to bring more documents or proofs of identity than as required in the guidelines of related regulatory agencies.
10. The Board of Directors shall support implementing technology in shareholders' meetings, including shareholder registration, vote counting and results announcement, to ensure quick, correct, and accurate meeting procedures.
11. The Chairman of the Board of Directors will be the chairman of the shareholders' meeting, responsible for ensuring that the meeting proceed in accordance with related laws, and regulations of the Company, managing time for each meeting agenda as defined in the invitational letter appropriately, and allowing shareholders to make comments and inquiries related to the Company during the meeting.
12. All directors and related executives will attend the shareholders' meeting, so shareholders can make inquiries into related topics.
13. The Board of Directors ensures that the Company discloses the resolutions of the shareholders' meeting, including voting results, within the next business day via the Stock Exchange of Thailand's news system and on the Company's website.
14. The Board of Directors ensures that the Company submits the shareholders minutes of meeting to the Stock Exchange of Thailand within 14 days after the meeting's date.





15. The Board of Directors ensures that the shareholders' minutes of meeting shall record the details as follows.

- Name list of Directors and Executive attending in the meeting and the proportion of the absent directors

- Other meeting information includes voting procedures, the method of counting and notifying the results of votes.
- Questionnaires and answers including name list of questioners and answer.

## 2. Business code of conduct

The guidelines of ethical standards for executives and employees adhere to comply with the regulations and rules of the Company. The aim is to ensure that management and operations are transparent, clear, fair, and efficient, upholding honor and dignity and can be trusted by partners, customers, and people. Employees at all levels understand the company's code of conduct related to duties and responsibilities and communicate with those involved in the operation to understand this code of conduct.

If the employees have a conflict of interest with the Company, the punishment will be determined

according to the organizational structure and rules and regulations. The head of each department will consider the case before sending to high-level supervisors and related departments later in order to determine the offense and specify the appropriate punishment. The witnesses can report any evidence of an offense through the channels specified by the Company.

The Company has published the full Code of Conduct of the Company appears on the Company's website:

<https://investor.nforcesecure.com/en/corporate-governance/policies-and-documents>

## 3. Material changes and developments regarding policy, guidelines, and corporate governance system in the preceding year

**Describe, at least once a year, the information on material changes and developments.**

1. Review the company's corporate governance policy by adopting good corporate governance principles. (CG Code) of the Securities and Exchange Commission (SEC) And the criteria according to the corporate governance survey program of Thai listed companies. (Corporate Governance Report of Thai Listed Companies - CGR) of the Thai Institute of Directors Association (IOD) are guidelines for improvement.
2. Review and update the Whistleblowing and Complaints Policy to comply with the Company's operation and treatment of various stakeholders.
3. Review the Charter of the Board of Directors and sub-committees to cover the performance of duties and comply with the Company's corporate governance policies and related rules and regulations.





## Adoption of Good Corporate Governance Principles for Listed Companies in 2017 (CG Code)

The Company is scheduled to conduct a review of good corporate governance policy on a regular basis at least once a year, considering the appropriateness of the Company's business operations. In 2023, the Company has complied with such CG Code, but may not cover the following criteria:

1. The position period of independent directors shall not exceed 9 years conditionally, according to the appropriateness of the Company's business operations at that time, since it is considered that independent directors who have specialized expertise and have a good understanding of the Company's business will require quite a lot of time to study and understand. However, at present, none of the independent Directors of the Company has held the position for more than 9 years.
2. The Company does not require Directors and Executives to notify the Board of Director or delegator for the trading in the Company's share at least 1 business day in advance, however, the Company has established a policy of using inside information and reporting the Company's securities holdings which Directors and Executives must strictly comply.
3. The Company does not require voting in the election of directors by means of Cumulative Voting. Due to the Company's regulations, the voting method is 1 share equal 1 vote. However, the Company has given minority shareholders the opportunity to nominate persons to be considered for elected as the Company's a director at the annual general meeting of shareholders annually which is in accordance with the guidelines shown on the Company's website.

## Other Practice Information in Accordance with Good Corporate Governance Principles for Various Assessments

The Company has reviewed and implemented to raise and improve policies and guidelines in accordance with the good corporate governance annually. In order to meet the standards in accordance with the domestic and international corporate governance guidelines, namely the Principles of Good Corporate Governance for Listed Companies of the Securities and Exchange Commission and of the Securities Regulatory Commission (SEC) and the criteria under the Corporate Governance Report of Thai Listed Companies (CGR) of the Thai Institute of Directors Association (IOD). The Company has an assessment on corporate governance as follows:

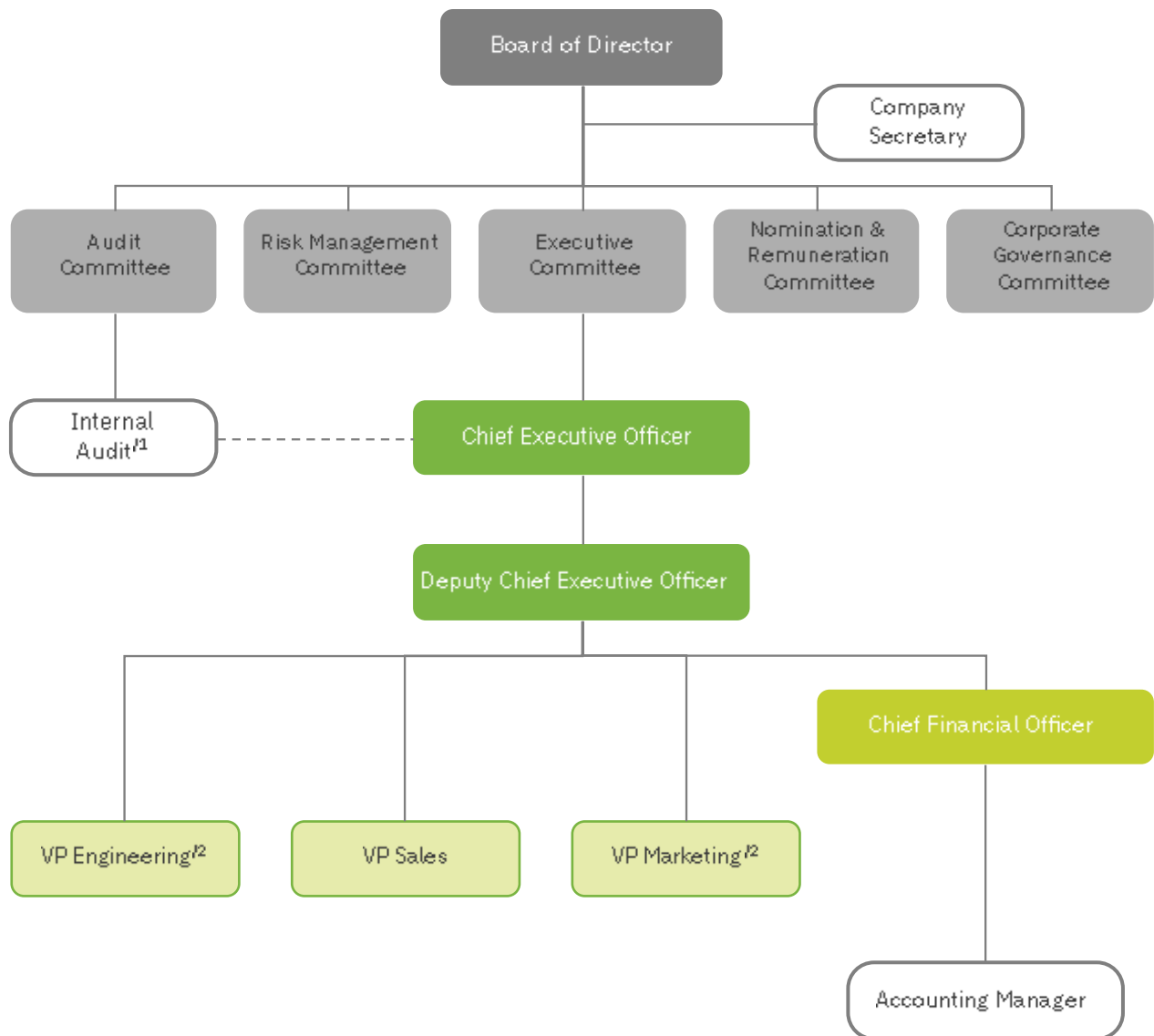
1. Obtained the results of the 2023 Thai Listed Company Corporate Governance Survey (CGR) by the Thai Institute of Directors Association (IOD) as 5 stars or Excellent criteria.
2. Received an assessment score 97 based on the results of the quality assessment of the 2023 Annual General Meeting of Shareholders (AGM Checklist) by the Thai Investors Association.
3. Not a company that has made unfair connected transactions which the relevant authority alert investors to use their judgment to make decisions.
4. Not a company with unusual securities trading habits by the actions of Directors or Executives who have been convicted and declared guilty from the Securities and Exchange Commission (SEC)





Corporate governance structure and significant information related to the Board of Directors, Sub-committees, executives, employees, and others.

## 1. Corporate Governance Structure (as of December 31, 2023)



Remark: <sup>1</sup> The Company's internal audit department consists of internal auditors from an external organization (outsourcing) which is P&L International Audit Company Limited.

<sup>2</sup> As of December 31, 2023, Mr. Nakrop Niamnamtham is in the position of Acting VP Engineering and Acting VP Marketing.



## 2. Information on the Board of Directors

As of December 31, 2023, 9 directors consisted of 6 independent directors, 1 non-executive directors and executive directors and/or have the power to sign a binding commitment to the Company 2 persons.

### The composition of the Board of Directors

1. The Board of Directors is not required to be shareholders of the Company.
2. The number of the Board of Directors shall be as specified at the Shareholder's meeting. Still, the number shall consist of at least 5 members, and the number of the Board of Directors must not be less than half of the total number of the Directors residing in Thailand.
3. The Board of Directors consists of independent directors at least one-third of the total number of Directors, but not be less than 3 people.
4. The Chairman of the Board shall not be the same person as the Chief Executive Officer or the

Managing Director in order to balance the authority in the operation and to provide clear separation of roles and duties.

5. The Board of Directors shall elect one director to be the Chairman of the Board of Directors, and in the event that the Board of Directors deems appropriate, they may consider electing one or more Directors to be the Vice Chairman of the Board of Directors.
6. The Board of Directors shall appoint the Company's Secretary; the Company's Secretary may be a director or other persons whom the Board of Directors deems appropriate to assist the Board of Directors' work regarding appointments, meetings, preparation of meeting agendas, delivering meeting documents, and recording the minutes of the meeting. Furthermore, the Company's Secretary shall follow the authorities, duties and responsibilities in accordance with Section 89/15 Paragraph 1 and Section 89/16 of the Securities and Exchange Act B.E. 1992 (including any amendments).

### The information on each director and controlling person. (as of December 31, 2022)

List of Name	The Board of Directors	Sub-Committee <sup>/3</sup>				
		AC	NRC	RC	CGC	EXCOM
1. Asst. Prof. Dr. Pattanant Petchchedchoo	★ / ●	★		★	○	
2. Mr. Karoon Phungsoondara	●				★	
3. Dr. Smitthi Darakorn Na Ayuthaya	●	○	★	○		
4. Mr. Piyasak Chotipruk	●	○		○	○	
5. Dr. Supachai Sukhanindr	●		○			
6. Mr. Siridech Kumsuprom	●					
7. Mr. Anotai Adulbhan	○		○			○
8. Mr. Nakrop Niamnamtham <sup>1</sup>	○					★
9. Ms. Sukanya Luanchamroen <sup>1</sup>	○			○		○
10. Ms. Ark Chumphonphan <sup>2</sup>						○

Remark: ★ = Chairman / Chairman of committee | ● = Independent Director | ○ = Director / Member of committee

<sup>1/</sup> Authorized Directors, two directors jointly sign with the seal Company affixed

<sup>2/</sup> The Executive of the Company.

<sup>3/</sup> Sub-Committee; AC – Audit Committee | NRC - Nomination and Remuneration Committee | RC – Risk Management Committee | CGC – Corporate Governance Committee | EXCOM – Executive Committee.





## Information related to the roles and duties of the Board of Directors

The Board of Directors plays an important role in driving the organization. It has a duty and responsibility to direct the business in accordance with the object and purpose to make the most of the company's interests on social responsibility, impact on the surroundings, be fair to all stakeholders under the Corporate Governance Policy, anti-corruption policy and sustainability policy. These are in line with the law, objectives and regulations of the Company, resolutions of the Board of Directors, as well as resolutions of the Shareholders' Meeting with full knowledge,

competence, honesty, good ethics, careful and responsible to shareholders on a regular basis.

Directors of the Company understand their roles and position as a director. The Company's Secretary has arranged orientation so that the Directors can be informed of the information related to the Company's directorship, namely the nature of the Company's business operations, Corporate Governance Policy, and Charter of the Board of Directors

### Roles, duties, and responsibilities as defined in the Charter of the Board of Directors are as follows:

1. Perform duties and supervise the Company's business in accordance with the law, objectives, regulations, resolutions of the Board of Directors' meeting as well as the resolutions of the shareholders' meeting with responsibility, caution, and honesty to preserve the rights and interests of the Company and fairness to all shareholders.
2. Determine vision, strategy, business direction, policies, goals, business plans, budgets, management structures and the approval authority of the Company and its subsidiaries as presented by the executive division, as well as to supervise the management and performance of the Executives or any person who is assigned to perform such duties. The Board of Directors encourages the Company to use information technology for increasing business opportunities and performance and following effective policies.
3. Control and supervise the management department to treat all stakeholders with ethics and equality.
4. Continuously and regularly monitor and evaluate the performance of the Management division's duties and be aware of the compliance with the law and the terms in the Company's related contracts.
5. Consider and approve the appointment and assignment of the roles and duties of the sub-committees as appropriate and necessary to support the Board of Directors for determining the criteria and procedures and selecting directors, sub-committees and Chief Executive Officer with transparency and clarity as well as determine the remuneration and evaluate the annual performance.
6. Consider and determine the Company's annual remuneration structure and criteria for the appropriate remuneration of the directors, executives, and employees with taking the various appropriate factors.
7. Set and improve the appropriate organization chart of the Company.
8. Consider and approve the table of authority for business operations and provide for effective implementation of the table of authority.
9. Establish a framework and mechanism for supervising subsidiary or associate companies. The Board of Directors shall consider the suitable person to represent the Company as a director of the subsidiary or associate companies to control and supervise the operations of the subsidiary or associate companies in accordance with the Company's policy and various transactions under the law including the disclosure of financial statement, performance, connected transaction and acquiring or disposing of significant assets.
10. Acknowledge the audit report of Audit Committee and the Company's sub-committees and supervise the business procedure for receiving complaints and whistleblowing.



11. Consider and approve the acquisition or disposition of assets (in case of the size of the transaction does not need to be considered by the shareholders' meeting), investment in new business and any operations must be in accordance with applicable laws, announcements, and regulations.
12. Consider and approve the connected transaction (in case the size of the transaction does not need to be considered by the shareholders' meeting) to be in accordance with relevant laws, announcements, and regulations.
13. Consider and approve the interim dividend payment to the Company's shareholders.
14. Review the processes and policies for risk management and review the operations.
15. Ensure that there is no conflict of interest between the stakeholders of the Company and its subsidiaries. In case of any directors have an interest with any financial transactions with the Company or have an increase or decrease proportion of shares of the Company and/or its subsidiaries, the director shall notify the Company without delay.
16. Determine good corporate governance policy, social responsibility policy and anti-corruption policy.
17. Appoint a company secretary to assist the Board of Directors to perform various tasks ensuring that the Company's business operations are in accordance with relevant laws, announcements, and regulations.
18. Seek professional opinion from a third party if necessary to make an appropriate decision.
19. Prepare annual report and be responsible for the preparation and the disclosure of the financial statements to reflect the financial status and operating results of the Company in the previous year and present to the shareholders' meeting.
20. Arrange a shareholders' meeting as an Annual General Meeting within 4 months from the end of the Company's fiscal year.
21. Consider and approve various matters by taking the interests of shareholders and all groups of stakeholders of the Company with fairness.
22. Ensure that the company will have an effective and reliable accounting system, financial reporting, and internal control (internal audit).
23. Assign one or more directors or any other person to perform any act on behalf of the Board of Directors.
24. Have authorities, duties and any other responsibilities as required by law and related rules, articles of association and the resolution of the shareholders' meeting.

## Roles of the Chairman of the Board of Directors.

1. The Chairman of the Board or the person(s) assigned by the Chairman are responsible for calling a meeting of the Board of Directors and encouraging directors to attend the Board of Directors' meetings.
2. Discuss the agenda's meeting with the Chief Executive Officer and taking measures to ensure that important matters are included in the meeting agenda. If the person serving as the Chairman is not an independent director, the Board of Directors will appoint an independent director to participate in determining the agenda for the Board of Directors' meeting in order to comply with good corporate governance principles.
3. Serve as the Chairman of the Board of Directors' meeting and conduct the meeting following the meeting agenda, articles of association and laws, including effective meeting control, allocating sufficient time for management or related parties to present supporting information, providing an opportunity for the directors to ask questions and express their opinions freely, controlling the issue of discussion, and summarizing the meeting resolutions.
4. Act as the Chairman of the Shareholders' meeting to conduct the meeting in accordance with the meeting agenda, articles of association and laws, including effective meeting control, allocating time appropriately, providing opportunities for shareholders to inquire and express their opinions equally, and supervising to ensure that the shareholders' inquiries are answered.





5. Encourage the directors to perform their duties in accordance with the scope of authorities, duties and responsibilities of the Board of Directors and related laws, including complying with good corporate governance principles such as abstaining from voting and leaving the meeting when considering the agenda in which the directors have conflicts of interest.
6. Communicate important information to the Board of Directors.
7. Supervise and monitor the Board of Directors to perform duties in accordance with the scope of authorities, duties, and responsibilities of the Board of Directors effectively and achieve the objectives and main goals of the organization in accordance with the law and the Company's good corporate governance policy.
8. Strengthen good relationship between executive and non-executive directors, including the Board and Management.
9. Supervise and monitor the management of the Board of Directors and sub-committees to achieve the stated objectives.

### 3. Information on subcommittees

The structure of directors consists of members of the board and 5 sub-committees as follows: 1) the Audit Committee 2) the Nomination and Remuneration

Committee 3) the Risk Management Committee 4) the Corporate Governance Committee 5) the Executive Committee.

#### Audit Committee

Comprised of at least 3 independent directors who are the Company Directors and has at least 1 director who has sufficient knowledge and experience in accounting or finance and is capable of reviewing the trustworthiness of financial statements. In 2023, the Audit Committee held meeting 4 times with the Meeting attendance detailed on page 101. Member of the Audit Committee has a term of tenure according to the term of directorship. The list of members of audit committees are as follows:

1. Asst. Prof. Dr. Pattanant Petchchedchoo  
Chairman of the Audit Committee
2. Dr. Smitti Darakorn Na Ayuthaya  
Member of the Audit Committee
3. Mr. Piyasak Chotipruk  
Member of the Audit Committee  
and Ms. Sukanya Luanchamroen is the secretary of the Audit Committee.

Member of the Audit Committee ranked no.1 has sufficient knowledge and experience to be able to review the trustworthiness of the financial statements. Scope of authority, duties and responsibilities as

defined in the Charter of the Audit Committee is as follows:

- 1) Review the Company's financial statement (quarterly and annually) to have the accuracy, completeness, adequate, reliability and timeliness by coordinating with the auditors and the executives, preparing financial statement and disclosing the Company's related information to the Board of Directors.
- 2) Review the appropriate, sufficient, and effective internal control system and internal audit system and consider the results of the audit and recommendations of auditors. Audit committee review the internal audit plan, the activities and the structure of the Internal Audit, approve the charter of the Internal Audit and consider the independence of the Internal Audit for approving the appointment, transfer and dismissal of the head of the Office of Internal Audit or any other agency responsible for internal audits. Review the internal audit plan.
- 3) Attended meeting with the Management and Internal Audit to review that the Company has sufficient risk management and control system.





- 4) Review the internal processes of the Company regarding whistleblowers and complaints.
  - 5) Review the Company's compliance with the Securities and Exchange Act, Stock Exchange requirements, and laws related to the Company's business.
  - 6) Nominate to appoint an independent person and determine the Company's auditor's remuneration considering the sufficient resource, the workload of the auditor, the experience of auditor in last year performance, as well as the consideration of the removal of the auditor. The Audit Committee shall propose such opinion to the Board of Directors for further approval and coordinate with auditors regarding audit objectives, scope, guidelines, plans, and problems encountered during the audit and issues that the auditor deems to be important including attending a meeting with the auditor without the management meeting at least once a year.
  - 7) Review the scope and audit procedures proposed by the auditor, including considering the reasons for adjustment in the audit plan (in case there is a change in the audit plan later), including suggesting the auditors to review or check any transaction deemed necessary and important during the audit of the Company and its subsidiaries and reviewing the auditor's report, prepared and proposed to the management to improve and follow up on the implementation of the recommendations.
  - 8) Consider the adequacy and the efficiency of coordination between the auditors and internal auditors.
  - 9) Consider the connected transactions that may have conflicts of interest, and Material Transaction ("MT") to be accurate and complete with compliance to the Securities and Exchange Act as well as disclose any information on the transaction accurately and completely. This is to ensure that such transactions are reasonable and for the best benefit of the Company.
  - 10) The Audit Committee shall report the performance to the Board of Directors' meeting for acknowledgment and consideration at least once a quarter.
  - 11) Prepare the corporate governance report of the Audit Committee, which will be disclosed in the Company's annual report. The report shall be signed by the Chairman of the Audit Committee and contains the following information as follows,
    - Opinion on the accuracy, completeness, and reliability of the Company's financial reports.
    - Opinion on the adequacy of the Company's internal control system.
    - Opinion on the compliance with the Securities and Exchange Act, policy by the Stock Exchange or any laws related to the Company's business.
    - Opinion on the suitability of the auditor
    - Opinion on the possible transactions that may have conflict of Interest.
    - Number of Audit Committee Meetings and the attendance of each audit committee
    - Overall opinion or observation of the Audit Committee by the duties performed under the Charter.
    - Other items that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.
  - 12) Perform any other acts as assigned by the Board of Directors with the approval of the Audit Committee.
  - 13) Review the Audit Committee Charter to be up to date, appropriate to the Company's environment once a year.
  - 14) Perform duties as announced or amended by the Stock Exchange of Thailand, and the Securities and Exchange Commission, Thailand
  - 15) When performing the duties of the Audit Committee, if any of the following actions are found or suspected of, which may have a significant impact on the Company's financial position and performance, the Audit Committee shall immediately report to the Board of Directors to make improvements within the time that the Audit Committee deems appropriate.
    - Conflict of interest transactions
    - Suspicion or assumption that there may be fraud or irregularity or a material defect in the internal control system.
    - Suspicion that there may be a violation of the rules of the SEC, the Stock Exchange of Public Company Act, Securities and Exchange Act or other criteria related to the Company and/or the Company's business.
- In case that the auditor finds suspicious circumstances that the Company's directors,





executives, or persons responsible for the Company's operations has committed an offense as specified by the law and has informed the facts about such circumstance to the Audit Committee, the Audit Committee shall report the results of the preliminary investigation to the SEC Office for acknowledgment within 30 days from the notification's date. The circumstances shall be in accordance with the rules of the SEC or other rules related.

16) In the event that the auditors find suspicious circumstances that the Company's directors, executives or persons responsible for the Company's operations have committed an offense as specified by the law and have informed the facts about such circumstance to the Audit Committee, the Audit Committee shall report the results of the preliminary

investigation to the SEC Office for acknowledgment within 30 days from the date that the auditor receives the notification. Such circumstances shall be in accordance with the rules of the SEC Office or other related rules.

17) Review to ensure that the Company has a process to develop good corporate governance continuously including providing guidelines and suggestions necessary for development, as well as encourage the Company to set good corporate governance as a regular agenda of the Board of Directors' meeting and the Company's Annual General Meeting of shareholders. The chairman of the audit committee shall receive a copy of the report on stake-holding under Section 89/14 of the Act from the Company secretary within 7 working days from the date the Company receives that report.

## Nomination and Remuneration Committee

Comprised of 3 directors including 2 independent directors and 1 non-executive director. In 2023, the Nomination and Remuneration Committee held 1 meeting with the Meeting attendance detailed on page 101. Member of the Nomination and Remuneration Committee: NRC has a term of tenure according to the term of directorship with the name list as follows:

1. Dr. Smitti Darakorn Na Ayuthaya  
Chairman of the NRC
  2. Dr. Supachai Sukhanindr      Member of the NRC
  3. Mr. Anotai Adulbhan          Member of the NRC
- and Ms. Sukanya Luanchamroen is the secretary of the Nomination and Remuneration Committee.

Scope of authority, duties and responsibilities as defined in Charter of the Nomination and Remuneration Committee is as follows:

### Nomination

- 1) Determine policies, qualifications, rules and procedures for the nomination of directors, members of sub-committees and chief executive officer.
- 2) Consider the selection and nomination of persons who are suitable in terms of knowledge, experience and expertise in accordance to the policies, qualifications,

criteria and methods of nominating and related laws for the appointment of the Company's director, sub-committees and executives for the Board of Directors to consider appointing and/or to propose to the shareholders' meeting for consideration and appointment. (Depending on the case)

Regarding the nomination of the Company's directors, the Nomination and Remuneration Committee shall consider at least one area of experience relating to the position (e.g. finance, business administration, marketing, HR, law, management, etc.) as well as the abilities to assist the Board of Directors in operating the business, the ability to make rational business decisions including the ability to think strategically and demonstrates leadership as well as a high level of professional expertise and integrity along with other suitable personal qualities.

- 3) Ensure that the board and sub-committees are appropriately sized. The Board of Directors and sub-committees shall consist of persons with knowledge, competency, skills, and experience in various fields necessary for business.
- 4) Consider the model and development process for the Chief Executive Officer and executives. In accordance with the Company's business.



- 5) Review annually the succession plan policy of the appropriate management for the executive positions and propose to the Board of Directors.
- 6) Consider and approve a succession plan at the executive level of the company, as well as establishing the development policy of directors and executives of the company to prepare the continuity of succession and the management of the company in order to continue operation and have such policies reviewed at least once a year.

#### Remuneration

- 7) Determine policies, formats, criteria or methods for considering remuneration and benefits (whether in the form of cash, securities or else), including the remuneration for the director, sub-committees and executives to the Board of Directors' meeting for approval and/or to present to the shareholders' meeting for further approval. (As the case may be) The process shall be clear, transparent, appropriate

and fair according to the good practice, the relevant laws and comparison with the same industry with based on experience, scope of duties and responsibilities.

- 8) Ensure that the Company's Directors, sub-committees, and executives receive the appropriate remuneration to their duties and responsibilities.

#### Other

- 9) Review and propose to the Board of Directors to consider amending the scope of powers, duties, and responsibilities of the Nomination Committee in accordance with the circumstances.
- 10) Evaluate and report on the performance of the Nomination Committee and propose to the Board of Directors for consideration.
- 11) Perform any other actions as assigned by the Board of Directors or the policies set by the Board of Directors.

## **Risk Management Committee**

Comprised of 4 directors, including 3 independent directors and 1 executive director. In 2023, the Risk Management Committee held 3 meetings, with the Meeting attendance detailed on page 101. Member of the Risk Management Committee has a term of tenure according to the term of directorship with the name list as follows:

1. Asst. Prof. Dr. Pattanant Petchchedchoo  
Chairman of the Risk Management Committee
2. Dr. Smitti Darakorn Na Ayuthaya  
Member of the Risk Management Committee
3. Mr. Piyasak Chotipruk  
Member of the Risk Management Committee
4. Ms. Sukanya Luanchamroen  
Member and Secretary of the Risk Management Committee

Scope of authority, duties and responsibilities as defined in Charter of the Risk Management Committee is as follows:

- 1) Develop a risk management policy in regards to overall risk management which covers main risks that are consistent with the entity's objectives, key goals, strategies, and acceptable risks as a

framework for the operation of the risk management process for everyone in the organization to be in the same direction to propose to the Board of Directors for consideration by supervising the Company and its subsidiaries to have risk identifications by considering both external and internal factors that may cause the Company and its subsidiaries to fail to achieve the stated objectives.

- 2) Establish the Company's risk management strategy and guidelines in accordance with the risk management policy so that each type of risk can be assessed, monitored, and controlled at an appropriate level by engaging various entities in risk management and control.
- 3) Maintain and monitor compliance with risk management policies under guidelines and procedures approved by the Board of Directors By focusing on the process of the Company's risk assessment, Monitoring, and communication.
- 4) Supervise the Company to prevent and monitor the emerging risks that may ensue.





- 5) Review the adequacy of the policy, the Company's risk management system, and subsidiaries, including the effectiveness of the system and compliance with specified policies.
- 6) Give suggestions to the Company for review of the risk management framework at least once a year to ensure that the framework is still consistent and suitable for the Company's operations and the process of risk management of the Company.
- 7) Give suggestions on matters that require improvements to implement according to the risk management process, including consulting recommendations to the company in risk management operations with the policy and strategies set by the Board of Directors.
- 8) Review the Company's risk management reports to ensure that the organization has adequate and appropriate risk management.
- 9) Authorize to appoint and assign specialized personnel and/or insufficient knowledge and expertise to consult on the company's risk management process and assessment to achieve its objectives within the specified timeframe.
- 10) Provide opinions and suggestions in cases where the Company has a need to outsource some of its functions where the Company has specialized personnel and/or insufficient knowledge and expertise to perform duties in order to achieve the planned results. However, such employment shall be from time to time only.
- 11) Supervise the subsidiaries (if any) to comply with the Company's risk management policy, including operating under the Company's risk management framework.
- 12) Communicate and exchange information and coordinate the risks and internal control with the Audit Committee at least once a year.
- 13) Consider, review, and update the Risk Management Committee Charter at least once a year to ensure that the content of the Charter is consistent with the purpose operational strategy and changes in the current law and present to the Board of Directors for approval.
- 14) Authorize to call the relevant persons to clarify or appoint and assign roles for operation staffs of all levels to be responsible for risk management as appropriate and to report to the Risk Management Committee for risk management to achieve its objectives.
- 15) Perform any other acts as assigned by the Board of Directors' meeting with the approval of the Risk Management Committee.

## Corporate Governance Committee

Comprised of 3 independent directors. In 2023, the Corporate Governance Committee held 1 meeting, with the Meeting attendance detailed on page 101. Member of the Corporate Governance Committee has a term of tenure according to the term of directorship with the name list as follows:

1. Mr. Karoon Phungsoondara  
Chairman of the Corporate Governance Committee
2. Asst. Prof. Dr. Pattanant Petchchedchoo  
Member of the Corporate Governance Committee
3. Mr. Piyasak Chotipruk  
Member of the Corporate Governance Committee and Ms. Sukanya Luanchamroen is the secretary of the Corporate Governance Committee.

Scope of authority, duties and responsibilities as defined in Charter of the Corporate Governance Committee is as follows:

- 1) Consider and determine the Corporate Governance policies, Anti-Corruption Policy, and code of conduct under the framework laws, rules and regulations such as the Stock Exchange of Thailand. Securities and Exchange Commission and related agencies. The Corporate Governance Committee presents it to the Board of Directors for consideration, approval and announcement as a guideline for good practice for directors, management and employees at all levels.
- 2) Supervise policies and guidelines for supporting the Company's Directors, executives and employees to perform their duties and responsibilities following the Corporate Governance Policy, Anti-Corruption Policy as well as encourage good practice and code of conduct.



- 3) Consult, review and improve the Corporate Governance Policy and Anti-Corruption Policies regularly, at least once (1) a year to ensure that the Corporate Governance Policy and Anti-Corruption Policies of the Company is up-to-date and in accordance with the laws, rules, regulations and shareholder's advice.
- 4) monitor and evaluate the performance of the Directors and the Executives of the Company in accordance with the best practice guidelines set by the Corporate Governance Policy and Anti-Corruption Policy. The Corporate Governance Committee processes the annual corporate governance assessment report with the opinions and suggestions as necessary for submission to the Board of Directors.
- 5) Provide policies and practices for sustainability management (SM), including social care operations, community, and environment (Corporate Social Responsibility: CSR).
- 6) Review the Corporate Governance Committee charter at least once (1) a year in order to be up to date with the laws, guidelines, rules and regulations.
- 7) consult with a consultant or a corporate governance expert for necessary reasons. The company will be responsible for expenses incurred.
- 8) Perform other related tasks as assigned by the Board of Directors.

## The Executive Committee

Comprised of 4 directors, including 1 non-executive director, 2 executive directors, and 1 executive. In 2023, the Executive Committee held 5 meetings, with the Meeting attendance detailed on page 101. Member of the Executive Committee has tenure of 3 years at a time or with a term of office according to the Company's directorship. The name list is as follows:

1. Mr. Nakrop Niamnamtham  
Chairman of Executive Committee
2. Mr. Anotai Adulbhan  
Member of Executive Committee
3. Ms. Sukanya Luanchamroen  
Member and Secretary of Executive Committee
4. Ms. Ark Chumphonphan  
Member of Executive Committee

Scope of authority, duties and responsibilities as defined in Charter of the Executive Committee is as follows:

- 1) Prepare and set vision, policy, direction, strategy, business plan, budget, management structure and management powers to propose to the Board of Directors for approval and carry out actions as approved by the Board of Directors, including auditing and following up on such performance to ensure efficiency and effectiveness.
- 2) Determine the Company's investment finance policy and set the investment policy direction in accordance with the objectives and the policy of the Company and approve investment rules, including investment proposals as according to Company's regulations.
- 3) Manages and supervises the business operations related to the general management of the Company.
- 4) Approve entering into contracts and/or any transactions relating to the normal business operations of the Company (such as trading, investing, or joint ventures with other parties for the purpose of normal business transactions of the Company and for the benefit of the Company's operations and the objectives of the Company) within the amount specified in the authority limits or as specified by the Board of Directors
- 5) Approve the expenditure of funds for investment, procurement, and loan; as well as any request for credit from financial institutions or lending; and pledge, mortgage, or become a guarantor of the Company and its subsidiaries and other operations which are for the benefit of operating according to the Company's objectives within the limits specified in the authority limits or as specified by the Board of Directors.
- 6) Have the authorities to invite the management, executives, or any person(s) related to the Company to give opinions to attend the meeting or provide relevant information as necessary.





- 7) Authorize to approve of the annual salary, bonuses, and compensation budget for employees and executives (who hold positions lower than Chief Executive Officer).
- 8) Review and propose to the Board of Directors to consider and amend the scope of authorities, duties, and responsibilities of the Executive Committee in accordance with the Company's business conditions.
- 9) Perform any other tasks as assigned by the Board of Directors or as according to the policy set by the Board of Directors
- 10) Report the performance to the Board of Directors with comments on the practice guidelines and suggestions for improvements as appropriate.
- 11) Authorize one or more persons to perform any act on behalf of the Executive Committee.

## 4. Information on executives

### Executive Name list

As of December 31, 2023, the Company has 4 executives. as follows:

1. Mr. Nakrop Niamnamtham <sup>1/</sup> Chief Executive Officer
2. Ms. Sukanya Luanchamroen Deputy Chief Executive Officer
3. Ms. Ark Chumphonphan <sup>2/</sup> Chief Financial Officer
4. Ms. Narisara Wongchanteuk VP Sales

Remark: <sup>1/</sup> As of December 31, 2022, Mr. Nakrop Niamnamtham is in the position of Acting VP Engineering and Acting VP Marketing.

<sup>2/</sup> Ms. Ark Chumphonphan is the Chief Executive in the Accounting and Finance Department.

### Chief Executive Officer

As of December 31, 2023, Mr. Nakrop Niamnamtham is the Chief Executive Officer of the Company which the scope of authority to manage the company's regular business operations to achieve the objectives and goals set out by the Board of Directors under the scope of authority set by the Board of Directors. The roles and duties of the Chief Executive Officer are as follows.

1. Manage, normal business for the benefit of the Company in accordance with the vision, business direction, policy, business strategy, goals, action plans and an annual budget plan approved by the Executive Committee and/or as assigned by the Executive Committee and/or the Board of Directors.
2. Prepare and present the business policies, business plans, goals, action plans, business strategy, the Company's annual business budget, annual budget report as well as determine the power of administration for presenting to the Executive Committee and the Board of Directors.
3. Acquire the policy from the Board of Directors to set the direction, approach strategy, business goals and mission for the Management Division.
4. Control and follow up on the management performance. CEO suggests the solutions for the Executives and Management Division to implement the strategy and the business.
5. Approve the contract and/or transaction relating to the normal business operations (such as trading, investing or joint ventures with other parties for the business transactions within the financial limit specified in the authorization power and/or as prescribed by the Executive Committee and/or the Board of Directors and/or relevant laws and regulations and/or the Company's Articles of Association.
6. Approve loan and any requests for credit from financial institutions, lending, as well as pledge, mortgage, or being a guarantor of the Company and its subsidiaries within the financial limit as specified



in the authorization power or as specified by the Board of Directors

7. Approve the connected transactions which are the general commercial conditions, expenses such as purchasing assets, expenses, significant investments, and other transactions for the benefit of the Company which authorization power shall be in accordance with the authorization power.
8. Supervise the business operations in finance, marketing, human resources and other operational aspects as a whole in order to comply with the policy, business strategy, goals, action plans and the Company's annual budget plan approved by the Executive Committee and/or the Board of Directors.
9. Appoint the consultants in various fields for the operation of the Company and to comply with the requirements of the SEC and SET within the power and financial limit as specified in the authorization power.
10. Determine the rules, regulations, guidelines, requirements for the organizational structure with the positions lower than the Chief Executive Officer as well as hiring, appointing, transferring, dismissing and laying off the Company's employees in positions below the Chief Executive Officer.
11. Determine the salary rates, compensation, gratuity, bonuses and salary increment for the Executives and employees of the Company with the position lower than the Chief Executive Officer within the framework and policies set by the Executive Committee and/or the Board of Directors.
12. Monitor and evaluate the performance of the Management Division and report the management performance, the progress of operations to the Executive Committee, Audit Committee and the Board of Directors regularly.
13. Perform other duties as assigned by the Executive Committee and/or the Board of Directors as well as holding the power to take any necessary action.

## Remuneration policy for executive directors and executives

The Company values the proper payment of remuneration and welfare benefits, competitive and fair by determining salary, wages, returns, benefits, and welfare benefits according to position of responsibility in accordance with the competence of employees at all levels within the organization. The company has assessed and analyzed the work value to be always up to date and is suitable for the level of responsibility of the position in accordance with the company's business operations and economic conditions. This is compared to businesses in both the same and different industries. Benefits and welfare benefits that comply with the law are appropriate, fair, and competitive with other leading companies.

The Nomination and Remuneration Committee shall consider the structure and remuneration rates of the Directors and Executives to be appropriate with their responsibilities and motivate the Board of Directors and Executives to lead the organization to achieve both short-term and long-term goals, by presenting to the Board of Directors for consideration and approval. The remuneration of the Directors and Executives must be consistent with the Company's long-term strategy and goals, experiences, obligations, scope of roles and responsibilities as well as the expected benefits from each Director and Executive. The remuneration shall be comparable with that of leading businesses in the same industry.







## The remunerations of executive directors and executives

In 2023, the company paid remuneration to 4 executives as defined in the Notification on Issuance and Offering of Securities (excluding the Accounting Manager who is not on the same level as the fourth highest ranking executive) in the form of salary, bonuses, commissions, travel allowance, telephone expenses, and remuneration for performing duties totaling Baht 15,309,048.64.

For other executive remuneration, the Company has provided provident funds to executives, which will contribute to a ratio of 5% of the salary, which in 2023 the Company has paid contributions to executives, including other monetary benefits, totaling Baht 638,975.16.

All executive remuneration as mentioned above was 21.45% of the Company's monetary remuneration.

The Extraordinary General Meeting of Shareholders No. 3/2020, held on September 9, 2020, resolved to approve the allocation of warrants with the amount of not exceeding 3,200,000 units to offer to the Executives and employees (ESOP) to motivate the Executives or employees working together for the Company more efficiently. The details of the exercise appear in the report content Issuance of other securities. Page xx. In this regard, the warrants with the exercise ratio of 1 unit of warrant are entitled to purchase 1 ordinary share and have an exercise price of Baht 16 per share, the same price as the initial public offering price. The Company has allocated warrants to 4 executives, representing 21.00% of the total amount of this warrants project.

## 5. Information on employees

As of December 31, 2023, the Company had a total of 73 employees (excluding executives) divided by section are as follows:

1. Engineering Department	38 persons
2. Sales & Marketing Department	17 persons
3. Accounting & Finance Department	6 persons
4. Executive Department and Other	12 persons
<b>Total</b>	<b>73 persons</b>

## The remunerations of employees

In 2023, the Company paid employee remuneration (excluding executive remuneration) in salary, bonus, overtime pay, social security contributions, and provident fund contributions, in total 58,395,073.80 baht. The number of employees participating in the provident fund 69 persons, equivalent to 89.61%

compared to the Company's total number of employees.

However, there have been no labor disputes in the last three years.



## 6. Other significant information

### Identify the name of the person assigned to take direct responsibility for accounting oversight, company secretary, and the outsourced internal auditor.

#### Company Secretary

The Board of Directors has approved the appointment of Ms. Sukanya Luanchamroen as the Company Secretary effective May 11, 2022, whose profile are shown on page 168.

The company secretary shall perform duties, caution, and honesty. According to the Securities and Exchange Act, the roles, duties and responsibilities for the Company secretary are specifically defined as follows:

1. Prepare and keep the directors registration, notices of meeting of the Board of Directors, minutes of the board of directors meeting including sub-committees, company annual reports, notices of the shareholders' meeting and the minutes of the shareholders' meeting.
2. Perform the duties following to any other acts as specified in the notification of the Capital Market Supervisory Board and send a copy of the conflict of interests report under section 89/14 which prepared by the Directors and Executives to the Chairman of the Board and the Chairman of Audit Committee within 7 working days from the date the company receives such report.
3. Provide basic advice on legal issues and report the change of significant legal related to laws, rule, and regulation that the Board of Directors shall be aware.
4. Organize shareholders' meetings and the Board of Directors meetings in accordance with the law, Articles of Association and related practices.
5. Record the minutes of the shareholders' meeting and the meeting of the Board of Directors as well as follow up to ensure compliance with the resolutions of the shareholders' meeting and the Board of Directors' meeting.
6. Ensure the disclosure of information and report to the relevant agencies according to the regulations and requirement.
7. Oversee the Board of Directors activities and any other operations to be in compliance with the law and/or as announced by the Capital Market Supervisory Board and/or as assigned by the Board of Directors.
8. Create and keep the following documents.
  - (a) Directors Registration
  - (b) Notice of Board of Directors Meeting and Minutes of Board of Directors Meeting including sub-committees
  - (c) Notice of the Shareholders' Meeting and Minutes of the Shareholders' Meeting
  - (d) Company Annual Report
  - (e) The conflict of Interests Report of Directors and Executives

#### The person assigned to take direct responsibility for accounting oversight.

Ms. Ark Chumphonphan, Chief Financial Officer, is the person assigned the highest responsibility in Accounting and Finance and Mr. Wanlop Jaturapatsiri, the Accountant, prepares financial statements following the financial reporting standards for Publicly Accountable Entities, which is directly responsible for the accounting supervision with details as shown in

Attachment 1; details of the Directors, Executives, controlling persons, person assigned the highest responsibility in accounting and finance, person who are assigned to the highest responsibility for accounting supervision. Details of information of those who are directly responsible for accounting supervision appears in Attachment No. 1, page xxx.





## The outsourced internal auditor

The Audit Committee has proposed to appoint P&L Corporation Company Limited and P&L IT Audit Company Limited (“P&L Group”) as the Company's internal auditor, which P&L Group has assigned Ms.

Wanvimol Jongsureeyapat to be the main responsible for performing the duties of the Company's internal auditor, and also to assign the Chief Financial Officer to coordinate with such internal auditors.

## Identify the name of the head of investor relations and contact information.

The Company has assigned Ms. Ark Chumphonphan, Chief Financial Officer, as a head of investor relations for disclosing important information to investors. Investors can contact the Company for information via telephone, email or study the information from

**Tel:** +662 274 0984

**E-mail:** [ir@nforcesecure.com](mailto:ir@nforcesecure.com)

**Address:** nForce Secure Public Company Limited  
No. 9/2 The Synchronize,  
Soi Ratchadaphisek 18  
Ratchadaphisek Road,  
Huai Khwang Subdistrict, Huai Khwang  
District, Bangkok 10310

**Website:** <https://investor.nforcesecure.com>

## Auditor's Remuneration

In 2023, the Company and its subsidiaries paid audit fee to PricewaterhouseCoopers ABAS Ltd, an auditor approved by the Securities and Exchange Commission (SEC) and be appointed per the resolutions of Annual General Shareholders Meeting for the fiscal year 2023 as follows:

### 1. Remuneration for the audit (Unit: Baht)

Quarter	1,350,000
Year end	1,830,000
<b>Total</b>	<b>3,180,000</b>

### 2. Other Remuneration (non –audit fee)

-none-

The Company which is an audit firm and its auditor, has no relationship or any conflict of interests with the Company, Executives, major shareholders, or their related parties.





## Report on key operating results on corporate governance.

# 1. Summary of duty performance of the Board of Directors in the past year

The Board of Directors plays an important role in setting the Company's policies and in coordinate with management in configuring the values, corporate culture, vision, mission, objectives, goals, operational plans, and budgets of the Company, as well as supervision of operations. To ensure that the preparation of strategies and business plans is

consistent and in accordance with the company's main goals. It has an internal control system and an assessment analysis appropriately and efficiently in environment, challenges and opportunities affecting the Company's business operations under the principles of good corporate governance.

## Selection, development, and evaluation of duty performance of the Board of Directors.

The Board of Directors has assigned the Nomination and Remuneration Committee to responsible for determining the criteria and methods for recruiting qualified persons to take over as director of the Company (Details of human resources and remuneration committee page 89)

### 1. Independent Director

Independent directors of the Company must have the qualifications and independence in accordance with the requirements of the Securities and Exchange Commission (SEC) and related laws. If such terms and/or applicable laws are announced of changes, the Independent Directors of the Company must meet the qualifications announced in all respects. The Nomination and Remuneration Committee consider the selection of suitable persons in terms of knowledge, competence and experience related to the business, or to benefit the Company's business in the future, to be presented to the Board of Directors and/or the Shareholders' Meeting.

### 2. Selection of directors and chief executives

#### Director Nomination

To appoint directors, the Nomination and Remuneration Committee is responsible for determining, selecting, and scrutinizing qualified persons in accordance with the regulations. and charters of the Board of Directors and/or charters of other sub-committees, including nominees who are qualified to obtain professional and diverse directors based on the structure, size and composition of the Board of Directors. The Committee presents opinions to the Board of Directors and/or the Shareholders' Meeting, depending on the case, to approve the appointment of directors.

Regarding the nomination of the Company's directors, the Nomination and Remuneration Committee shall consider at least one area of experience relating to the position (e.g. finance, business administration, marketing, HR, law, management, etc.) as well as the abilities to assist the Board of Directors in operating the business, the ability to make rational business decisions including the ability to think strategically and demonstrates leadership as well as a high level of professional expertise and integrity along with other suitable personal qualities.





### The Right of Minority Investors for Directors' Appointment

- 1) One shareholder has the same number of votes as the number of shares held.
- 2) Each shareholder can use all available votes according to point 1) for the election of a single person or several persons as directors, but the number of votes cannot be divided.
- 3) The person who receives the highest number of votes respectively, shall be elected as a director as much as the number of available directors or shall be elected at that time. In case that the person who is elected in the following order has the same number of votes, exceeds the number of available directors, or shall be elected at that time, the Chairman of the meeting shall be the decisive vote.

### **Nomination of Senior and Personnel Executive**

In recruiting senior management positions, the Nomination and Remuneration Committee will preliminarily select to recruit qualified persons with

knowledge, competency, skills, and experience that are beneficial to the Company's operations and well understanding of the Company's business which can help managing to achieve the objectives and targets set by the Board of Directors and propose to the Board of Directors for further approval. The Board of Directors has set out a capability developing plan for the level of the Chief Executive Officer and Senior Executives by assigning the Nomination and Remuneration Committee to prepare a succession plan and report to the Board of Directors.

### **3. Development of Directors and Executives**

The Board of Directors has encouraged the development of directors' potential in accordance with the good governance policy. The directors of the Company participated in the training courses related to the performance of the duties of directors organized by The Institute of Directors of Thailand (IOD) as follows:

ก Attendance at various Directors Training Courses held by the IOD.

Directors	ปีที่เข้าอบรมตามหลักสูตร											
	DAP	DCP	FSD	RCP	RCL	AACP	BNCP	SFE	EXAM	ITG	BFI	ITG (2)
1. Asst.Prof.Dr. Pattanant Petchchedchoo		2014			2015	2015		2016		2020	2017	
2. Mr. Karoon Phungsoondara	2019											
3. Dr. Smitt Darakorn Na Ayuthaya		2014										
4. Mr. Piyasak Chotipruk	2020											
5. Dr. Supachai Sukhanindr		2016	2017		2024	2021			2017	2020		
6. Mr. Siridech Kumsuprom	2015				2015	2021						2016
7. Mr. Anotai Adulbhan	2015	2023		2020			2021					
8. Mr. Nakrop Niamnamtham	2019			2023						2020		
9. Ms. Sukanya Luanchamroen	2019											

Remark: Training Courses are DAP: Director Accreditation Program | DCP: Director Certification Program | FSD: Financial Statements for Directors | RCP: Role of Chairman Program | RCL: Risk Management Program for Corporate Leaders | AACP: Advanced Audit Committee Program | BNCP: Board Nomination and Compensation Program | SFE: Successful Formulation & Execution of Strategy | EXAM: Diploma Examination | ITG: IT Governance and Cyber Resilience Program | BFI: Boardroom Success through Financing & Investment | ITG (2): Driving Company Success with IT Governance



In this regard, the information of executives of the Company participated in the training courses or seminars, which increased knowledge and activities of the Company are in the detail of directors and executives on page 164 – 169.

#### 4. Evaluation of the performance of the Board of Directors

The Board of Directors requires an annual evaluation of the performance of directors, divided into three forms:

- 1) self-assessment of the entire board of directors,
- 2) self-assessment of directors individually, and
- 3) self-assessment of the sub-committee.

##### Guidelines and procedures for self-assessment

- 1) Self-assessment criteria: Consists of the structure and qualifications of the Board of Directors. / Roles, duties, and responsibilities of the Board of Directors / Board meeting / performance of directors' duties and other opinions that are beneficial to management / relationship with management / self-development of directors and executive development
- 2) Self-assessment process: (1) The Corporate Governance Committee will determine the assessment criteria, (2) the Member of the Self-Assessment Committee express his opinion, and (3) the Corporate Governance Committee summarizes and analyzes the results of the self-assessment, and prepares an improvement plan, proposes to the Board of Directors to acknowledge.
- 3) Evaluation of the Sub-Committee: Each sub-committee will determine the assessment criteria for evaluating the sub-committees and assessing

the performance of those sub-committees, and the Corporate Governance Committee summarize and analyze the results of the self-assessment and report the Board of Directors. The performance evaluation results are to be used as a factor in determining the appropriateness of the roles and duties of each subcommittee and suggest ways to improve in the event that there are recommendations on various issues from the Board of Directors.

In 2023, the Board of Directors and sub-committees evaluated the performance by summarizing the results of the assessment. as follows:

- Evaluation of the performance of the Board of Directors in a 61-item assessment form to the entire board, covering the Company's assessment criteria, with an assessment result of 99%
- Evaluation of the performance of the Board of Directors in a 11-item assessment form of individual directors, covering the Company's assessment criteria, with an assessment result of 99%
- Evaluation of the Sub-Committee by the member of each Sub-Committee, with an assessment result, are as follows:
  - The Audit Committee, with an assessment result of 100%
  - The Nomination and Remuneration Committee, with an assessment result of 90%
  - The Risk Management Committee, with an assessment result of 99%
  - The Corporate Governance Committee, with an assessment result of 100%
  - The Executive Committee, with an assessment result of 98%





## Meeting attendance and remuneration payment to each Board member

In 2023, each Director attended the meeting as summarized as follows:

Directors	Time of Attendance / No. of meetings held whole year						
	BOD <sup>/1</sup>	AC <sup>/1</sup>	NRC <sup>/1</sup>	RC <sup>/1</sup>	CGC <sup>/1</sup>	EXCOM <sup>/1</sup>	AGM <sup>/1</sup>
1. Asst.Prof.Dr.Pattanant Petchchedchoo	6 / 6	4 / 4		3 / 3	1 / 1		1 / 1
2. Mr. Karoon Phungsoondara	6 / 6				1 / 1		1 / 1
3. Dr. Smitti Darakorn Na Ayuthaya	6 / 6	4 / 4	1 / 1	3 / 3			1 / 1
4. Mr. Piyasak Chotipruk	6 / 6	4 / 4		3 / 3	1 / 1		1 / 1
5. Dr. Supachai Sukhanindr	6 / 6		1 / 1				1 / 1
6. Mr. Siridech Kumsuprom	6 / 6		1 / 1				1 / 1
7. Mr. Anotai Adulbhan	6 / 6		1 / 1			5 / 5	1 / 1
8. Mr. Nakrop Niamnamtham	6 / 6					5 / 5	1 / 1
9. Ms. Sukanya Luanchamroen	6 / 6			3 / 3		5 / 5	1 / 1
10. Ms. Ark Chumphonphan <sup>/2</sup>						5 / 5	
<i>Average of Attendance</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>	<i>100%</i>

Remark: <sup>/1</sup> List of Committee meeting are BOD: The Board of Directors | AC: The Audit Committee | NRC: The Nomination and Remuneration Committee | RC: Risk Management Committee | CGC: The Corporate Governance Committee | EXCOM: The Executive Committee | AGM: the 2023 Annual General Meeting (April 20, 2023)

<sup>/2</sup> Ms. Ark Chumphonphan, Chief Financial Officer is not the Company's director.

In this regard, at the Board of Directors Meeting No. 6/2023 on December 21, 2023, the Board of Directors considered and discussed with the Company's management to consider and approve the business

plan and budget for 2024 in order to be consistent with the Company's objectives and goals to ensure that the Company will be able to operate profitably in accordance with the Company's business plan.

### 1. Remuneration of Individual Director

In 2023, the Company paid financial remuneration to the directors and members of sub-committees totaling Baht 1,695,000 which is the meeting fee, and bonus

according to the rate approved by the Shareholder's Annual General Meeting of the year 2023. The details of the remuneration of each director are as follows.





## 1. Money remuneration: Allowance and Bonus (Unit: Baht)

Directors	BOD <sup>/1</sup>	AC <sup>/1</sup>	NRC <sup>/1</sup>	RC <sup>/1</sup>	CGC <sup>/1</sup>	Bonus <sup>/2</sup>	รวม
1.Asst.Prof.Dr. Pattanant Petchchedchoo <sup>/2</sup>	120,000	60,000		40,000	5,000	88,888.9	313,889
2.Mr. Karoon Phungsoondara	60,000				10,000	88,888.9	158,889
3.Dr. Smitti Darakorn Na Ayuthaya	60,000	40,000	10,000	25,000		88,888.9	223,889
4.Mr. Piyasak Chotipruk	60,000	40,000		25,000	5,000	88,888.9	218,889
5.Dr. Supachai Sukhanindr	60,000		5,000			88,888.9	153,889
6.Mr. Siridech Kumsuprom <sup>/3</sup>	60,000					88,888.9	148,889
7.Mr. Anotai Adulbhan	60,000		5,000			88,888.9	153,889
8.Mr. Nakrop Niamnamtham	60,000					88,888.9	148,889
9.Ms. Sukanya Luanchamroen	60,000			25,000		88,888.9	173,889
<b>Total</b>	<b>600,000</b>	<b>140,000</b>	<b>20,000</b>	<b>115,000</b>	<b>20,000</b>	<b>800,000</b>	<b>1,695,000</b>

Remark: <sup>/1</sup> List of Committee are BOD: The Board of Directors | AC: The Audit Committee | NRC: The Nomination and Remuneration Committee | RC: Risk Management Committee | CGC: The Corporate Governance Committee

<sup>/2</sup> The Annual bonus is 1% of the Company's net profit. In this regard, the Company shall pay The Annual Report bonus remunerations, not over 800,000 Baht.

<sup>/3</sup> The Executive Committee will not receive the meeting allowance.

## 2. Other Remuneration of Directors: -none -

## Supervision of subsidiaries and associated companies

The Company has a policy in place to oversee operations in subsidiaries and associated companies. The goal is to establish measures and mechanisms, both directly and indirectly, that will allow the Company to supervise and manage the subsidiary and associated companies to ensure that the specified measures and mechanisms are followed as if being a unit of the Company itself; In addition, the measures must be consistent with the Company's policy, as well as applicable laws, announcements, regulations, and rules from the Capital Market Supervisory Board, the Securities and Exchange Commission and the Thai Stock Exchange to continue to benefit from the Company's investment in such subsidiaries and associated companies. The following are the specifics:

In charge of overseeing subsidiary and associated companies, the Board of Directors will consider appointing directors or executives with the necessary qualifications and experience to represent the

subsidiary's business and that associated company in management to establish important policies and oversee the operations of such subsidiaries and/or associated companies. The directors or executives who are representatives of the Company must be responsible for supervising the subsidiary and/or associated companies to manage or perform various tasks according to the Company's policy. Furthermore, the directors or executives must use discretion in accordance with the resolution of the Board of Directors meeting and/or the shareholders' meeting of the Company that approves important matters of the subsidiary and/or associated companies in order to bring the maximum benefit to the Company and for the sustainable growth of the Company, taking into account the suitability of each company and the relevant laws of the subsidiary and/or those associated companies as well.





In addition, directors or executives who are representatives of the Company must supervise the subsidiary. There is a disclosure of transaction information between the subsidiary and the related persons of the subsidiary. Acquisition and disposal of assets or any other important transactions of the said subsidiary must be accurate and complete by using the above-mentioned disclosure and transaction rules in the same manner as the Company's guidelines including supervising the subsidiary to conduct

verifiable financial statements completely, accurately, and punctually. The Company will closely monitor the operating results and operations of such subsidiaries and/or associated companies and present the results of analysis, opinions and recommendations to the Board of Directors for consideration, determination or improvement to promote the business of subsidiaries and/or associated companies in order to continually develop and grow.

## Monitoring of compliance with the corporate governance policy and guidelines

The Company attaches importance to good corporate governance by establishing relevant policies and practices in the Company's corporate governance policy and code of conduct, while encouraging real action to raise trust with all stakeholders.

In the past year, the Company has complied with corporate governance policies, code of conduct, and other practices related to the policy, which covers 1) employee care and non-discrimination, 2) anti-unfair competition, 3) Environmental care, hygiene, and safety in the organization, and 4) Strictly maintaining the security of information. The previous year, the Company completely complied with the guidelines for each issue.

### 1. Prevention of conflicts of interest

The Board of Directors has established a policy to prevent conflicts of interest by requiring the Board of Directors to establish a policy. Executives and Employees of the Company shall perform duties in the best interests of the Company and avoid actions that may cause conflicts of interest. Directors or executives who are involved in or have a stake in the list of considerations must inform the Company of their relationship or interest in the list and must not participate in the consideration, including not having the authority to approve such transactions, which cover the connected transactions, intercompany transactions and situations that cause conflicts of interest.

In 2023, the Company has no transactions that may cause conflicts of interest.

### 2. Use of inside information to seek benefits.

The Company sets the Governance on Use of Inside Information policy to supervise Directors, Executives, and employees for using of inside information of the Company which has not yet been disclosed to the public for their own benefits. In addition, there are measures and the Code of Conduct for all directors, executives, and employees to adhere and prevent important information. The Company has the policy as follows:

- 1) Directors, executives, their spouses, underage children and the juristic person which hold more than 30 percent of the total voting rights of such juristic person and such shareholding is the largest proportion in that juristic person, to prepare and disclose the shareholding list and report to the securities and Exchange Commission about the change of any securities held by the Directors and Executives according to section 59 of the Securities and Exchange Act. B.E. 2535.
- 2) Directors, Executives and Employees including person known the internal information along with the Securities and Exchange Act. are prohibited from exploiting inside information effected to the stock price or investor's decision. They also shall not trade, transfer, or receive a transfer of the Company's securities for their own benefits or other benefits in either direct or indirect way.

In addition, Directors, Executives, related operational person, their spouses, underage children, and the juristic person are prohibited from exploiting inside information that affects the stock



price or investor's decision. They also shall not trade, transfer, or receive a transfer of the Company's securities in a period before public disclosure of the Company and its related companies' financial statement since the 15<sup>th</sup> of the month following the end of the quarterly or annual accounting period until after the Company submits the financial statements to the Stock Exchange of Thailand and publishes to the public after 24 hours. The Company will announce prohibiting non-security trading periods for acknowledgement every time.

- 3) The Company prohibits Directors, Executives and employees or directors, executives and employees who have resigned from the Company disclosing insider information or company's confidential information as well as confidential information of the Company's partners that they received from performing their duties to outsiders for acknowledgment even if such disclosure will not cause damage to the Company or its partners.
- 4) Directors, Executives, and employees or directors, executives, and employees who have resigned from the Company are obliged to maintain confidentiality and/or internal information for the benefit of the Company's business only along with the Securities and Stock Exchange Act. Directors, executives, and employees of the Company are prohibited from using confidential information and/or Company insider information for the benefits of other companies in which they are shareholders, directors, executives, and employees or to seek benefits in the wrong way or disclose to outsiders for their own benefit or other person's benefit directly or indirectly.

In 2023, the Company found no offense of secret and important information disclosed without permission and no offense of the directors, executives, and employees involved in exploiting the Company's internal information.

### 3. Anti-corruption action

The Company recognizes the importance of anti-corruption and is committed to operating business with integrity under the framework of good corporate

governance by adhering to the principles of good governance, code of conduct, and business ethics. The Company is responsible to society, the environment, and all stakeholders for operating a business with transparency, fairness, and accountability. The Board of Directors assigned the Audit Committee to be responsible for the guidelines for monitoring and evaluating performance according to the anti-corruption policy. The Company encourages executives and employees to acknowledge and realize the importance of anti-corruption. The notice of the anti-corruption policy has been posted in clear place where anyone in the organization can acknowledge it, as well as published through the Company's communication channels such as the Company website, e-mail, annual reports, etc., In addition, the Company will provide training on anti-corruption policy to all new employees.

The Company has disclosed details of the anti-corruption policy on the Company's website at <https://investor.nforcesecure.com/en/corporate-governance/anti-corruption-and-whistleblowing>

However, in 2023, the Company did not report any corruption offenses.

### 4. Whistleblowing

The Board of Directors has established policies and guidelines for protecting and fairness to inform information or providing clues about corruption or non-compliance with laws, rules, regulations, and business ethics. The Company provides channels for stakeholders to report clues and make complaints through the specified channels. The complainant will submit the case to the Complaints Response and Review Committee to conduct the investigation and gather the facts or may assign the person or agency of the trust to be the fact-checker on the issue of such complaint. Whistleblowers can report the information at:

**E-mail:** [auditcommittee@nforcesecure.com](mailto:auditcommittee@nforcesecure.com)



**Via postal mail:**

(indicated confidential documents) through the company address.

*Chairman of the Audit Committee*

nForce Secure Public Company Limited (Head Office) No. 9/2 The Synchronize Project,  
Soi Ratchadaphisek 18, Ratchadaphisek Road,  
Huai Khwang Subdistrict, Huai Khwang District,  
Bangkok 10310

**Website:**

<https://investor.nforcesecure.com/en/corporate-governance/anti-corruption-and-whistleblowing>

In this regard, whistleblowers can provide clues to corruption on more than one channel without disclosing their identity. The Company keeps the information confidential, unless disclosing their identity allows the Company to notify them of the results of operations or provide additional details on the complaint.

In 2023, no clues and complaints were filed to the Company.

## 2. Report on the results of duty performance of the Audit Committee in the past year

### Specify the total number of the Audit Committee's meetings and the attendance of each member.

In 2023, the Audit Committee convened a meeting 4 times and 1 meeting with the auditor without management attending the meeting with an average individual attendance rate of 100% (details of the number of attendances, page 101).

### The results of duty performance of the Audit Committee.

The performance of the duties of the Audit Committee appears on page 175 – 176.



### 3. Summary of the results of duty performance of subcommittees

#### Specify the total number of the subcommittees' meetings and the attendance of each subcommittee member.

##### **The Nomination and Remuneration Committee**

In 2023, the Nomination and Remuneration Committee held a joint meeting 1 times with an average individual attendance rate of 100% (details of the number of attendances, page 101)

##### **The Risk Management Committee**

In 2023, the Risk Management Committee held a joint meeting 3 times with an average individual attendance rate of 100% (details of the number of attendances, page 101)

##### **The Corporate Governance Committee**

In 2023, the Corporate Governance Committee held a joint meeting 1 times with an average individual attendance rate of 100% (details of the number of attendances, page 101)

##### **The Executive Committee**

In 2023, the Executive Committee held a joint meeting 5 times with an average individual attendance rate of 100% (details of the number of attendances, page 101)

#### The results of duty performance of the subcommittees.

##### **The Nomination and Remuneration Committee**

The performance of the duties of the Nomination and Remuneration Committee appears on page 177.

##### **The Risk Management Committee**

In 2023, the Risk Management Committee considered and followed up on the risk control effectiveness, including quarterly monitoring of the risk assessment results, and gave suggestions to the risk management working group to revise the Company's risk practice to be consistent with the business plan, and the current economic situation.

##### **The Corporate Governance Committee**

In 2023, the Corporate Governance Committee was a meeting to review the policies and practices related to good corporate governance of the Company, review the sustainable management policies, and consider

summarizing and analyzing the performance assessment results of the Board of Directors and subcommittees and prepare an improvement plan, propose to the Board of Directors to acknowledge.

##### **The Executive Committee**

In 2023, the Executive Committee had to follow up on the Company's operation quarterly to monitor that the performance was according to the business plan and goals of the Company as approved by the Board of Directors. And advise the management team on an action plan to achieve the Company's objectives, including consideration and approval of various operations under the scope of authority following the Executive Committee Charter and in accordance with the authority policy approved by the Board of Directors.





## Internal control and related party transactions

### 1. Internal control

The Board of Directors recognizes the importance of having a good internal control system. As a result, the Company has established an appropriate and sufficient internal control and risk control system to supervise the operation in accordance with the objectives, relevant laws, and regulations that can protect assets from corruption, including by providing accurate and reliable accounting and financial reports with complete, adequate, and timely disclosure of information.

The Board of Directors has assigned the Audit Committee to review the assessment of the internal control system. Outsource the internal audit unit, which is independent of the management and can fully monitor and, check & balance audit functions. As the internal audit unit (Outsource) can report directly to

the Audit Committee as per the Management Structure appears on page 83, its duties are to review the Company's various operational systems in accordance with the annual audit plan approved by the Audit Committee with the aim of ensuring that the operations are effective, systematic and has properly adequate internal control system and standardize under the internal control practice of the Committee of Sponsoring Organizations of the Treadway Commission: COSO. These define the main elements needed for internal control in 5 aspects as follows:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

#### Board of Directors' Opinion on the Internal Control System

The Audit Committee and the Board of Directors have the same opinions that the Company's internal control system is adequate and appropriate for business undertakings in current situations. The Company has sufficient resources and monitoring control measures to prevent conflict of interest from directors or management. The Company uses the Securities and Exchange Commission's assessment form to assess the adequacy of the Company's internal control system.

#### Audit Committee's Opinion on the Internal Control System

The Audit Committee assesses the adequacy of the internal control system is assessed annually and the opinions of the Audit Committee are presented to the Board of Directors' meeting, which is attended by the

Board of Directors and the Audit Committee. Opinions about internal control systems are aligned in the same direction.

In 2023, the Audit Committee appointed P&L Corporation Co., Ltd. as the Company's internal auditor, which P&L Corporation Co., Ltd. assigned Ms. Wanwimol Jongsuriyapas, to be the main responsible for the duties of the Company's internal auditors, which the Audit Committee considers P&L Corporation Co., Ltd., and Ms. Wanwimol Jongsuriyapas qualified because of its independence and sufficient internal audit experience to perform duties. It also assigns the Chief Financial Officer to coordinate with such internal auditors.

However, consideration and approval for the appointment, removal and transfer of the Company's internal auditors must be approved by the Audit Committee based on the qualifications of the internal auditors, appearing in the attachment 3 page 173.



## 2. Related party transactions

The Company has no conflict of interest in accordance with the criteria set out in the Capital Market Supervisory Board Announcement. The Company's

intercompany transactions are incurred fairly according to market price and in accordance with fair and at arm's length for 2021 - 2023. as follows.

### Altair Management Co., Ltd.

The Company has leased a commercial building from Altair Management Co., Ltd. to be used as an office building and used for business operations (Technical Support Center) according to the lease agreement as follows:

- 1) Commercial building, 6 floors high, at No. 9/2, The Synchronize Project, Ratchadaphisek 18, Ratchadapisek Road, Huai Khwang Sub-district, Huai Khwang District for use as an office with an area of approximately 747.75 square meters for a 3-year lease period beginning 16 January 2023, and ending 15 January 2026, at a monthly rental rate of 0.24 million baht, which can be renewed for one more time, for three years starting from the expiration date of the rental period.
- 2) Technical Support Center, 2 buildings, 4 floors, at no. 274/4 and 274/5 Soi Rung Rueng, Sutthisan Winitchai Road. Samsen Nok Subdistrict, Huai Khwang District, Bangkok, with an area of approximately 752 square meters for a 3-year lease period, from March 1, 2022, to February 28, 2025, and the rental rate is 0.25 million baht per month. Which can be renewed for another 1time, 3 years each time from the date of the expiration of the lease period.

The contract of the Office building, the Company, as a lessee, bears the responsibility of paying the insurance premium. Whereby, the Company has paid insurance premiums of Baht 0.03 million for a period of one year from 24 November 2019 to 24 November 2020, in the year 2021. Altair Management Company Limited pays the insurance premium.

#### Summary of the transaction:

#### **Parties Involved**

Lessee – nForce Secure Public Company Limited  
Lessor - Altair Management Co., Ltd. ("Altair")

#### **Relationship**

- There are major common shareholders with the Company, namely Niamnamtham Group and Luanchamroen Group, which hold 45.00% and 55.00% of the total share of Altair.
- There are common directors with the Company, namely Mr. Nakrop Niamnamtham and Ms. Sukanya Luanchamroen.

#### **Characteristics of the Transaction**

The rental transaction with the lease period is 3 years and can be renewed for another 1 time for 3 years each time from the expiration date of the lease period.

**Transaction Size (Million Baht)**

	2021	2022	2023
1) Rental and service fees for office buildings			
Building rental fee and service fee <sup>/1</sup>	3.03	4.90	5.91
Outstanding balance of payable at the end of the period	0.24	0.49	0.49
2) Insurance Expenses	-	-	-

Remark: <sup>/1</sup> According to the notes to the financial statements for the years 2021 - 2023, the lease liability of related company has an outstanding balance of 10.63 million baht, 22.44 million baht, and 17.26 million baht.





**Reasonableness and Necessity**

The Audit Committee has a comment that transactions are necessary and reasonable in order to be used as an office for the Company's business operations. The rental area is in a suitable location. The rental price is close to the rent appraised by independent appraisers,

namely K.T. Appraisal Company Limited and True Value Company Limited, at Baht 0.23 million per month and Baht 0.25 million per month, respectively. Such a transaction is an ordinary business transaction that will continue to occur.

**Bay Computing Co., Ltd.**

The Company has a sales and service transaction with Bay Computing Co., Ltd. In this regard, pricing and trade agreement criteria are the same way they have been applied to ordinary customers. The Company will determine the price by using the Cost-plus method for selling goods and services, whereby the gross margin of sales of goods and services for each project must be at least 15 percent of the revenue.

**Relationship**

Ms. Weerana Buristrakul is one of the shareholders of Luanjamroen Group, which has a connected person, Mr. Supachai Buritrakul, who is her elder brother, as Director of Bay.

**Characteristics of the Transaction**

Transactions with general trading conditions

Summary of the transaction:**Parties Involved**

nForce Secure Public Company Limited and  
Bay Computing Co., Ltd. ("Bay")

**Transaction Size (Million Baht)**

	2021	2022	2023
1) Revenue from sales and services			
Revenue from sales and services	4.54	20.25	76.96
Interest expense under lease	-	0.01	0.43
Outstanding receivables	2.51	16.78	18.00
2) Promotional fee			
New year support fee	-	0.02	0.11
Outstanding balance of payable at the end of the period	-	-	0.34

**Reasonableness and Necessity**

Such a transaction is necessary because it is a public relations transaction for the Company's products to target customer groups related to the Company's ordinary business operation; is reasonable because the

exhibition fee is the same as what Bay Computing Company Limited charges general customers. In this regard, this transaction is an ordinary business transaction that will occur continuously in the future.



## nDataThoth Co., Ltd.

The Company has purchased products from nDataThoth Co., Ltd. for the Company's business operations, according to the purchase agreement between the Company and nDataThoth Co., Ltd.

### Summary of the transaction:

#### **Parties Involved**

nForce Secure Public Company Limited and nDataThoth Co., Ltd. ("nDataThoth")

#### **Relationship**

- nDataThoth is an associate of the Company, holding 55% of the total share of nDataThoth.
- There are common directors with the Company, namely Mr. Nakrop Niamnamtham and Ms. Sukanya Luanchamroen.

#### **Characteristics of the Transaction**

Transactions with general trading conditions

#### **Transaction Size (Million Baht)**

	2021	2022	2023
Software products	-	0.50	0.05

#### **Reasonableness and Necessity**

Such a transaction is appropriate according to product characteristics, quantity, and order value. In this regard, this transaction is an ordinary business transaction that will occur continuously in the future.

## Measures of procedures for Connected transaction approval.

The Company has established procedures for approving related party transactions following the Securities and Exchange Act and regulations, notifications, orders, or requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand by directors, shareholders, or persons who have or may have a conflict of interest with the Company or such transactions, have an interest or may have an interest, will not have the right to vote in considering and approving such related party transactions.

If the connected transactions are required by law to be approved by the Board of Directors, the Company will arrange for the Audit Committee to attend the meeting to consider and provide opinions on the necessity of the transaction and its reasonableness by following the guidelines below:

#### **Transactions with general trading conditions:**

The Board of Directors will approve the principle allowing the management section to conduct related party transactions with general trading conditions. If such transactions have commercial agreements in the same way as would be done with general counterparties under the same circumstances by having independent commercial bargaining power of being a director, executive, or related person (depending on the case). Every quarter, the company will prepare and present a

summary report of such transactions to the Audit Committee and Board of Directors. If there is a change in the principle from the previous request, the management will bring the new principle to the Board of Directors for consideration and approval before any connected transaction.

#### **Normal business transactions, business support transactions:**

that do not include general commercial terms, and other related transactions. These include items such as building leases and items receiving financial assistance such as loans and guarantees. The Company has a policy of proposing to the Audit Committee to consider and provide opinions on the necessity and reasonableness of the transaction before presenting it to the Board of Directors for approval. The Audit Committee attended the meeting because the Company must comply with the Securities and Exchange Act as well as the Stock Exchange of Thailand's regulations, notifications, orders, or requirements, including compliance with the disclosure requirements of connected transactions and the acquisition or disposition of important assets by the Company or its subsidiaries (if any). Compliance with accounting standards regarding disclosure of information about related persons or activities, as





determined by the Federation of Accounting Professions under His Majesty the King's Royal Patronage, connected transactions will be disclosed in the notes to the Company's financial statements, including Form 56-1 and the annual report.

In addition, if the Audit Committee has to give an opinion on the appropriateness of a transaction and the Audit Committee does not have expertise in considering related transactions, the Company will

assign a person with special expertise, such as an independent auditor or asset appraiser, to give opinions on related transactions. The Audit Committee's or experts' opinions will be considered by the Board of Directors or shareholders, as the case may be. To ensure that entering into such a transaction will not transfer or transfer benefits between the Company or persons who may have conflicts with the Company, the Company will take into account the best interests of the Company and its shareholders.

## Policy and trend of connected transaction

Any future related transactions must be approved by the Audit Committee and the Board of Directors. The Audit Committee attended the meeting to consider and comment on the transaction's necessity and reasonableness, as well as to check the price and terms of the transaction in a way that could be compared with a third party.

Directors are subject to a number of rules and regulations, and they will be unable to vote on any item on which they or anyone else who may have a conflict of interest is transacting with the Company.

For the future trend of related transactions in the Company's normal business operations, such as sales

of goods and services, building rentals, including financial operations such as guarantees by directors of financial institutions, etc.

However, the Company will proceed with the above transactions transparently, per the Company's related party transaction policy, and in strict compliance with the requirements of the SEC, the Stock Exchange of Thailand, and other related agencies.

The Company has no financial assistance policy for directors, executives, and other related persons.



# 3 Financial Statements



Annual Registration Statement /  
Annual Report 2023  
| Form 56-1 One Report |

nForce Secure Public Company Limited



## Financial Report

## Report on the responsibility of the Board of Directors for the financial report of 2023.

The Board of Directors of nForce Secure Public Company Limited (“the Company”) is responsible for the financial reports of the Company and focuses on compliance with the good Corporate Governance Policy in order to ensure that the financial reports of the Company and financial information appear in the form 56 – 1 One Report contain accurate and complete information. The financial reports are prepared in consistency in accordance with generally accepted accounting standards by selecting the appropriate accounting policies and / or accounting practices. The Board of Directors uses careful discretion in making accounting estimates to ensure reasonableness, including adequate disclosure of important information. The financial reports have been audited and provided unqualified opinions by the independent authorized auditors.

The Board of Directors has provided an appropriate and effective internal control system to ensure that accounting information is accurate, complete, and sufficient to maintain assets, as well as to avoid fraud or material irregular conduct. In this respect, the Board

of Directors has appointed an audit committee consisting of independent directors to act as auditors to provide the Company with a proper and effective internal control system and internal audit.

The Company's financial statements are audited by the Company's authorized auditor, Price Waterhouse Coopers ABAS Co., Ltd. The Board of Directors has supported the information and documents so the auditor can review and express their opinions in accordance with the general audit standards. The opinion of the auditor has appeared in the audit report shown in this annual report.

The Board of Directors is of the opinion that the Company's overall internal control system is at a satisfactory level and can create reasonable assurance that the Financial Report of the Company for the year 2023 ended December 31, 2023, is reliable, in accordance with generally accepted accounting principles and complying with applicable laws and related regulations.

Asst. Prof. Dr. Pattanant Petchchedchoo  
Chairman of the Board of Director  
February 29, 2024



## Independent Auditor's Report

To the shareholders and the Board of Directors of nForce Secure Public Company Limited

### My opinion

In my opinion, the financial statements of nForce Secure Public Company Limited (the Company) present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the financial statements and I have fulfilled my other ethical responsibilities in accordance with TFAC Code. 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 financial statements of the current period. I determine one key audit matter: Revenue recognition from contract. The matter was 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 this matter

Key audit matter	How my audit addressed the key audit matter
<p><b>Revenue recognition from contract</b></p> <p>Refer to Note 4.18 'Revenue recognition' and Note 24 'Revenue from sales and services' to the financial statements.</p> <p>Recognising the Company's revenue is complex because the Company has many contracts with customers. There are also some contracts with multiple performance obligations, including the sale of goods together with services. This also impacts to allocation of transaction prices to the contract's performance obligations and the timing of revenue recognition.</p> <p>Where the contracts include multiple performance obligations, the transaction price will be allocated to each obligation based on the standalone selling price ratio. Where the standalone selling prices are not directly observable, they are estimated based on cost plus margin method such as the sale of hardware and software, including the system maintenance. The Company separates each performance obligation and allocates a transaction price to each performance obligation in the contract based on cost plus margin method. Also, the Company recognises revenue of each performance obligation separately once that obligation is performed.</p> <p>As the Company provides various types of goods and services for individual contract to customers and the market price of goods and services tends to fluctuate due to high competition, the standalone selling price can't be found directly. Changes in the standalone selling price estimates significantly affect the consolidated transaction price allocation to each performance obligation. Therefore, the allocation has an impact on revenue recognition, accrued income and deferred revenue.</p>	<p>My key audit procedures included:</p> <ul style="list-style-type: none"> <li>• understanding and evaluating the internal control design and its implementation for recognising the revenue of contracts with multiple performance obligations. This included management's reviews of contracts with multiple performance obligations, the standalone selling price consideration, allocation calculation and the timing of revenue recognition.</li> <li>• discussing the Company's accounting policy with management, including the transactions related to judgment and estimates.</li> <li>• testing samples of internal controls related to revenue recognition of contracts with multiple performance obligations and sampling tested reasonableness of the standalone selling price used as allocation criteria against relevant documents and the timing of revenue recognition.</li> <li>• reading and understanding samples of contracts to assess whether the revenue recognition method appropriately complied with TFRS 15 and had been applied consistently. I focused on the allocation of revenue and cost to individual performance obligations and the timing of revenue recognition upon transfer of control of goods or services. Where a contract contained multiple performance obligations, I considered the appropriateness of management's judgment to assess the revenue recognition of each performance obligation in each contract.</li> <li>• examining samples of revenue to consider whether management's judgement applied to each performance obligation in each contract against supporting documentation such as original contracts, invoices, delivery notes and handover documentation was appropriate.</li> </ul>





Key audit matter	How my audit addressed the key audit matter
<p>I focused on this area as the revenue recognition for each contract involves significant judgment and estimates made by management including:</p> <ul style="list-style-type: none"> <li>determining how many performance obligations in each contract must be considered separately for revenue recognition.</li> <li>allocating a transaction price to each performance obligation.</li> <li>choosing the most appropriate revenue recognition method for each performance obligation in the contract.</li> <li>determining whether revenue recognition point for each performance obligation is recognised at a specific point in time on the date that the obligation is completed.</li> </ul>	<ul style="list-style-type: none"> <li>testing the service cost rate calculation for each employee level which would be basis for the allocation price of revenue from contracts.</li> </ul> <p>From the above procedures performed, I found that the revenue recognition was consistent with the relevant accounting policy and appropriate based on supporting documentation.</p>

### Other information

The directors are 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.

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

### Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as the directors determine 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, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities 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 TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.





As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism 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 the directors.
- Conclude on the appropriateness of the directors' 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.

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

From the matters communicated with the audit committee, 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.

PricewaterhouseCoopers ABAS Ltd.

**Nopanuch Apichatsatien**

Certified Public Accountant (Thailand) No. 5266

Bangkok

29 February 2024





## Statement of Financial Position

### nForce Secure Public Company Limited

As at 31 December 2023

	Notes	2023 Baht	2022 Baht
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	450,116,614	398,238,547
Financial assets measured at fair value through profit or loss	6,12	20,451,239	25,146,618
Trade and other receivables, net	10	263,403,321	248,908,326
Current portion of lease receivables, net	11	16,604,259	17,185,563
Inventories	13	41,049,983	13,880,712
Other current assets		635,249	3,110,922
<b>Total current assets</b>		<b>792,260,665</b>	<b>706,470,688</b>
<b>Non-current assets</b>			
Restricted deposits at financial institutions	14	31,700,000	31,700,000
Investment in joint venture	15	5,397,163	7,803,584
Lease receivables, net	11	31,347,357	13,731,719
Property plant and equipment, net	16	20,540,961	20,732,501
Right-of-use assets, net	17	21,527,736	21,349,463
Intangible assets, net	18	1,807,989	789,399
Deferred tax assets	19	4,839,602	3,932,464
Other non-current assets		330,000	5,361,618
<b>Total non-current assets</b>		<b>117,490,808</b>	<b>105,400,748</b>
<b>Total assets</b>		<b>909,751,473</b>	<b>811,871,436</b>

The accompanying notes form part of these financial statements.





## Statement of Financial Position

## nForce Secure Public Company Limited

As at 31 December 2023

	Notes	2023 Baht	2022 Baht
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Trade and other payables	20	156,906,235	134,563,652
Deferred revenue - current	25	12,882,458	10,957,043
Current portion of lease liabilities	21	6,209,650	5,175,620
Derivative liabilities	6, 12	1,341,013	1,346,727
Income tax payable		5,288,075	-
Other current liabilities	22	12,870,255	13,724,243
<b>Total current liabilities</b>		<b>195,497,686</b>	<b>165,767,285</b>
<b>Non-current liabilities</b>			
Deferred revenue - non-current	25	12,789,332	7,034,048
Lease liabilities	21	16,468,459	17,264,557
Employee benefit obligations	23	12,302,786	9,762,955
<b>Total non-current liabilities</b>		<b>41,560,577</b>	<b>34,061,560</b>
<b>Total liabilities</b>		<b>237,058,263</b>	<b>199,828,845</b>
<b>Equity</b>			
Share capital			
Authorised share capital			
Ordinary shares, 105,941,000 shares at par value of Baht 0.5 each		52,970,500	52,970,500
Issued and paid-up share capital			
Ordinary shares, 102,741,000 shares paid-up at Baht 0.5 each		51,370,500	51,370,500
Premium paid-up capital		466,885,588	466,885,588
Retained earnings			
Appropriated - legal reserve		5,297,050	5,297,050
Unappropriated		134,064,956	73,833,240
Other reserves - Share-based payment	32	15,075,116	14,656,213
<b>Total equity</b>		<b>672,693,210</b>	<b>612,042,591</b>
<b>Total liabilities and equity</b>		<b>909,751,473</b>	<b>811,871,436</b>

The accompanying notes form part of these financial statements.





## Statement of Comprehensive Income

### nForce Secure Public Company Limited

As at 31 December 2023

	Notes	2023 Baht	2022 Baht
Revenue from sales	24	1,038,888,584	870,798,873
Revenue from services	24	27,082,522	23,104,969
Cost of sales and services		(856,520,540)	(748,821,640)
<b>Gross profit</b>		<b>209,450,566</b>	<b>145,082,202</b>
Other income	26	6,292,753	3,293,349
Selling expenses		(47,911,741)	(41,068,971)
Administrative expenses		(50,970,687)	(46,806,178)
Gain on exchange rate, net		2,181,580	13,413,897
Fair value gain (loss) on derivatives		5,714	(1,569,803)
Gain (loss) from changes in fair value of financial assets at fair value through profit or loss		190,199	(1,968,971)
Finance costs		(801,316)	(825,136)
Share of loss from joint venture	15	(2,406,421)	(1,842,658)
<b>Profit before income tax expense</b>		<b>116,030,647</b>	<b>67,707,731</b>
Income tax expense	28	(24,262,555)	(12,645,908)
<b>Profit for the year</b>		<b>91,768,092</b>	<b>55,061,823</b>
<b>Other comprehensive income (expense)</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	23	(893,645)	1,658,263
Deferred income tax on remeasurements of employee benefit obligations	19, 28	178,729	(331,653)
Total items that will not be reclassified to profit or loss		(714,916)	1,326,610
<b>Other comprehensive income for the year, net of tax</b>		<b>(714,916)</b>	<b>1,326,610</b>
<b>Total comprehensive income for the year</b>		<b>91,053,176</b>	<b>56,388,433</b>
<b>Earnings per share (Baht)</b>	29		
Basic earnings per share		0.89	0.54
Diluted earnings per share		0.89	0.53

The accompanying notes form part of these financial statements.



## Statement of Changes in Equity

### nForce Secure Public Company Limited

As at 31 December 2023

	Notes	Retained earnings					Total	
		Issued and paid-up share capital	Premium on paid-up share capital	Other reserves - share-based payments	Appropriated - legal reserve	Unappropriated	Baht	Baht
		Baht	Baht	Baht	Baht	Baht		
<b>Opening balance at 1 January 2022</b>		51,370,500	466,885,588	13,983,651	5,297,050	35,937,107	573,473,896	
<b>Change in equity for the year</b>								
Dividend	30	-	-	-	-	(18,492,300)	(18,492,300)	
Total comprehensive income for the year		-	-	-	-	56,388,433	56,388,433	
Share-based payments	32	-	-	672,562	-	-	672,562	
<b>Closing balance at 31 December 2022</b>		51,370,500	466,885,588	14,656,213	5,297,050	73,833,240	612,042,591	
<b>Opening balance at 1 January 2023</b>		51,370,500	466,885,588	14,656,213	5,297,050	73,833,240	612,042,591	
<b>Change in equity for the year</b>								
Dividend	30	-	-	-	-	(30,821,460)	(30,821,460)	
Total comprehensive income for the year		-	-	-	-	91,053,176	91,053,176	
Share-based payments	32	-	-	418,903	-	-	418,903	
<b>Closing balance at 31 December 2023</b>		51,370,500	466,885,588	15,075,116	5,297,050	134,064,956	672,693,210	

The accompanying notes form part of these financial statements.





## Statement of Cash Flows

### nForce Secure Public Company Limited

As at 31 December 2023

	Notes	2023 Baht	2022 Baht
<b>Cash flows from operating activities</b>			
Profit before income tax		116,030,647	67,707,731
Adjustments for:			
Depreciation	16, 17	13,890,369	12,158,784
Amortisation	18	131,489	125,570
Gain (loss) on disposals of equipment		129	(1,042)
Loss from write-off of equipment		10,235	23
(Reversal of) expected credit losses		(1,418,089)	298,153
Bad debts		-	10,956
Employee benefit expenses	23	1,646,186	1,595,562
Gains from changes in fair value of financial assets at fair value through profit or loss		(391,733)	(96,744)
Losses from disposals in fair value of financial assets at fair value through profit or loss		201,534	2,065,715
Interest income	26	(4,227,147)	(2,234,367)
Fair value loss (gain) on derivatives		(5,714)	1,569,803
Finance costs		801,316	825,136
Share of loss from joint venture	15	2,406,421	1,842,658
Unrealised (gain) loss on exchange rate		4,776,144	(4,045,041)
Share-based payments	32	418,903	672,562
Profit from operating activities before changes in operating assets and liabilities		134,270,690	82,495,459
Trade and other receivables		(12,762,847)	(74,491,655)
Inventories		(28,475,892)	21,255,064
Other current assets		94,904	(298,439)
Other non-current assets		(330,000)	865,326
Lease receivables		(17,034,334)	(14,300,411)
Trade and other payables		20,486,398	17,336,273
Deferred revenue		7,680,699	3,666,305
Other current liabilities		(853,988)	7,793,789
Other non-current liabilities		-	(573,300)
Cash generated from operations		103,075,630	43,748,411
<u>Less</u> Interest paid		(801,316)	(825,136)
Income tax paid		(19,334,199)	(17,314,060)
Income tax receipt		7,373,697	-
Net cash generated from operating activities		90,313,812	25,609,215

The accompanying notes form part of these financial statements.







## Statement of Cash Flows

## nForce Secure Public Company Limited

As at 31 December 2023

	Notes	2023 Baht	2022 Baht
<b>Cash flows from investing activities</b>			
Payments for investment in joint venture	15	-	(2,750,000)
Purchases of building improvement and equipment		(6,979,501)	(15,131,050)
Purchases of intangible assets	18	(1,150,079)	-
Proceeds from disposals of equipment		2,000	6,027
Payments for purchase of financial assets measured at fair value through profit or loss	12.2	(40,360,870)	(5,087,112)
Proceeds from disposals of financial assets measured at fair value through profit or loss	12.2	45,246,448	12,934,285
Interest income		3,913,088	2,249,151
Net cash (used in) generated from investing activities		671,086	(7,778,699)
<b>Cash flow from financing activities</b>			
Payments on lease liabilities	21	(5,378,684)	(4,074,864)
Payment on dividend	30	(30,821,460)	(18,492,300)
Net cash used in financing activities		(36,200,144)	(22,567,164)
<b>Net increase (decrease) in cash and cash equivalents</b>		54,784,754	(4,736,648)
Cash and cash equivalents at the beginning of the period		398,238,547	402,975,195
Exchange loss on cash and cash equivalents		(2,906,687)	-
<b>Cash and cash equivalents at the end of the period</b>		450,116,614	398,238,547
<b>Significant non-cash transactions</b>			
Right-of-use assets during this period	17	5,616,616	15,885,721
Purchases of plant and equipment not yet paid		-	13,272
Share-based payments expense	32	418,903	672,562
Reclassified inventory to equipment	16	1,306,621	-

The accompanying notes form part of these financial statements.



## **1 General information**

nForce Secure Company Limited (“the Company”) is a limited company incorporated and resident in Thailand. The address of the Company’s registered office is as follows:

Main office: 9/2 The Synchronized, Soi Ratchadapisek 18, Ratchadapisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok 10310.

Branch 1 : 274/4 and 274/5, Soi Rung Rueang, Ratchadapisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok 10310.

Branch 2 : 240/49, 22<sup>nd</sup> floor, Ayothaya Tower Building, Ratchadapisek Road, Huai Khwang Sub-district, Huai Khwang District, Bangkok 10310.

The principal business operations of the Company are selling computer hardware and software, and all related equipment, network communication equipment and software, development of enterprise software and project management and provide service for business consulting, risk assessment, planning and training.

These financial statements were authorised for issue by the Board of Directors on 29 February 2024.

## **2 Basis of preparation**

The financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The financial statements have been prepared under the historical cost convention except financial assets and liabilities (including derivative instrument), and employee benefit obligations.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 7.

An English version of the financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

## **3 New and amended financial reporting standards**

### **3.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2023 and have significant impacts to the Company.**

The Company has assessed the impact of the new and revised financial reporting standards and found that there are no significant impact on the entity.

### **3.2 Amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2024 and have significant impacts on the Company.**

The following amended TFRSs were not mandatory for the current reporting period and the Company has not early adopted them.

- a) **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- b) **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised to the definition of 'accounting estimates' to clarify how companies should distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
- c) **Amendments to TAS 12 - Income taxes** Companies must recognise any deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or any other component of equity, as appropriate.

### 3.3 **Amended financial reporting standards that is effective for the accounting period beginning on or after 1 January 2025 and has significant impacts on the Company.**

The Company has not early adopted the amended financial reporting standards that are effective for the accounting period beginning on or after 1 January 2025. The Management is currently assessing the impacts of adoption of these standards.

## 4 **Accounting policies**

### 4.1 **Principles of equity accounting**

#### a) **Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangements.

##### *Joint ventures*

A joint venture is a joint arrangement whereby the Company has rights to the net assets of the arrangement. Interests in joint ventures are accounted for using the equity method.

**b) Equity method**

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Company's subsequently recognises shares of its associates and joint ventures' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Company's share of losses in associates and joint ventures equals or exceeds its interest in the associates and joint ventures, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates and joint ventures.

**4.2 Foreign currency translation**

**a) Functional and presentation currency**

The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

**b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

**4.3 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

**4.4 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 - 90 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 4.6.e.

**4.5 Inventories**

Inventories which are computer system equipment and software are stated at the lower of cost or net realisable value.

Cost is determined by specific method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories. The amount of any write down of inventories to net realisable value is recognised as cost of sales in the period the write down occurs.

#### **4.6 Financial assets**

##### **a) Classification**

The Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

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

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

##### **b) Recognition and derecognition**

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### **c) Measurement**

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

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

##### **d) Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

**e) Impairment**

The Company applies the TFRS 9 simplified approach in measuring the impairment of trade receivables and contract assets, which applies lifetime expected credit loss, from initial recognition, for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Company applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Company assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Company reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss included in administrative expenses.

**4.7 Property, plant and equipment**

An item of property, plant and equipment is stated at cost less accumulated depreciation and allowance for decrease in value (if any).

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable purchase taxes (after deducting trade discounts and rebates) and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the initial estimate of costs of dismantling and removing the item, and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period.

The cost of replacing part of property, plant and equipment is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the Company and the carrying amount of those replaced parts is derecognised. Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Depreciation is calculated on the straight-line basis to write-off the cost of each asset, except for land, which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Building	20 years
Building improvements	6 years
Office equipments	5 years
Computer and equipment	3 years
Furniture and fixtures	5 years
Vehicles	5 years

The assets' residual values, useful lives, and depreciation method are regularly reviewed.

Whenever there is any indication showing a permanent decrease in the amount of property, plant and equipment; such as an evidence of obsolescence or physical damage of an asset, significant changes in the manner in which an asset is used or is expected to be used, the Company shall recognise loss on decrease in value of property, plant and equipment in the statement of income where the carrying amount of asset is higher than the recoverable amount. The recoverable amount of asset is the higher of its fair value less costs to sell and its value in use.

#### **4.8 Intangible assets - Computer software**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using straight-line basis over their estimated useful life of 10 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

#### **4.9 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

#### **4.10 Leases**

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

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.



Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

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

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

#### **4.11 Financial liabilities**

##### **a) Classification**

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

##### **b) Measurement**

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

##### **c) Derecognition and modification**

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Company assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

#### 4.12 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

##### *Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *Deferred income tax*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 4.13 Employee benefits

##### a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

##### b) Defined contribution plan

The Company pays contributions to a separate fund. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

##### c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are charged or credited to other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past service costs are recognised immediately in profit or loss.

#### 4.14 Share-based payment

##### *Employee options*

The Company receives services from employees as compensation for the Company's equity instruments (options). The fair value of the options is recognised as an expense over the vesting period, with a corresponding increase in equity. The Company will begin to recognise the expenses from the date the ESOP is approved by the Extraordinary General Meeting of Shareholders and the date the Company announces the rights of the ESOP to the employees selected for acknowledgment. The fair value of the options is determined by:

- including any market performance conditions (e.g. the entity's share price);
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holdings shares for a specific period of time); and
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period).

At the end of each reporting period, the Company reviews the number of options that are expected to vest. It recognises the impact of the revision, if any, in profit or loss with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium.

#### 4.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

The Company measures provisions at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 4.16 Refund liabilities

A refund liability is recognised for the volume discounts payable to customers in relation to sales made when it is expected the Company will repay compensation to the customer. The liability is measured at the amount as if the Company has no ownership rights in the compensation (The amount is not included in the item price). The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

#### 4.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 4.18 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with rendering of services in the course of the Company's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

For contracts include multiple deliverables, such as the sale of hardware, software and maintenance services. The Company separates that multiple deliverable into distinct performance obligation and allocate transaction price to each performance obligation based on expected cost plus margin method. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

##### *Revenue from sale goods*

Revenue from sale goods comprise of revenue from sale computer hardware and software. The Company recognised revenue when control over the products has transferred, being when the products are delivered. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

##### *Revenue from providing services*

Revenue from providing maintenance services are recognised in the accounting period in which the services are rendered. For fixed-price contracts which providing services based on incidents that identify in contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual number of incident that the Company provides services to the total number of incidents that customers have maintenance service contract with the Company. Including provide maintenance service in standing ready services, the Company recognises revenue from providing service with a continuous provision as revenue on a straight-line basis over the contract term. In addition, revenue from installation and training, the Company recognises these revenues based on output method which progress toward completion determined service is control deliver to customer to the total remaining amount under contracts.

Some contracts include multiple deliverables, such as the sale of hardware and related installation services. If the installation is not complex and integration services or could be performed by another parties, the Company will classify that goods or services as a separate performance obligations.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin for contracts include the installation of hardware. Revenue for the hardware is recognised at a point in time when the hardware is delivered, customer accept goods and the legal title transfer to customer.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts which the customer pays the fixed amount based on a payment schedule, the Company recognised contract assets when service rendered by the Company exceed the payment. However, if the payments exceed the services rendered, a deferred revenue is recognised.

##### *Other income*

Interest income and other income is recognised on accrual basis, unless collectability is in doubt.

#### 4.19 Dividend distribution

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

#### 4.20 Derivatives and hedging activities

##### Embedded derivative and derivatives that do not qualify for hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in the fair value are included in other gains(losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

#### 4.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Board of Directors that makes strategic decisions.

## 5 Financial risk management

### 5.1 Financial risk

The Company's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk management is carried out by the management under policies approved by the Board of Directors. The management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Risk Management Committee provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and liquidity risk.

#### 5.1.1 Market risk

##### a) Foreign exchange risk

The Company has the policy to enter into a forward contract if the currency exchange rate tends to become higher than the previously set exchange rate each time. It's up to management's discretion to consider entering into this contract, which needs to accord with the volume of purchase orders and reduce the exchange rate volatility risk.

##### Exposure

The Company's exposures to foreign currency risk at the end of the reporting period, presented as outstanding nominal contract values in Baht amount, are as follows:

	2023 US Dollar currency Baht	2022 US Dollar currency Baht
Cash and cash equivalents	102,243,358	-
Foreign currency forwards		
- Purchase of foreign currency	64,838,230	85,032,870
Trade payables - overseas	120,016,292	116,982,627

#### Sensitivity

As shown in the table above, the Company is primarily exposed to changes in Baht and US Dollar exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar.

	Impact to net profit	
	2023 Baht	2022 Baht
US Dollar to Baht exchange rate - increase 1%*	2,870,979	2,008,630
US Dollar to Baht exchange rate - decrease 1%*	(2,870,979)	(2,008,630)
* Holding all other variables constant		

#### b) Interest rate risk

Interest rate risk is the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments. The financial assets that potentially subject the Company to the interest rate risk is deposits with banks. The Company has bank overdrafts from a financial institution which bear fixed interest rates. The Company also has short-term loans to related parties which bears a fixed interest rates depending on money market rate and short-term borrowings from a financial institution which bears fixed interest rates. The Company does not hedge its exposure to interest rate risk since considered that this risk is immaterial.

#### 5.1.2 Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments as well as credit exposures to customers, including outstanding receivables.

#### a) Risk management

The Company does not have a significant concentration of credit risk. The Company has policies in place to ensure that sales and services are only sold to customers with an appropriate credit history. The Company does not have any significant risk regarding financial institutions as it only places cash with reputable financial institutions. The Company has no other credit risks in addition to the allowance for doubtful accounts recorded in the financial statements which assesses from past payment experiences and other factors, as well as domestic economic conditions.

#### b) Impairment of financial assets

The Company's financial assets included trade and other receivables, which are subject to the expected credit loss model.

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

#### Trade receivables

The Company applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 September 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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On that basis, the loss allowance was determined as follows for both trade receivables and contract assets:

	Not yet due Baht	Up to 3 months Baht	3 - 6 months Baht	6 - 12 months Baht	More than 12 months Baht	Total Baht
<b>As of 31 December 2023</b>						
Gross carrying amount						
- Trade receivables - third party	40,062,007	212,558,858	-	5,200,200	647,828	258,468,893
- Trade receivables - related party	-	402,427	-	-	-	402,427
- Accrued income	3,397,796	-	-	-	-	3,397,796
Loss allowance	-	634,802	-	-	647,828	1,282,630
<b>As of 31 December 2022</b>						
Gross carrying amount						
- Trade receivables - third party	20,031,184	215,496,358	-	-	987,828	236,515,370
- Trade receivables - related party	-	8,973,448	-	-	-	8,973,448
- Accrued income	1,943,950	-	-	-	-	1,943,950
Loss allowance	-	1,712,891	-	-	987,828	2,700,719

The loss allowances for trade receivables and contract assets for the year ended 31 December are as follows:

	2023 Baht	2022 Baht
<b>Opening loss allowance at 1 January</b>	2,700,719	2,402,566
Loss allowance recognised in profit or loss during the year	(1,418,089)	298,153
<b>Closing loss allowance at 31 December</b>	<b>1,282,630</b>	<b>2,700,719</b>

The Company write-off trade receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments or cannot be contacted for a period greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.



### 5.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

#### a) Financing arrangements

The Company has access to the following undrawn credit facilities as at 31 December:

	2023 Baht	2022 Baht
<b>Floating rate</b>		
Expiring within one year		
- Trust receipt	100,000,000	100,000,000

#### b) Maturity of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their non-derivative financial liabilities and net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Maturity of financial liabilities	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Carrying amounts Baht
<b>As at 31 December 2023</b>					
Trade and other payables	156,906,235	-	-	156,906,235	156,906,235
Lease liabilities	6,990,000	17,605,000	-	24,595,000	22,678,109
<b>Total financial liabilities that is not derivative</b>	163,896,235	17,605,000	-	181,501,235	179,584,344
<b>Derivative financial instruments</b>					
Derivative liabilities	1,341,013	-	-	1,341,013	1,341,013
<b>Total derivative liabilities</b>	1,341,013	-	-	1,341,013	1,341,013
<b>Total</b>	165,237,248	17,605,000	-	182,842,248	180,925,357

Maturity of financial liabilities	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Total Baht	Carrying amounts Baht
<b>As at 31 December 2022</b>					
Trade and other payables	134,563,652	-	-	134,563,652	134,563,652
Lease liabilities	5,910,000	18,385,000	-	24,295,000	22,440,177
<b>Total financial liabilities that is not derivative</b>	<b>140,473,652</b>	<b>18,385,000</b>	<b>-</b>	<b>158,858,652</b>	<b>157,003,829</b>
<b>Derivative financial instruments</b>					
Derivative liabilities	1,346,727	-	-	1,346,727	1,346,727
<b>Total derivative liabilities</b>	<b>1,346,727</b>	<b>-</b>	<b>-</b>	<b>1,346,727</b>	<b>1,346,727</b>
<b>Total</b>	<b>142,698,779</b>	<b>18,385,000</b>	<b>-</b>	<b>161,083,779</b>	<b>159,228,956</b>

## 5.2 Capital management

### 5.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital based on debt to equity ratio which is determined by dividing net debt with equity.

As at 31 December, the Company's debt to equity ratio is as follow:

	2023 Baht	2022 Baht
Total debts	237,058,263	199,828,845
Equity	672,693,210	612,042,591
<b>Debt to equity ratio</b>	<b>0.35</b>	<b>0.33</b>

## 6 Fair value

The following table shows fair values of financial assets and liabilities:

	Fair value through profit or loss Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
<b>As at 31 December 2023</b>				
<i>Financial assets measured at fair value</i>				
Financial assets measured at fair value through profit or loss	20,451,239	-	20,451,239	20,451,239
<i>Financial liabilities measured at fair value</i>				
Derivative liabilities	(1,341,013)	-	(1,341,013)	(1,341,013)
	19,110,226	-	19,110,226	19,110,226
	Fair value through profit or loss Baht	Amortised cost Baht	Total carrying amount Baht	Fair value Baht
<b>As at 31 December 2022</b>				
<i>Financial assets measured at fair value</i>				
Financial assets measured at fair value through profit or loss	25,146,618	-	25,146,618	25,146,618
<i>Financial liabilities measured at fair value</i>				
Derivative liabilities	(1,346,727)	-	(1,346,727)	(1,346,727)
	23,799,891	-	23,799,891	23,799,891

The Company has financial assets and financial liabilities that measured at fair value through profit or loss and measured fair value level as follows:

	Level 1		Level 2		Level 3		Total	
	31 December 2023 Baht	31 December 2022 Baht	31 December 2023 Baht	31 December 2022 Baht	31 December 2023 Baht	31 December 2022 Baht	31 December 2023 Baht	31 December 2022 Baht
Financial assets (liabilities) measured at fair value through profit or loss	-	-	20,451,239	25,146,618	-	-	20,451,239	25,146,618
Derivative liabilities	-	-	(1,341,013)	(1,346,727)	-	-	(1,341,013)	(1,346,727)
<b>Total assets (liabilities)</b>	-	-	19,110,226	23,799,891	-	-	19,110,226	23,799,891

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the closing price by reference to the Thai Bond Dealing Centre.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

The measurement in fair value of financial assets and financial liabilities are disclosed in Notes 4.6 and 4.11 respectively.

*Transfer between fair value hierarchy*

There are no transfers between the fair value hierarchy during the year.

*Valuation techniques used to measure fair value level 2*

Fair value of investments in debentures and mutual funds measured based on the investments' net asset value (NAV) disclosed by the asset management company. The fair value is in level 2 of fair value hierarchy.

Fair value of foreign exchange contracts is determined using forward exchange rates that are quoted in an active market. Fair value of foreign exchange contract is determined using forward foreign exchange contract extracted from commercial bank. The effects of discounting are generally insignificant for level 2 derivatives.

The Company has financial assets and liabilities which are not measured at fair value in the statement of financial position. For the majority of these transactions, the fair value is not materially different to their carrying amount, since there are short term receivable and short term payable.

The Company's primary functional currency is Thai Bath, while purchases products and services transactions are primarily denominated in US dollar.

The Company seeks to reduce risks from purchase products and services by entering into forward exchange contracts with financial institutions when it considers appropriate. The forward exchange contracts used in its programme mature in six months or less.

## **7 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**a) Transaction price allocation**

In some cases, it is difficult to find a single selling price for each product or service. In which the Company offers customers various products and services in one contract. Because the market price is quite volatile due to the high competition. In many cases there is no single selling price offered in the market. The change in the sales price estimate individually will have a significant impact on the price allocation of the combined items to each obligation to be performed. Therefore, the allocation will impact revenue recognition, assets and liabilities arising from contracts.

**b) Determination of lease terms**

The Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended or terminated.

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Company.

**c) Determination of discount rate applied to leases**

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

**d) Defined retirement benefit obligations**

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 23.

**e) Fair value of certain financial assets and derivatives**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 6.

**f) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

**g) Classification of a joint arrangement**

The Company holds 55% of the voting right in nDataThoth Limited. However, the Company concluded that it has joint control over the joint arrangement under the contractual agreement which requires unanimous consent from all parties to the agreement. The Company and counterparties to the agreement also, has rights to the net assets of the joint arrangements.

## **8 Segment information**

The Company operates and internally manages a single operating, which are selling computer equipment software on network communication and providing related services and total revenue from operation is from domestic customers only. Accordingly, the Company does not have separate reportable segments.

The Company's revenues are derived from major customers as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Customer 1	168,217,930	130,645,152
Customer 2	112,858,553	95,990,464

## 9 Cash and cash equivalents

	2023 Baht	2022 Baht
Cash on hand	30,000	15,000
Deposit at financial institutions	347,839,142	398,223,547
Deposit at financial institutions - USD currency	102,247,472	-
	450,116,614	398,238,547

The interest rate on bank deposits which were held at call with bank were 0.15% - 5.00% per annum (2022: 0.15% - 1.50% per annum).

## 10 Trade and other receivables, net

	2023 Baht	2022 Baht
Trade receivables - third parties	258,468,893	236,515,370
Trade receivables - related party (Note 31.2)	402,427	8,973,448
Accrued income	3,397,796	1,943,950
<u>Less</u> Expected credit losses (Note 5.1.2)	(1,282,630)	(2,700,719)
Trade receivables, net	260,986,486	244,732,049
Accrued interest income	332,462	18,403
Prepaid expenses	1,233,500	1,852,302
Advance payments from organise activities	802,112	2,131,411
Employee receivables	48,761	174,161
Total other receivables	2,416,835	4,176,277
Total trade and other receivables, net	263,403,321	248,908,326

For period ended 31 December 2023, the Company reversed the expected credit losses of trade receivables amounting to Baht 1.42 million.

## 11 Finance lease receivables, net

	2023 Baht	2022 Baht
Current	16,604,259	17,185,563
Non-current	31,347,357	13,731,719
	47,951,616	30,917,282

During the year 2023, the Company entered into agreements for leasing computer system equipment and software to related and third parties. The agreements are classified as finance lease.

The movement of finance lease receivables for the period ended 31 December is as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Opening book amount	30,917,282	16,616,871
Addition	43,957,465	41,562,050
Cash received from finance lease receivables	(26,923,131)	(27,261,639)
Closing book amount	47,951,616	30,917,282

Finance lease receivables - minimum lease payments:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Not later than 1 year	18,461,762	18,025,505
Later than 1 year but not later than 5 years	33,365,656	14,492,365
Total	51,827,418	32,517,870
<u>Less</u> Future finance changes on finance leases	(3,875,802)	(1,600,588)
Present value of finance lease receivables	47,951,616	30,917,282

The present value of finance lease receivables is as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Not later than 1 year	16,604,259	17,185,563
Later than 1 year but not later than 5 years	31,347,357	13,731,719
Total	47,951,616	30,917,282

## **12 Financial assets and liabilities**

As at 31 December 2023, the Company's financial assets and financial liabilities are classified as follows:

	<b>FVPL Baht</b>	<b>Amortised cost Baht</b>	<b>Total Baht</b>
<b>Financial assets</b>			
Cash and cash equivalents	-	450,116,614	450,116,614
Trade and other receivables	-	263,403,321	263,403,321
Lease receivables, net	-	47,951,616	47,951,616
Financial assets at FVPL	20,451,239	-	20,451,239
Restricted deposits at financial institutions	-	31,700,000	31,700,000
<b>Financial liabilities</b>			
Trade and other payables	-	155,906,235	155,906,235
Lease liabilities	-	22,678,109	22,678,109
Derivative liabilities	1,341,013	-	1,341,013



As at 31 December 2022, the Company's financial assets and financial liabilities are classified as follows:

	FVPL Baht	Amortised cost Baht	Total Baht
<b>Financial assets</b>			
Cash and cash equivalents	-	398,238,547	398,238,547
Trade and other receivables	-	244,924,613	244,924,613
Lease receivables, net	-	30,917,282	30,917,282
Financial assets at FVPL	25,146,618	-	25,146,618
Restricted deposits at financial institutions	-	31,700,000	31,700,000
<b>Financial liabilities</b>			
Trade and other payables	-	134,563,652	134,563,652
Lease liabilities	-	22,440,177	22,440,177
Derivative liabilities	1,346,727	-	1,346,727

## 12.1 Other financial assets at amortised cost

### a) Classification of financial assets at amortised cost

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets at amortised cost other than trade receivables include cash and cash equivalents, other receivables, lease receivables and restricted deposits at financial institutions have carrying amount as detailed below:

	31 December 2023 Baht	31 December 2022 Baht
<b>Current portion</b>		
Cash and cash equivalents	450,116,614	398,238,547
Other receivables	381,223	192,564
Lease receivables, net	16,604,259	17,185,563
<u>Less: Expected credit losses</u>	-	-
Total	467,102,096	415,616,674
	31 December 2023 Baht	31 December 2022 Baht
<b>Non-current portion</b>		
Lease receivables, net	31,347,357	13,731,719
Restricted deposits at financial institutions	31,700,000	31,700,000
<u>Less: Expected credit losses</u>	-	-
Total	63,047,357	45,431,719

While cash and cash equivalents, restricted deposits, and other financial assets are subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

#### Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Company. Due to the short term nature of the current assets, their carrying amount is considered to be the same as their fair values.

#### Lease receivables

Lease receivables are transactions outside the normal business of the Company and interest is charged at the market rate without collateral.

The non-current portion will be due within 2 - 5 years from the end of the accounting period.

### 12.2 Financial assets at fair value through profit or loss

#### a) Classification of financial assets at fair value through profit or loss

The Company classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI

Financial assets measured at FVPL include the following:

	31 December 2023 Baht	31 December 2022 Baht
<b>Current assets</b>		
Listed equity securities	20,451,239	25,146,618

#### b) Amounts recognised in profit or loss

The following losses were recognised in profit or loss during the year as follows:

	31 December 2023 Baht	31 December 2022 Baht
Fair value gain (loss) on debt instruments at FVPL	190,199	(1,968,971)

#### Significant acquisitions during the year

During the year 2023, the Company acquired and sold listed securities measured at FVPL in the amounts of Baht 40.36 million and Baht 45.25 million, respectively.

For the information about the Company's exposure to price risk is provided in Note 5. Information about the methods and assumptions used in determining fair value refer to Note 6.

### 13 Inventories

	2023 Baht	2022 Baht
Finished goods	41,049,983	13,880,712

The cost of inventories recognised as 'cost of goods sold' amounted to Baht 818.84 million (2022: Baht 728.25 million).

#### 14 Restricted deposits at financial institutions

As at 31 December 2023, the Company's restricted deposits at financial institutions represent savings deposits and fixed deposits totalling Baht 31.70 million (2022: Baht 31.70 million) The interest rate is 0.15% - 0.60% per annum (2022: 0.15% per annum) which is used as collateral for trust receipt loan facilities (Note 5.1.3).

#### 15 Investment in joint venture

As at 31 December, investment in joint venture is as follows:

Company name	Country of incorporation	Type of business	% of ownership interest		Investment at equity method	
			2023 %	2022 %	2023 Baht	2022 Baht
Joint venture nDataThoth Company Limited	Thailand	Create, develop, customise and market software related to the Personal Data Protection Act	55	55	5,397,163	7,803,584

*a) Commitments and contingent liabilities in respect of associates and joint ventures*

There are no contingent liabilities in respect of the Company's interest in joint ventures.

*b) Summarised financial information for joint ventures*

The table below is summarised of financial information for joint ventures that are material to the Company. The financial information is included in joint ventures own financial statements which has been amended to reflect adjustments necessary for the equity method, including adjusting fair value and differences in accounting policies.

	nDataThoth Limited	
	2023 Baht	2022 Baht
<i>Summarised of performance</i>		
Other income	3,312,116	2,926,282
Interest income	5,497	3,577
Depreciation and amortisation	(1,742,010)	(1,366,627)
Loss from continuing operations	(4,511,826)	(3,350,288)

	<b>nDataThoth Limited</b>	
	<b>2023 Baht</b>	<b>2022 Baht</b>
<i>Summarised of statement of financial position</i>		
Cash and cash equivalents	299,551	3,999,821
Other current assets	4,864,252	3,728,083
Total current assets	5,163,803	7,727,904
Total non-current assets	13,417,486	12,934,668
Other current liabilities	(8,710,665)	(6,433,709)
Total current liabilities	(64,078)	(40,529)
Net assets	9,806,546	14,188,334

**Investment in joint venture**

Movements of investment in joint venture for year ended 31 December 2023 and 2022 are as follows:

	<b>Investment in equity method</b>	
	<b>2023 Baht</b>	<b>2022 Baht</b>
Opening net book value	7,803,584	6,896,242
Increase in investment	-	2,750,000
Share of loss	(2,406,421)	(1,842,658)
Closing net book value	5,397,163	7,803,584

At the Extraordinary General meeting of nDataThoth Limited held on 16 August 2022, the shareholders have passed a resolution to approve increase its authorised share capital of Baht 5 million with a par value of Baht 10 each in proportion to the number of shares held by each of them. The joint venture received all called share subscription on 24 August 2022. The joint venture registered the increased share capital with the Ministry of Commerce on 26 August 2022.

**nForce Secure Public Company Limited**  
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**16 Property, plant and equipment, net**

	Building improvements Baht	Office equipment Baht	Computer and equipment Baht	Furniture and fixtures Baht	Vehicles Baht	Assets under installation Baht	Total Baht
<b>At 1 January 2022</b>							
Cost	4,879,794	2,546,601	51,723,479	233,338	-	449,111	59,832,323
Less Accumulated depreciation	(2,317,110)	(1,642,342)	(44,349,062)	(134,886)	-	-	(48,443,400)
Net book amount	2,562,684	904,259	7,374,417	98,452	-	449,111	11,388,923
<b>For the year ended 31 December 2022</b>							
Opening net book amount	2,562,684	904,259	7,374,417	98,452	-	449,111	11,388,923
Additions	-	498,694	3,642,253	102,625	-	10,900,750	15,144,322
Transfer in (out)	6,947,072	652,609	3,699,490	50,690	-	(11,349,861)	-
Disposals - net	-	(12)	(4,973)	-	-	-	(4,985)
Write off - net	-	(17)	(6)	-	-	-	(23)
Reclassifications - net (Note 17)	-	-	-	-	1,599,999	-	1,599,999
Depreciation charge	(1,416,625)	(464,038)	(5,458,529)	(56,543)	-	-	(7,395,735)
Closing net book amount	8,093,131	1,591,495	9,252,652	195,224	1,599,999	-	20,732,501
<b>At 31 December 2022</b>							
Cost	11,826,866	3,566,778	58,993,856	386,653	9,215,000	-	83,989,153
Less Accumulated depreciation	(3,733,735)	(1,975,283)	(49,741,204)	(191,429)	(7,615,001)	-	(63,256,652)
Net book amount	8,093,131	1,591,495	9,252,652	195,224	1,599,999	-	20,732,501

**nForce Secure Public Company Limited**  
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	Building improvements Baht	Office equipment Baht	Computer and equipment Baht	Furniture and fixtures Baht	Vehicles Baht	Assets under installation Baht	Total Baht
<b>At 1 January 2023</b>							
Cost	11,826,866	3,566,778	58,993,856	386,653	9,215,000	-	83,989,153
Less Accumulated depreciation	(3,733,735)	(1,975,283)	(49,741,204)	(191,429)	(7,615,001)	-	(63,256,652)
Net book amount	8,093,131	1,591,495	9,252,652	195,224	1,599,999	-	20,732,501
<b>For the year ended 31 December 2023</b>							
Opening net book amount	8,093,131	1,591,495	9,252,652	195,224	1,599,999	-	20,732,501
Additions	343,280	69,447	4,743,460	313,413	-	1,496,629	6,966,229
Transfer in (out)	1,185,372	6,996	221,924	82,337	-	(1,496,629)	-
Disposals - net	-	(2,104)	(25)	-	-	-	(2,129)
Write off - net	-	(10,181)	(54)	-	-	-	(10,235)
Reclassification - net	-	-	1,306,621	-	-	-	1,306,621
Depreciation charge	(2,383,211)	(555,379)	(5,432,200)	(81,236)	-	-	(8,452,026)
Closing net book amount	7,238,572	1,100,274	10,092,378	509,738	1,599,999	-	20,540,961
<b>At 31 December 2023</b>							
Cost	13,355,518	3,630,936	65,265,782	782,403	9,215,000	-	92,249,639
Less Accumulated depreciation	(6,116,946)	(2,530,662)	(55,173,404)	(272,665)	(7,615,001)	-	(71,708,678)
Net book amount	7,238,572	1,100,274	10,092,378	509,738	1,599,999	-	20,540,961

Depreciation expense of Baht 8.45 million (2022: Baht 7.40 million) has been charged in cost of sales and services amounting to Baht 3.62 million (2022: Baht 4.26 million) and Baht 4.83 million (2022: Baht 3.14 million) in 'administrative expenses'.

As at 31 December 2023, the Company has reclassified the amount of Baht 1.31 million from inventories to computer and equipment.

## 17 Right-of-use assets, net

As at 31 December, net book amounts of right-of-use assets are as follows:

	<b>Buildings Baht</b>	<b>Vehicles Baht</b>	<b>Total Baht</b>
Balance as at 1 January 2022	10,226,791	1,599,999	11,826,790
Addition	15,885,721	-	15,885,721
Reclassifications - net (Note 16)	-	(1,599,999)	(1,599,999)
Depreciation	(4,763,049)	-	(4,763,049)
Balance as at 31 December 2022	21,349,463	-	21,349,463
Total cash outflow for leases	4,074,864	-	4,074,864
	<b>Buildings Baht</b>	<b>Vehicles Baht</b>	<b>Total Baht</b>
Balance as at 1 January 2023	21,349,463	-	21,349,463
Addition	5,616,616	-	5,616,616
Depreciation	(5,438,343)	-	(5,438,343)
Balance as at 31 December 2023	21,527,736	-	21,527,736
Total cash outflow for leases	5,378,684	-	5,378,684



## 18 Intangible asset, net

	Computer software Baht	Computer Software in progress Baht	Total Baht
<b>For the year ended 31 December 2022</b>			
Opening net book amount	914,969	-	914,969
Amortisation	(125,570)	-	(125,570)
Closing net book amount	789,399	-	789,399
<b>At 31 December 2022</b>			
Cost	1,256,738	-	1,256,738
<u>Less</u> Accumulated amortisation	(467,339)	-	(467,339)
Net book amount	789,399	-	789,399
<b>For the year ended 31 December 2023</b>			
Opening net book amount	789,399	-	789,399
Additions	215,500	934,579	1,150,079
Transfer in (out)	934,579	(934,579)	-
Amortisation	(131,489)	-	(131,489)
Closing net book amount	1,807,989	-	1,807,989
<b>At 31 December 2023</b>			
Cost	2,406,817	-	2,406,817
<u>Less</u> Accumulated amortisation	(598,828)	-	(598,828)
Net book amount	1,807,989	-	1,807,989

## 19 Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities are as follows:

	2023 Baht	2022 Baht
Deferred tax assets	9,235,398	8,214,258
Deferred tax liabilities	(4,395,796)	(4,281,794)
<b>Deferred income tax, net</b>	<b>4,839,602</b>	<b>3,932,464</b>

The movement in deferred tax assets and liabilities during the year is as follows:

	Difference in revenue recognition	Employee benefit obligations	Derivative liabilities	Finance lease liabilities	Refund liabilities to customers	Impairment on financial assets	Share-based payments	Total
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Deferred tax assets</b>								
At 1 January 2022	(473,266)	1,965,131	-	2,125,864	453,169	7,448	123,979	4,202,325
(Charged) credited to profit or loss	1,226,289	319,112	269,345	2,362,171	27,771	(7,448)	146,346	4,343,586
Tax charged relation to components of other comprehensive income	-	(331,653)	-	-	-	-	-	(331,653)
At 31 December 2022	753,023	1,952,590	269,345	4,488,035	480,940	-	270,325	8,214,258
<b>At 1 January 2023</b>	753,023	1,952,590	269,345	4,488,035	480,940	-	270,325	8,214,258
(Charged) credited to profit or loss	645,333	329,237	(1,143)	47,586	(262,383)	-	83,781	842,411
Tax credited relation to components of other comprehensive income	-	178,729	-	-	-	-	-	178,729
At 31 December 2023	1,398,356	2,460,556	268,202	4,535,621	218,557	-	354,106	9,235,398

	Right-of-use assets Baht	Impairment of financial assets Baht	Derivative assets Baht	Total Baht
<b>Deferred tax liabilities</b>				
At 1 January 2022	(2,045,359)	-	(44,615)	(2,089,974)
Charged (credited) to profit or loss	(2,224,534)	(11,901)	44,615	(2,191,820)
At 31 December 2022	(4,269,893)	(11,901)	-	(4,281,794)
At 1 January 2023	(4,269,893)	(11,901)	-	(4,281,794)
Credited to profit or loss	(35,655)	(78,347)	-	(114,002)
At 31 December 2023	(4,305,548)	(90,248)	-	(4,395,796)

## 20 Trade and other payables

	2023 Baht	2022 Baht
Trade payables	129,276,729	117,849,466
Other payables - third parties	9,171,974	8,578,000
Other payables - related party (Note 31.2)	-	492,500
Accrued expenses	9,562,372	5,238,985
Accrued cost from inventory	7,802,374	-
Refund liabilities to customers	1,092,786	2,404,701
	156,906,235	134,563,652

## 21 Finance lease liabilities

Maturity of finance lease liabilities are as follows:

	2023 Baht	2022 Baht
<b>Minimum finance lease liabilities payments</b>		
Not later than one year	6,990,000	5,910,000
Later than 1 year but not later than 5 years	17,605,000	18,385,000
<u>Less</u> Future finance charges on finance leases	(1,916,891)	(1,854,823)
Present value of finance lease liabilities	22,678,109	22,440,177
<b>Present value of finance lease liabilities:</b>		
Not later than one year	6,209,650	5,175,620
Later than 1 year but not later than 5 years	16,468,459	17,264,557
	22,678,109	22,440,177

Change in liabilities arising from financing activities:

	<b>Lease liabilities Baht</b>
Liabilities as at 1 January 2022	10,629,320
Additions	15,885,721
<u>Less: cash outflow</u>	<u>(4,074,864)</u>
Liabilities as at 31 December 2022	22,440,177
Additions	5,616,616
<u>Less: cash outflow</u>	<u>(5,378,684)</u>
Liabilities as at 31 December 2023	<u>22,678,109</u>

## 22 Other current liabilities

	<b>2023 Baht</b>	<b>2022 Baht</b>
Withholding tax payable	4,315,885	4,516,945
Value added tax payable	8,554,370	9,207,298
	<u>12,870,255</u>	<u>13,724,243</u>

## 23 Employee benefit obligations

	<b>2023 Baht</b>	<b>2022 Baht</b>
Statement of financial position:		
Retirement benefits	12,302,786	9,762,955
Profit or loss charge included in operating profit for:		
Retirement benefits	1,646,186	1,595,562
Remeasurement:		
Retirement benefits	893,645	(1,658,263)

The movements in the defined benefit obligations during the years are as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
At 1 January	9,762,955	9,825,656
Current service cost	1,347,440	1,370,554
Interest expense	298,746	225,008
	<u>11,409,141</u>	<u>11,421,218</u>
Remeasurement:		
(Gain) loss from change in financial assumptions	656,320	(618,371)
Experience (gain) loss	237,325	(1,039,892)
	<u>893,645</u>	<u>(1,658,263)</u>
At 31 December	<u>12,302,786</u>	<u>9,762,955</u>

The amounts recognised in profit or loss are as follows:

	<b>2023 Baht</b>	<b>2022 Baht</b>
Current service cost	1,347,440	1,370,554
Interest expense	298,746	225,008
	<b>1,646,186</b>	<b>1,595,562</b>

The principal actuarial assumptions used are as follows:

	<b>2023 percentage</b>	<b>2022 percentage</b>
Discount rate	2.76	3.06
Salary growth rate	6.00	6.00
Staff turnover rate (Depending on age)	1.91 - 22.92	1.91 - 22.92

The sensitivity analysis for significant principal actuarial assumptions can be analysed as follow:

	<b>Impact on defined employee benefit obligations</b>					
	<b>Change in assumptions</b>		<b>Increase in assumptions</b>		<b>Decrease in assumptions</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Discount rate	1.0%	1.0%	Decrease by 6.2%	Decrease by 7.5%	Increase by 7.1%	Increase by 8.6%
Salary growth rate	1.0%	1.0%	Increase by 6.6%	Increase by 8.0%	Decrease by 5.9%	Decrease by 7.2%
Staff turnover rate (Depending on age)	20.0%	20.0%	Decrease by 6.0%	Decrease by 7.4%	Increase by 7.4%	Increase by 9.2%

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions, the same method (present value of the defined benefit obligation with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 12 years (2022: 13 years).

Expected maturity analysis of undiscounted retirement and post-employment medical benefits are as follows:

	<b>Less than 1 year Baht</b>	<b>Between 1-2 years Baht</b>	<b>Between 2-5 years Baht</b>	<b>Over 5 years Baht</b>	<b>Total Baht</b>
<b>At 31 December 2023</b>					
Retirement benefits	-	6,518,607	89,094	33,548,404	40,156,105

## 24 Revenue from sales and services

		2023				
		Selling hardware and software Baht	Installation Baht	Maintenance service Baht	Others Baht	Total Baht
Timing of revenue recognition:	At a point in time	1,038,888,584	-	-	-	1,038,888,584
	Over time	-	11,965,215	14,096,453	1,020,854	27,082,522
		1,038,888,584	11,965,215	14,096,453	1,020,854	1,065,971,106
		2022				
		Selling hardware and software Baht	Installation Baht	Maintenance service Baht	Others Baht	Total Baht
Timing of revenue recognition:	At a point in time	870,798,873	-	-	-	870,798,873
	Over time	-	9,337,631	13,137,603	629,735	23,104,969
		870,798,873	9,337,631	13,137,603	629,735	893,903,842

## 25 Deferred revenue

### 25.1 Deferred revenue

The Company has recognised the following deferred revenue:

	2023 Baht	2022 Baht
At 31 December		
Deferred revenue		
- Current	12,882,458	10,957,043
- Non-current	12,789,332	7,034,048
Total deferred revenue	25,671,790	17,991,091

The movements in deferred revenue during the year are as follows:

	2023 Baht	2022 Baht
At 1 January	17,991,091	14,324,786
Addition in period	21,892,652	16,803,908
<u>Less</u> Recognised revenue during the period	(14,211,953)	(13,137,603)
At 31 December	25,671,790	17,991,091

### Revenue recognised in relation to deferred revenue

Revenue recognised in year 2023 and 2022 reporting period relates to carried-forward deferred revenue.

	2023 Baht	2022 Baht
Revenue recognised that was included in the deferred revenue balance at the beginning of the period	10,957,043	8,977,970

### 25.2 Unsatisfied long-term contracts

At 31 December, the following table shows unsatisfied performance obligations resulting from maintenance service contracts.

	2023 Baht	2022 Baht
Maintenance service contracts	30,156,790	35,806,891

Management expects that 51.69% of the transaction price allocated to the unsatisfied contracts as of 31 December 2023 or Baht 15.59 million will be recognised as revenue during the next reporting period. The remaining 48.31% amounting to Baht 14.57 million will be recognised in years 2025 to 2029. The amount disclosed above does not include variable consideration which is constrained.

## 26 Other income

	2023 Baht	2022 Baht
Interest income	4,227,147	2,234,367
Revenue from processing activities	1,994,692	988,459
Others	70,914	70,523
	6,292,753	3,293,349

## 27 Expenses by nature

	2023 Baht	2022 Baht
Changes in finished goods	818,843,056	728,245,059
Employee benefit expenses	79,693,165	73,446,875
Depreciation and amortisation	14,021,858	12,284,353
Advertising and promotion	3,361,204	2,531,430
Professional fee	4,301,400	5,273,030



## 28 Income tax

	2023 Baht	2022 Baht
<b>Current tax:</b>		
Current tax on profit for the year	23,534,146	10,494,142
<b>Total current tax</b>	23,534,146	10,494,142
<b>Deferred tax:</b>		
Increase(decrease) in deferred tax assets (Note 19)	842,411	4,343,586
(Increase)decrease in deferred tax liabilities (Note 19)	(114,002)	(2,191,820)
<b>Total deferred tax</b>	728,409	2,151,766
<b>Total income tax expense</b>	24,262,555	12,645,908

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2023 Baht	2022 Baht
Profit before income tax	116,030,647	67,707,731
Corporate income tax rate	20%	20%
Tax calculated at tax rate	23,206,129	13,541,546
Associates' results reported net of tax	481,284	368,532
Additional tax deductible	(20,120)	(480,097)
Income not subject to tax	(283,618)	(853,406)
Expenses not deductible for tax purpose	878,880	69,333
<b>Tax charge</b>	24,262,555	12,645,908

The tax (charged) credited relating to components of other comprehensive income is as follows:

	2023			2022		
	Before tax Baht	Tax (charged) credited Baht	After tax Baht	Before tax Baht	Tax (charged) credited Baht	After tax Baht
Remeasurements of employee benefit obligations	(893,645)	178,729	(714,915)	1,658,263	(331,653)	1,326,610
<b>Other comprehensive income</b>	(893,645)	178,729	(714,915)	1,658,263	(331,653)	1,326,610

## 29 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2023	2022
<b>Basic earnings per share</b>		
Profit attributable to the ordinary equity holders of the company (Baht)	91,768,092	55,061,823
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (Shares)	102,741,000	102,741,000
Basic earnings per share (Baht)	0.89	0.54

Diluted earnings per share for period ended 31 December 2022 are as follows.

### Diluted earnings per share

Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share (Baht)	55,061,823
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### Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share (Shares)	102,741,000
Adjustments for diluted earnings per share calculation:	
Options (Shares)	281,102

Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share (Shares)	103,022,102
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Diluted earnings per share (Baht)	0.53
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For year ended 31 December 2023, the Company has no effect of diluted ordinary shares in the calculation of diluted earnings per share as the exercise price of all share options above the market price of the Company's ordinary shares as of 31 December 2023.

## 30 Dividends

At the meeting on 20 April 2023, the Shareholders have been approved a dividend in respect of 2023 of Baht 0.30 per share amounting to a total of Baht 30.82 million. The dividend was already paid to shareholders on 19 May 2023.

At the meeting on 29 April 2022, the Shareholders have been approved a dividend in respect of 2022 of Baht 0.18 per share amounting to a total of Baht 18.49 million. The dividend was already paid to shareholders on 27 May 2022.

### 31 Related party transactions

Enterprises and individuals that directly or indirectly, through one or more intermediaries, control, 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 their families, as well as 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.

Major shareholders of the Company are Mr. Nukrob Niamnammatham, Miss Sukanya Luanchamrean and Moz Seguro Company Limited which owns 14.37%, 15.83% and 24.36% respectively of the Company's shares.

The names and nature of relationship in related parties are summarised as follows:

Related parties	Nature of relationship
Mr. Nakrob Niamnammatham	The Company's major shareholder and director
Miss Sukanya Luanchamroen	The Company's major shareholder and director
Moz Seguro Company Limited	Mutual shareholder and director with the Company
Humanica Public Company Limited	Mutual shareholder and director with the Company
Altair Management Co., Ltd. (Former: nForce security system AP Company Limited)	Mutual major shareholder and director with the Company
BAY Computing Company Limited	Mutual group of major shareholders with the Company
Tigersoft1998 Company Limited	Mutual director with the Company
nDataThoth Company Limited	Joint venture

Related transaction pricing policies are follows:

Related transaction	Pricing policy
Revenue from sales of goods and services	Selling price from cost plus margin
Goods purchasing	Comparable market price
Service expenses	Mutual agreed prices
Rental and related service expenses	Mutual agreed prices - refer to nearby rental price
Interest expense under lease	Comparable market price
Interest income under the lease	Comparable market price

The following transactions were carried out with related parties:

**31.1 Revenue from sales of goods and services, gain on disposals of land and building, Interest income, rental and its related service fees**

	2023 Baht	2022 Baht
<b>For the year ended 31 December</b>		
<b>Revenue from sales of goods and services</b>		
Related party	76,961,446	19,610,114
<b>Interest income under the lease</b>		
Related party	427,711	9,419
<b>Cost of sales and services</b>		
Related party	50,000	-
<b>Service fees</b>		
Related party	43,276	43,983
<b>Selling expense</b>		
Related party	111,915	15,794
<b>Interest expense under the lease</b>		
Related party	734,380	825,136

**31.2 Outstanding balances arising from sales of goods and services**

	2023 Baht	2022 Baht
<b>Prepaid expenses</b>		
Related party	25,355	26,641
<b>Trade accounts receivable</b>		
Related party	402,427	8,973,448
<b>Lease receivable</b>		
Related party	16,121,339	7,391,512
<b>Other payable</b>		
Related party	-	492,500
<b>Lease liabilities</b>		
Related party	17,264,557	22,440,177

**31.3 Key management compensation**

Key management includes directors (executive and non-executive) and members of the Executive Committee. The compensation paid or payable to key management for employee services are as follows:

	2023 Baht	2022 Baht
Salaries and other short-term employee benefits	11,312,665	11,209,771
Post-employment benefits	612,518	547,438
	11,925,183	11,757,209

### 32 Share-based payment

Movements of the number of warrants outstanding and their related weighted average exercise prices are as follows:

	IPO price	Number of warrants
<b>As at 1 January 2023</b>	16	<b>1,236,827</b>
Warrants granted during the period for executive	16	171,207
Warrants granted during the period for employee	16	377,187
Warrants forfeited during the period	16	(155,977)
<b>As at 31 December 2023</b>		<b>1,629,244</b>

Movements of share-based payment reserve recognised in equity for the period ended 31 December are as follows.

	2023 Baht	2022 Baht
As at 1 January	14,656,213	13,983,651
Reserve during the period	418,903	672,562
As at 31 December	15,075,116	14,656,213

The weighted average fair value of warrants granted during the period determined using the black-scholes valuation model was Baht 0.90, 0.98 and 1.16 per option. The significant inputs into the model were a weighted average share price baht 16 per share at grant date, exercise price shown above, volatility of 16.35%, 18.82% and 25.59%, dividend yield of 2.66%, an expected warrant life of 5 years, and an annual risk-free interest rate of 0.86%.

### 33 Commitments

#### 33.1 Service agreement commitments

The Company has the future minimum payments under these service agreements are as follows:

	2023 Baht	2022 Baht
Not later than 1 year	520,895	341,993
Later than 1 year but not later than 5 years	331,014	41,395
	862,993	383,388

### 34 Events occurring after the reporting period

On the 29 February 2024, the Board of Directors' Meeting no.1/2024 passed a resolution to present to the annual general meeting of shareholders for consideration dividend paid from performance for the year ended 2023 at Baht 0.45 per share, totalling Baht 46.23 million.

# 4 Attachments



Annual Registration Statement /  
Annual Report 2023  
| Form 56-1 One Report |

nForce Secure Public Company Limited



## Details of directors, executives, and the Company's secretary

(as of December 31, 2022)

### Asst. Prof. Dr.Pattanant

**Petchchedchoo** | Age: 52 years old |

Chairman (Independent Director) /  
Chairman of the Audit Committee /  
Chairman of the Risk Management Committee /  
Member of the Corporate Governance Committee

**Date of Appointment:** September 10, 2020

**Family Relationship among Management:** - none -

#### Education Qualifications:

- Ph.D. Accounting, University of Manchester, UK
- Master's degree in accounting (Information Systems Track) Ohio State University, US
- Master's degree in information technology in Business, Chulalongkorn University
- Master's degree in business administration, Assumption University
- Bachelor's degree in accounting Thammasat University

#### Training from IOD:

- IT Governance and Cyber Resilience Program (ITG 15/2020)
- Boardroom Success through Financing & Investment (BFI 2/2017)
- Successful Formulation & Execution of Strategy (SFE 27/2016)
- Advanced Audit Committee Program (AAP 19/2015)
- Risk Management Program for Corporate Leaders (RCL 1/2015)
- Director Certification Program (DCP 191/2014)

#### Training from:

Training from Thailand Greenhouse Gas Management Organization (Public Organization) in the year 2023.

- Carbon Footprint of Products (CFP)
- Carbon Footprint for Organization (CFO)
- Life Cycle Assessment (LCA)
- Verifying carbon footprint for organization (VCFO)

#### Work Experience in the past 5 years:

2019 – Present Vice President in the Academic Department, Dhurakij Pundit University  
2015 – Present Committee of Federation of Accounting Profession on CPA examination  
2018 – 2020 Committee of Federation of Accounting Profession on Auditing  
2017 – 2021 Audit Committee, Depository Protection Agency (DPA)  
2017 – 2018 Vice President in Division Department, Dhurakij Pundit University

#### Current Director Position in Other Organization:

*In listed companies:*

Independent Director, Beyond Securities PCL.  
Independent Director, Selic Corp PCL.

*In non-listed companies:* -none-

*In listed companies or other organizations that may cause any conflict of interest to SECURE:* -none-

### Mr. Karoon Phungsoondara

| Age: 65 years old |

Independent Director /  
Chairman of the Corporate Governance Committee

**Date of Appointment:** September 10, 2020

**Family Relationship among Management:** - none -

#### Education Qualifications:

- Bhadungsit School

#### Training from IOD:

- Director Accreditation Program (DAP 167/2019)

#### Work Experience in the past 5 years:

2003 - Present Consultant, Natural International Limited  
2002 – Present Consultant, Quesco Co., Ltd.  
2017 – 2019 Consultant, Thailand Swimming Association





**Current Director Position in Other Organization:***In listed companies: -none-**In non-listed companies: -none-**In listed companies or other organizations that may cause any conflict of interest to SECURE: -none-***Dr.Smitti Darakorn Na Ayuthaya**

| Age: 64 years old |

Independent Director / Chairman of the Nomination and Remuneration Committee /

Member of the Audit Committee /

Member of the Risk Management Committee

**Date of Appointment:** September 10, 2020**Family Relationship among Management:** - none -**Education Qualifications:**

- Ph.D. in Business Administration (DBA), Lyceum of Philippines,
- Ph.D. in Public Administration (DPA) Northern Philippines University
- M.B.A. Innovation Management, Ramkhamhaeng University
- M.B.A Marketing, University of Colorado, US
- Bachelor of Economics, Business Administration, University of the Thai Chamber of Commerce

**Training from IOD:**

- Director Certification Program (DCP 186/2014)

**Training from:**

- Agriculture and Cooperatives Executive Program (ACE), Class 3/2023
- Thailand National Defence Program, Class 58
- Environmental Governance for Executive Officer Class 3/2015
- National Defence College - SML Course 2013
- Capital Market Academy 2012
- PDI Class - 11/2001

**Work Experience in the past 5 years:**

Present	The Committee on Religions, Morals, Ethics, Arts and Culture
Present	master's degree in Faculty of IT Management, Mahidol University
2019 – 2021	Director, Marketing Organization for Farmers
2015 – Present	Dean Advisor, Faculty of Engineering, Mahidol University

**Current Director Position in Other Organization:***In listed companies: -none-**In non-listed companies:*

- Director, Rubber Authority of Thailand (RAOT)
- Director, Fish Marketing Organization
- Director, The Zoological Park Organization of Thailand

*In listed companies or other organizations that may cause any conflict of interest to SECURE: -none-***Mr. Piyasak Chotipruk** | Age: 53 years old |

Independent Director / Member of the Audit Committee /

Member of the Risk Management Committee /

Member of Corporate Governance Committee

**Date of Appointment:** September 10, 2020**Family Relationship among Management:** - none -**Education Qualifications:**

- Master of Business Administration, Kasetsart University
- Master of Laws University of Illinois at Urbana-Champaign, US
- Master of Laws Temple University Beasley School of Law, US
- Bachelor of Laws, Thammasat University

**Training from IOD:**

- Director Accreditation Program (DAP 174/2020)

**Training from:**

- Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute, 2023

**Work Experience in the past 5 years:**

2021 – present	Executive Vice President, Prime Road Power PCL.
2021 – present	Subcommittee Member, Investment Promotion and Procurement - Wastewater Management Authority
2016 – 2021	Partner, Dherakupt International Law Office (DRKI)

**Current Director Position in Other Organization:***In listed companies: -none-**In non-listed companies:*

- Director, Prime Waste Power S1 Co., Ltd.
- Director, Prime Waste Power Industrial 1 Co., Ltd.
- Director, Prime Waste Power Industrial 2 Co., Ltd.
- Director, Prime Waste Power Industrial 3 Co., Ltd.
- Director, Prime Waste Power Industrial 4 Co., Ltd.



- Director, PR Renewable Energy Co., Ltd.
- Director, PR Tha Tako Co., Ltd.
- Director, PR Phechchaburi Co., Ltd.
- Director, PR Ra Nod 1 Co., Ltd. and PR Ra Nod 2 Co., Ltd.
- Director, PR Pang Pa Nang 1 Co., Ltd. and PR Pang Pa Nang 2 Co., Ltd.
- Director, PR Tepa 1 Co., Ltd. And PR Tepa 2 Co., Ltd.
- Director, PR Hua Sai Co., Ltd.
- Director, PR Nong Jig Co., Ltd.
- Director, PR Pa Payom Co., Ltd.
- Director, PR Chiang Mai Co., Ltd.
- Director, Prime Road Alternative Co., Ltd.
- Director, Porntipvimol Co., Ltd.
- Director, Artemis Asset Management Co., Ltd.

*In listed companies or other organizations that may cause any conflict of interest to SECURE: -none-*

## **Dr. Supachai Sukhanindr** | Age: 51 years old |

Independent Director / Member of the Nomination and Remuneration Committee

**Date of Appointment:** September 10, 2020

**Family Relationship among Management:** - none -

### **Education Qualifications:**

- Doctor of philosophy degree of Computer Systems Management and Information Technology, University of Washington, USA
- Master of Finance, Mercer University
- Bachelor of Business Administration (Quantitative Business Analysis), Chulalongkorn University

### **Training from IOD:**

- Risk Management Program for Corporate Leaders (RCL 34/2024)
- IT Governance and Cyber Resilience Program (ITG12/2020)
- Advanced Audit Committee Program (AAP 42/2021)
- Diploma Examination (EXAM 55/2017)
- Financial Statements for Directors (FSD 33/2017)
- Director Certification Program (DCP 231/2016)

### **Training from:**

- Capital Market Program Class 19, Capital Market Academy
- Capital Market Academy Program, and Capital Market Academy Greater Mekong Subregion (CMA-GMS), Capital Market Academy

- The Executive Program in Energy Literacy for a Sustainable Future, TEA Class 10, Thailand Energy Academy
- Top Executive Program in Commerce and Trade (TEPCOT) Class 10,
- University of the Thai Chamber of Commerce
- Business and Industrial Development Program (IBID) Class 3, Institute of Business and Industrial Development
- Cyber Resilience Leadership: Tone from Top, Bank of Thailand
- Senior Anti-Corruption Strategic Executive Program, Office of the National Anti-Corruption Commission
- Certificate of Anti-Corruption Online Training, International Anti-Corruption Academy

### **Work Experience in the past 5 years:**

- 2022 – Present Advisor, MAI Listed Companies Association
- 2018 – Present Managing Director, Five Whale Co., Ltd.
- 2013 – Present Executive Committee Advisor, Mudman PCL.
- 2015 – Present Board of Director Chairman Advisor, Sub Sri Thai PCL.
- 2021 – 2023 Audit Committee, One Origin PCL.
- 2020 – 2021 Independent Director and Audit Committee, Project Planning Service PCL.
- 2015 – 2023 Director, The Ultra wealth Group Co., Ltd.
- 2014 – 2019 Secretary of The Natural resources and environment Commission of the Senate
- 2015 – 2018 Sub-committee Advisor, Satellite Technology Education of the Senate

### **Current Director Position in Other Organization:**

*In listed companies:*

- Director, One Origin PCL.
- Independent Director, Thai Credit Bank PCL.

*In non-listed companies:*

- Independent Director, PI Securities PCL.
- Independent Director, VNB Holding Co., Ltd.
- Director, Greyhound Café UK
- Director, Foundation for the Protection of Environment and Tourism
- Chairman, Ruamsupakit Co., Ltd.

*In listed companies or other organizations that may cause any conflict of interest to SECURE: -none-*



**Asst. Prof. Dr. Siridech Kumsuprom**

| Age: 50 years old |

Independent Director

**Date of Appointment:** April 29, 2022**Family Relationship among Management:** - none -**Education Qualifications:**

- Ph.D. Business Information System-IT Audit, Control and Governance, RMIT University, Australia
- Master's degree in Information System (M.Inf.Sys.), Griffith University, Australia
- Master's degree in M.B.A. Dhurakij Pundit University
- Bachelor's degree in accounting Dhurakij Pundit University

**Training from IOD:**

- Advanced Audit Committee Program (AAP 41/2021)
- Driving Company Success with IT Governance (2016)
- Director Accreditation Program (DAP 2015)
- Risk Management Program (RCL 2/2015)

**Work Experience in the past 5 years:**

- 2022 – Present Dean in College of Innovative Business and Accountancy (CIBA), Dhurakij Pundit University
- 2019 – 2020 Consultant, Delta Paint Public Company Limited

**Current Director Position in Other Organization:***In listed companies:*

- Independent Director, Beyond Securities PCL.
- Independent Director, Hydrotek PCL.
- Independent Director, Eastern Technical Engineering PCL.

*In non-listed companies:* -none-

*In listed companies or other organizations that may cause any conflict of interest to SECURE:* -none-

**Mr. Anotai Adulbhan** | Age: 51 years old |

Director / Member of the Nomination and Remuneration Committee / Member of Executive Committee

**Date of Appointment:** September 10, 2020**Family Relationship among Management:** - none -**Education Qualifications:**

- Master of Business Administration, Kellogg School of Management, Northwestern University, U.S.A.
- Bachelor of Engineering, Chulalongkorn University

**Training from IOD:**

- Director Certification Program (DCP 345/2023)
- Board Nomination and Compensation Program (BNCP 11/2021)
- Role of Chairman Program (RCP 46/2020)
- Director Accreditation Program (DAP 122/2015)

**Work Experience in the past 5 years:**

- 2020 – 2022 Director, Mungmee Ecommerce Company Limited
- 2018 – 2022 Director, Pharma Management Company Limited
- 2018 – 2019 Director, Devakam Apothecary Hall Company Limited
- 2016 – 2018 Director, Ready Planet Company Limited
- 2015 – 2019 Director, KT Restaurant Company Limited

**Current Director Position in Other Organization:***In listed companies:*

- Director, Rojukiss International PCL.
- Chairman, Humanica PCL.
- Independent Director, Selic Corp PCL.

*In non-listed companies:*

- Director, Hibiocy Co., Ltd.
- Director, Vision Ventures Co., Ltd.
- Director, NST Training Center Co., Ltd.
- Director, NST Vision Co., Ltd.
- Director, Glassic Co., Ltd.
- Director, Can Innovation Co., Ltd.
- Director, Relationship Republic Co., Ltd.
- Director, AAA Assets Co., Ltd.
- Director, WorldWideVac Limited
- Director, Aurora Asia Holdings Pte. Ltd.
- Director, PhD International Limited
- Director, Darlex Limited
- Director, Henderson Capital Asia
- Director, Hudson Asia Holdings Pte. Ltd.
- Director, Lakeshore Capital Partners Company Limited

*In listed companies or other organizations that may cause any conflict of interest to SECURE:* -none-

**Mr. Nakrop Niamnamtham**

| Age: 53 years old |

Authorized Director / Chairman of Executive Director / Chief Executive Officer

**Date of Appointment:** September 10, 2020**Family Relationship among Management:** - none -

**Education Qualifications:**

- Master's degree in MBA, Kasetsart University
- Bachelor's degree in engineering, King Mongkut's University of Technology North Bangkok

**Training from IOD:**

- Role of the Chairman Program (RCP 54/2023)
- IT Governance and Cyber Resilience Program (ITG 15/2020)
- Director Accreditation Program (DAP 164/2019)

**Training from Other:**

- Capital Market Academy Program (CMA) Class 33, Capital Market Academy
- Thailand National Defense Program, Thailand National Defense College Class 64
- Advanced Master of Management Program Class 6
- Advanced Security Management Program Class 11
- AEC Business Leader Class 4
- MCOT Making the CEO of Thailand Class 1

**Work Experience in the past 5 years:**

- 2005 - Present Chief Executive Officer, nForce Secure PCL.
- 2019 - Present Columnist - THINK SECURE, Bangkok Biz News
- 2021 Speaker - Inspiring engineers to entrepreneurs, Faculty of Engineering, King Mongkut's University of Technology North Bangkok

**Current Director Position in Other Organization:**

*In listed companies:* -none-

*In non-listed companies:*

- Director, nDataThoth Co., Ltd.
- Director, Moz Seguro Co., Ltd.
- Director, Altair Management Co., Ltd.

*In listed companies or other organizations that may cause any conflict of interest to SECURE:* -none-

**Ms. Sukanya Luanchamroen**

| Age: 47 years old |

Authorized Director / Member of the Risk Management Committee / Member of Executive Committee / Deputy Chief Executive Officer / Company Secretary

**Date of Appointment:** September 10, 2020

**Family Relationship among Management:** - none -

**Education Qualifications:**

- Master's Degree in MBA, Kon Kaen University
- Bachelor's degree in the International School of Business, University of the Thai Chamber of Commerce

**Training from IOD:**

- Director Accreditation Program (DAP 167/2019)

**Training from Other:**

- Advanced Master of Management Program Class 7

**Current Director Position in Other Organization:**

*In listed companies:* -none-

*In non-listed companies:*

- Director, nDataThoth Co., Ltd.
- Director, Moz Seguro Co., Ltd.
- Director, Altair Management Co., Ltd.

*In listed companies or other organizations that may cause any conflict of interest to SECURE:* -none-

**Ms. Ark Chumchomphan** | Age: 39 years old |

Chief Finance Officer (CFO) /  
Member of the Executive Committee

**Family Relationship among Management:** - none -

**Education Qualifications:**

- Bachelor's degree in management science, Khon Kaen University

**Training:**

- The Art of CFO Leadership 2023
- CFO Focus on Financial Reporting Class 4/2018
- The NEW CFO 2022 "Driving Business Growth through Mergers & Acquisition"
- CFO Refresher Class 3/2022

**Work Experience in the past 5 years:**

2006 – 2017 Manager, EY Company Limited

**Current Director Position in Other Organization:**

*In listed companies:* -none-

*In non-listed companies:* -none-

*In listed companies or other organizations that may cause any conflict of interest to SECURE:* -none-



**Ms. Narisara Wongchanteuk**

| Age: 42 years old |

Vice President Sales

**Family Relationship among Management:** - none -

**Education Qualifications:**

- Bachelor's degree in engineering and technology,  
Mahanakorn University

**Work Experience in the past 5 years:**

2018 – 2020 Sales Manager, Citrix Systems, Inc.

2017 – 2018 Sales Manager, SAS Software (Thailand)  
Co., Ltd.

**Current Director Position in Other Organization:**

*In listed companies:* -none-

*In non-listed companies:* -none-

*In listed companies or other organizations that may  
cause any conflict of interest to SECURE:* -none-

**Mr. Wanlop Jaturaphatsiri**

| Age: 40 years old |

Accounting Manager

**Family Relationship among Management:** - none -

**Education Qualifications:**

- Master's degree in business administration -  
Accounting, Ramkhamhang University

- Bachelor's degree in business administration,  
Rajamangala University of Technology Rattanakosin  
Salaya Campus

**Training:**

- E-Learning Course - Cash Flow, 2021

- E-Learning Course - Accounting Standards related to  
Land, Properties, and Equipment, 2021

- Financial Statements Analysis for Business, 2020

- TFRS for NPAs Federation of Accounting Professions,  
2020

**Work Experience in the past 5 years:**

2012 – 2019 Accounting Manager, Stec Civil and  
Construction Co., Ltd

**Current Director Position in Other Organization:**

*In listed companies:* -none-

*In non-listed companies:* -none-

*In listed companies or other organizations that may  
cause any conflict of interest to SECURE:* -none-

The directors, executives, and company secretary according to the list above not has a Criminal offence record during the past 10 years. As follows:

- 1) Never been sentenced by a judgment in criminal offence.
- 2) Never been sentenced by a judgment to be bankrupt or insolvent.
- 3) Never been sentenced by a judgment as management or authorized person in the bankrupt or insolvent company.



## Shareholdings of Directors and the Executive

As of December 30, 2022			Increase (decrease) during the Financial Year	As of December 28, 2023		
Name list	Held Personally	Held by Spouse and non-Sui Juris Children		Held Personally	Held by Spouse and non-Sui Juris Children	Proportion of Shareholding
1. Asst. Prof. Dr.Pattananant Petchchedchoo	-	-	-	-	-	-
2. Mr. Karoon Phungsoondara	100,000	84,000	(20,000)	100,000	82,000	0.18%
3. Mr.Smitti Darakorn Na Ayuthaya	20,300	-	-	20,300	-	0.02%
4. Mr. Piyasak Chotipruk	-	-	-	-	-	-
5. Dr. Supachai Sukhanindr	-	-	-	-	-	-
6. Asst. Prof. Dr. Siridech Kumsuprom	-	-	-	-	-	-
7. Mr. Anotai Adulbhan	-	-	-	-	-	-
8. Mr. Nakrop Niamnamtham	14,766,920	2,323,640	-	14,766,920	2,323,640	16.63%
9. Miss Sukanya Luanchamroen	16,265,480	-	-	16,265,480	-	15.83%
10. Ms. Ark Chumchomphan	1,000	-	-	1,000	-	0.001%
11. Ms. Narisara Wongchanteuk	70,000	-	-	70,000	-	0.07%
12. Mr. Wanlop Jaturaphatsiri	10,000	-	-	10,000	-	0.01%

Remark: SECURE has a registered capital of 52,970,500 Baht and paid-up capital of 51,370,500 Baht (102,741,000 shares).

In the last 5 years, the Company's directors, officers, and authority figures have no record of being punished for violations of the Securities and Exchange Act B.E. 2535 or the Derivatives Act B.E. 2546. The only offenses found are as follows:

- 1) Dishonest act or gross negligence;
- 2) Disclosure or dissemination of false information or statements that may be misleading or

conceal material facts that should be notified, which may affect decision making of shareholders, investors or other parties involved;

- 3) Unfair acts or exploitation of investors in trading securities or derivatives, or participation in, or support to, such acts.





## The Company Secretary Duties and Responsibilities

The Detail has appeared on the report an at page 96.

## Information of Director and Executive in subsidiaries or related Companies

(as of December 31, 2022)

	Asst. Prof. Dr. Pattanant Petchchedchoo	Mr. Karoon Phungsoondara	Dr. Smitti Darakorn Na Ayuthaya	Mr. Piyasak Chotipruk	Dr. Supachai Sukhanindr	Asst. Prof. Dr. Siridech Kumsuprom	Mr. Anotai Adulbhan	Mr. Nakrop Niamnamtham	Miss Sukanya Luanchamroen	Ms. Ark Chumchomphan	Ms. Narisara Wongchanteuk	Mr. Wanlop Jaturaphatsiri
	★ = Chairman											
	○ = Director											
	▲ = Executive											
<b>The Company</b>								▲	▲			
nForce Secure Public Company Limited	★	○	○	○	○	○	○	○	○	▲	▲	
<b>Associated Companies</b>												
nDataThoth Company Limited								○	○			
<b>Related Companies</b>												
Altair Management Company Limited								○	○			
Moz Seguro Company Limited								○	○			







## Details of the directors of subsidiaries

As of December 31, 2023, the Company does not invest in any other juristic person, which will result in the status of being a subsidiary of the Company. However, the Company has an investment in associated companies, namely nDataThoth Company Limited (details of the associated Company appear on page 33

- 34). and executives of the Company as a representative to serve as a director in nDataThoth Company Limited as follows:

1. Mr. Nakrop Niamnamtham Director
2. Miss Sukanya Luanchamroen Director





## Attachment 3

## Details of the Heads of the Internal Audit

The Company has appointed P&L Corporation Company Limited and P&L IT Audit Company Limited

as the internal auditor of the Company. The Detail of internal audit providers are as follow:

### Ms. Wanvimol Jongsureeyapas

Vice President of Internal Audit P&L Group

#### Education:

- Master's degree in business administration for Executives, Faculty of Business Administration, National Institute of Development Administration
- Bachelor's degree in accounting, Accounting (Bachelor of Accounting-Second Class Honors), Dhurakij Pundit University
- Internal Auditing Certificate Program (IACP), Federation of Accounting Professions under royal patronage
- Certified Professional Internal Audit of Thailand (CPIAT), Institute of Internal Auditors of Thailand
- Internal Audit Training Program to prepare yourself to be an International Certified Internal Auditor (Prepared Course for Certified Internal Auditor: Pre-CIA) from Chulalongkorn University
- CAC SME Independent Auditor Certification from IOD
- Certified Thailand Personal Data Protection Act for Practitioner from Chulalongkorn University

#### Training:

from Ethics Committee of the Federation of Accounting Professions under the Royal Patronage (TFAC)

- Business Management for Internal Audit Certificate Program in the Digital 4.0 era
- Audits and Audit Considerations When Using Computers to Process Data Class 2/2018
- Integrated Audit 1/2018

- COSO 2013 Framework for Internal Control Systems (ADVANCED COURSE) Class 2/18
- Training program for obtaining a certificate in internal auditing, Class 17
- Data Analytics for Internal Auditor, Class 2/17
- Workshop: Cost Management for Adding Value and Sustainability, Class 4/18

from the Institute of Internal Auditors of Thailand (IIAT)

- Certificate Course "How to Set Modern Audit Plan by Audit Criteria"
- Clinic IA: Topic "Fraud Audit and Caution for Auditor"
- Clinic IA: Topic "COSO 2014"
- Quality Assurance and Improvement Program (QAIP)
- Information Security Management System (ISO/IEC 27001) for internal auditor

#### From others

- Thailand Personal Data Protection Act for Internal Audit (PSAKU)
- CAC SME Certification (IOD)
- Personal Data Protection Law for Practitioners Faculty of Law Chulalongkorn University

#### Work experiences 5 Years previous:

- 2013 – Present Member of the Executive Committee, P&L IT Audit Company Limited
- 2017 – Present Vice President of P&L Group (P&L Corporation Company Limited and P&L Internal Audit Company Limited)





## Unabridged policy and guidelines on corporate governance and unabridged code of business conduct prepared by the Company in the following matters.

The details appear on the Company's website:

<https://investor.nforcesecure.com/en/corporate-governance/policies-and-documents>

1. Corporate Governance Policy
2. Code of Conduct
3. Anti-Corruption Policy
4. Whistleblowing and Complaints Policy
5. Charter of the Board of Director and the Committee
6. Other policies are related to the Corporate Governance policy of the company.





## Attachment 5

# Audit Committee's Report

The Audit Committee of nForce Secure Public Company Limited ("the Company"), consists of 3 independent directors, with the term of office of the Company's director. In the year 2023, the Company has organized a total of 4 Audit Committee meetings, including meeting with the auditors, without the Executives, 1 time. Wherein the details, names, and the attendance frequency of each committee members are as follow:

1. Asst. Prof. Dr. Pattanant Petchchedchoo  
Chairman of the Audit Committee  
No. of meeting attendance 4/4
2. Dr. Smitti Darakorn Na Ayuthaya  
Member of the Audit Committee  
No. of meeting attendance 4/4
3. Mr. Piyasak Chotipruk  
Member of the Audit Committee  
No. of meeting attendance 4/4

and Ms. Sukanya Luanchamroen, Secretary of the Audit Committee

All members of the Audit Committee are fully qualified and are able to perform independently within the scope of duties and responsibilities in accordance with the charter approved by the Board of Directors, while complying with market requirements and best practices of SET and SEC. The Audit Committee invited the executives, auditors, internal auditors and related persons to attend all the meetings and provide additional information on important issues to make auditing more effective. As well as reporting considerations and opinions to the Board of Directors on a quarterly basis in order to appropriate action to be taken. In substance, the matters concerning the performance of the duties of the Audit Committee may be summarized as follows.

### 1. Financial Statement Review and Disclosure

The Audit Committee reviewed the quarterly and the financial statements for the year 2022, which have been reviewed by the Auditor. The Audit Committee reviewed essential information, including clarification from the auditor about the significant adjustment to accounting transactions that affect the financial statements. These

include accounting estimates, appropriateness of accounting methods including accuracy, completeness, and sufficient disclosure of information in the financial statements, scope of Auditor, independence and various observations of the auditor. This ensures that the preparation of the Company's financial statements is in accordance with the requirements of the law, accounting standard and financial reporting standards. In order to establish the reliability of the Company's financial statements so that they are timely and beneficial to the users of the financial statements as much as possible.

### 2. Internal Audit and Internal Control System Review

The Audit Committee reviewed the independence, duties, responsibilities of internal auditors and internal audit results by considering the summary report and follow-up from the internal auditors in accordance with the approved audit plan, which covers the Company's important work system to possess the adequacy, appropriateness and effectiveness of the internal control system. The Audit Committee also considers the results of the assessment of the Company's internal control system, in accordance with the Committee of Sponsoring Organizations of the Treadway Commission (COSO); by using the internal control system sufficiency assessment form prescribed by SEC. The Audit Committee reported the results of the internal control audit to the Board of Directors on a quarterly basis and give useful suggestions for the Company's internal control system; in order to continually make corrections according to the internal audit report. The Audit Committee and internal auditors did not find any material issues or deficiencies that may affect the Company.

### 3. Review of Good Corporate Governance

The Audit Committee has arranged to promote and provide relevant recommendations to ensure that the Company has appropriate management and corporate governance system according to good governance and the Company also has a regular review of corporate governance policies and follow ups on various issues received through complaints and whistleblowing channels (Whistleblowing), in which the Chairman of the Audit Committee is



responsible for receiving complaints and reporting on wrongdoings (Whistleblowing). The Company has disclosed the details under the heading "Corporate Governance Policy" in this report.

#### **4. Review of compliance with Relevant supervisory authorities**

The Audit Committee reviewed compliance with securities and exchange laws, Securities and Exchange Commission Regulations, the Requirements of the Stock Exchange of Thailand and any other laws relating to the Company's business operations, including the obligations the Company has with third parties. The Audit Committee discovered no substantial issues with the operation that were in violation of the law or rules.

#### **5. Review of Related Transactions or Transactions That May Have Conflicts of Interest**

The Audit Committee has reviewed and commented on related party transactions, juristic persons, or transactions that may involve a conflict of interest with the Company. Including the disclosure of such items in accordance with the regulations of SET and SEC. The Audit Committee ensure that the transactions are reasonable, and the Company has conducted itself fairly and compliance with normal business conditions. Material transactions have been disclosed and presented properly and completely in the financial statements and notes to the financial statements.

#### **6. The Appointment of Auditors and Audit Fees**

The Audit Committee assessed the independence of external auditor and commented on the audit fee and presented to the Board of Directors to seek approval at the 2022 annual general meeting of shareholders to appoint PricewaterhouseCoopers ABAS Co., Ltd. as an auditor of the Company for the year 2022, whereby the Audit Committee has opinions on the nomination such auditor as follows:

- The auditor has no relationship with the Company and its subsidiaries.
- In the last fiscal year, the auditor performed with independence and professional proficiency and provided recommendations on internal control systems and risks.
- An auditor fee is appropriate to perform the audit.

#### **7. Maintaining the Quality of the Audit Committee**

The Audit Committee has performed its duties as stipulated in the Audit Committee Charter; and consider reviewing the Audit Committee Charter in accordance with the current situation and good corporate governance principles. This will be presented to the Board of Directors for approval on an annual basis. In addition, the Audit Committee has conducted an evaluation of its own performance; under the Audit Committee Charter and have used their knowledge and ability to continually provide useful opinions and suggestions with independence. This will effectively enhance the operation system and good corporate governance.

#### **Overall Opinions and Observations**

For the year 2023, the Company has an accurate, reliable accounting and financial reporting system with adequate and appropriate internal control with good corporate governance, compliance with the laws, rules and regulations related to the Company's business operations. The Audit Committee has made use of their knowledge, abilities, experience, and prudence in performing their duties in accordance with the Charter. The Audit Committee, which is fully and independently approved by the Board of Directors, without limitation in obtaining information, resources with cooperation from management, employees, and related parties, as well as giving opinions and suggestions honestly for the equal benefit of all stakeholders.



Asst. Prof. Dr. Pattanant Petchchedchoo  
Chairman of the Audit Committee  
February 29, 2024





## Attachment 5

## Nomination and Remuneration Committee's Report

The nomination and Remuneration Committee ("NRC") consists of 2 independent directors and 1 Director, with a term of 3 years each time, corresponding to the term of office of the Company's Director. The member are as follows:

1. Dr. Smitti Darakorn Na Ayuthaya  
Chairman of NRC
  2. Dr. Supachai Sukhanindr  
Member of NRC
  3. Mr. Anotai Adulbhan  
Member of NRC
- and Ms. Sukanya Luanchamroen, Secretary of the Nomination and Remuneration Committee

In 2023, NRC has been strictly performed by the assignment of Board of Directors under the principles and policies of the Company's corporate governance. There was one meeting to consider the importance of duties and responsibilities, which summarizes the substance as follows.

**Nomination:**

1. Review of the board structure and nominate qualified persons to propose appointment as directors to replace directors who have resigned and left their positions on an agenda, with regard of qualifications, knowledge, competence, skills, and experience of various expertise that are beneficial to the company's business operations, as well as the size of the structure and composition of the Board of Directors appropriately. To promote the business administration and ensure effective management, as well as in accordance with the requirements of the Stock Exchange of Thailand and related agencies.
2. Consider defining the title succession at the executive level of the Company, as well as establishing the policy of developing directors and executives of the Company and presenting them to the Board of Directors'

meetings for preparation, continuity of succession and continuously management of the Company.

**Remuneration:**

Consider the remuneration rates of the Board of Directors and sub-committees by comparing remuneration to the same level, the same industry, conjunction with the company's operating results, including suitability for the responsibilities of the Board of Directors.

**Other:**

Review and propose to the Board of Directors to consider amending the scope of powers, duties, and responsibilities of NRC following the Laws and/or regulations related to the duties of the Nomination and Remuneration Committee, including in accordance with the Company's circumstances. There is also an evaluation of the performance of NRC, as well as the report on the results of such assessments to the Board of Directors' meeting, to ensure that the directors know and jointly discuss or express their opinions on the results of duties.

NRC perform duties as assigned with care, prudence, reasonableness and be able to perform duties independently, without being dominated by the management. In 2023, directors receive remuneration as shown in the Board of Directors' Remuneration report 2023, which is compared with the overall picture of all listed companies, companies in the same industry and companies with sales size and net profit similar to the Company. It is appropriate and fair, both with the Company and with directors in office which is consistent with the duties and responsibilities and has been approved by the Board of Directors and proposed to the shareholders' meeting for consideration the benefits of minority shareholders according to the principles of corporate governance.

Dr. Smitti Darakorn Na Ayuthaya

Chairman of The Nomination and Remuneration Committee

February 29, 2024









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