



International Network System Public Company Limited



ANNUAL DATA DISPLAY FORM

ANNUAL REPORT 2023

(Form 56-1 One Report)



International Network System Public Company Limited

ANNUAL DATA DISPLAY FORM / ANNUAL REPORT 2023



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VISION

Our goal is to become a leading company in delivering efficient information technology services recognized by customers nationwide. We prioritize the success and satisfaction of our customers.



MISSION

Our mission is to deliver a comprehensive range of technology services, offering efficient products and top-tier services through a quality team. We aim to enhance our customers' business potential and promote the creative use of technology in the environment.



GOALS

1. Generate sustainable returns for the Company's stakeholders.
2. Offer products and services that can support technological changes continuously and efficiently.
3. Continuously develop personnel capabilities to foster the Company's growth
4. Retain existing customers and expand to new ones by delivering fast and efficient services to generate revenue and profits continuously.



CORPORATE VALUES

The Company adheres to the corporate value "ITNS" which is used as a principle for employees in the organization and has the following meanings:



I

INTEGRITY

Adhere to honesty and ethics in doing business with all aspects of stakeholders.

T

TEAMWORK

Focus and cultivate the employees how to work as a team.

N

NOVELTY

Encourage all employees to cultivate new creative ideas, enhance customer services, and adapt efficiently to evolving technologies.

S

SUSTAINABILITY

Conduct business while considering its societal impact and practicing good governance to facilitate the organization's sustainable growth.

BOARD OF DIRECTORS AND EXECUTIVE COMMITTEE



Woodtipong Moleechad

- Chairman of the Board of Directors /Independent Director
- Chairman of the Audit Committee



Udom Thanuratpong

- Independent Director
- Audit Committee
- Member of the Nomination and Remuneration Committee



Saran Supaksaran

- Director
- Member of the Nomination and Remuneration Committee
- Risk Management Committee



Adisorn Thavornthanasarn

- Independent Director
- Audit Committee
- Chairman of the Nomination and Remuneration Committee
- Risk Management Committee



Somchai Oumkratum

- Director
- Chairman of the Risk Management Committee
- Chairman of the Executive Committee
- Chief Executive Officer



Nattaya Nanthawanid

- Director
- Executive Director
- Chief Financial and Human Resources Officer



Sittha Rattanalangkarn

- Risk Management Committee
- Executive Director
- Chief Installation and Service Officer



Natthawut Jindapon

- Executive Director
- Chief Marketing Officer



Sangmanee Taksinjarean

- Executive Director
- Chief Coordinating Officer

MESSAGE FROM THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER



“

**ALL MEMBERS OF THE
EXECUTIVE COMMITTEE
ARE COMMITTED TO UTILIZING THEIR
KNOWLEDGE AND ABILITIES TO
LEAD THE COMPANY TOWARDS
CONTINUOUS GROWTH AND STABILITY**

”

A handwritten signature in black ink, appearing to be 'W. Moleechad', with a horizontal line extending to the right.

Mr. Woodtipong Moleechad
Chairman of the Board of Directors

During the past year, the Company celebrated its 21st anniversary, which was a significant milestone. It is considered to be another challenging year for International Network System Public Company Limited, or "ITNS." In addition, it is an important step to demonstrate stability and commitment to continuous business. The Company is faced with several global economic crises, including energy crises, wars, fluctuating interest rates, as well as an epidemic situation, but fortunately, some of these issues have begun to ease. Nevertheless, a large part of the general public is still accustomed to shopping online, working from home, and the trend towards a digital society, as a result, the Company's customers spend an increasing amount of money on information technology.

During the year 2023, the Company generated revenues of approximately 689.54 million baht, which is close to the Company's target. Aside from that, it has continued to grow steadily throughout its history as managers and employees have worked together to set goals and participate in the management process within the organization. At the same time, the Company continues to focus on maintaining its existing customer base and opening up new opportunities in order to expand growth. The Company maintains a focus on those businesses in which it has expertise, which are 1) Selling and installing complex work 2) Maintaining, caring for, and warranting products 3) Rental equipment.

The management of internal and external costs must be carried out systematically in order to effectively manage costs. Adding value to products and services may be achieved by utilizing knowledgeable and skilled personnel. All of these factors contribute to increased sales and profits. Comparatively, to the previous year, the Company showed an increase in sales of 25.20 percent and an increase in net profits of 13.69 per cent, both of which are considered satisfactory rates in moving forward steadily.

MESSAGE FROM THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

“
**CONFIDENCE
TRUST
AND GROWTH TOGETHER**

”



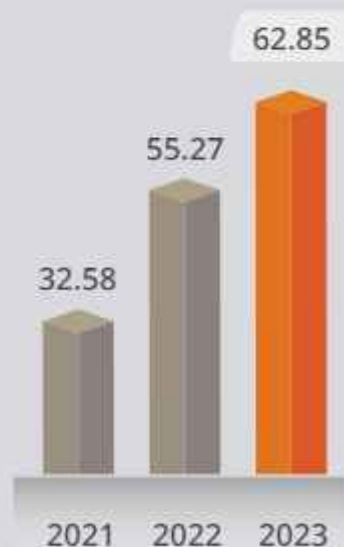
Mr.Somchai Oumkratum
Chief Executive Officer/Director



In 2024, the Company envisions opportunities in the field of information technology and communication systems, which has the potential to expand as an organization's information technology infrastructure evolves. Although organizations have already been equipped with technology and communication infrastructure systems, there is an enormous amount of communication and information exchange. Moreover, there is still a growing demand for the use of these systems, especially in the online world, as well as various applications such as mobile banking, shopping online, Google Maps, public transportation, and selling products online. Consequently, it is necessary to have an information and communication technology system that serves as the foundation for the data management system. This entails the necessity for organizations to expand their networks in a wide range of areas – internet access speed, telephone systems both within and outside the organization, wireless connections, data storage and exchange systems, big data management, big data analytics, internet of things (IoT) systems, and artificial intelligence (AI) systems. Aside from the fact that most organizations are digitizing or converting their documents into digital formats, there will also be an increase in demand as a result of this. In addition to the growth of IT services and repair and maintenance work (Maintenance Service), several important factors are crucial and need to be considered including data storage systems and data security systems (Cyber Security). All of these markets continue to generate positive growth for the Company every year. Consequently, 2024 is predicted to be another prosperous year. Furthermore, the Company is evaluating opportunities to invest in businesses associated with the Company (M&A), that is the cooperation and create Ecosystem for the company sustainable growth.

Finally, on behalf of International Network System Public Company Limited, we would like to say Thank you to Shareholders, Business partners, Financial institutions, Customers, Vendors, Executives and Employees who have always trusted and supported the company. Therefore the company greatest good profits continually. On behalf of the Board of Directors and the management committed to running the business sustainably in the future from now.

FINANCIAL HIGHLIGHTS **2023**

**576.07**TOTAL ASSETS
(BAHT MILLION)**127.97**TOTAL LIABILITIES
(BAHT MILLION)**448.10**TOTAL EQUITY
(BAHT MILLION)**62.85**NET PROFIT
(BAHT MILLION)ASSET
UNIT : BAHT MILLIONINCOME
UNIT : BAHT MILLIONNET PROFIT
UNIT : BAHT MILLION

SUMMARIZED FINANCIAL INFORMATION

LIST	2021	2022	2023
Total Assets (Baht Million)	264.36	666.49	576.07
Total Liabilities (Baht Million)	76.03	217.04	127.97
Total Equity (Baht Million)	188.33	449.45	448.10
Total Income (Baht Million)	370.80	551.40	689.54
Gross Profit (Baht Million)	69.17	99.96	112.90
Profit (loss) before income tax (Baht Million)	40.28	69.23	78.21
Net Profit (loss) for the year (Baht Million)	32.58	55.27	62.85
KEY FINANCIAL RATIOS			
Liquidity ratio (times)	2.99	2.52	3.57
Gross Profit Margin (%)	18.72	18.23	16.44
Operating Profit Margin (%)	10.88	12.39	10.74
Net Profit Margin (%)	8.79	10.02	9.11
Return on Equity (%)	17.53	17.33	14.00
Return on Assets (%)	11.68	11.88	10.12
Debt to equity ratio (times)	0.40	0.48	0.29
Book value per share (Baht)	1.26	2.74	2.09
Basic earnings per share (Baht) ¹	0.22	0.34	0.29

Remark:

1. Calculated from the weighted average number of ordinary shares

IMPORTANT BACKGROUND AND DEVELOPMENT



2002

FOUNDED COMPANY

Initial registered capital of Baht 1 Million,
By Miss Nattaya Nanthawanid



2011

INCREASE REGISTERED CAPITAL & EXPAND NEW BUSINESS

Mr. Somchai Oumkratum joined the business.
Increased registered capital to Baht 10 Million, to expand
the business of integrated information technology
network systems.



2020

GOLD CERTIFIED PARTNER

The company has been appointed as a Gold Certified Partner.
Reinforcing knowledge standards personnel competence,
standards of customer care and Receive trade privileges
from Cisco.



2021

INCREASED REGISTERED CAPITAL TO BAHT 150 MILLION

After the business expansion, the registered capital has been
continuously increased, to support the expansion of
project work.



2022

CONVERTED INTO A PUBLIC LIMITED COMPANY
and increased the registered capital to Baht 220 Million

LISTED ON THE MARKET FOR ALTERNATIVE INVESTMENT (mai)

Initial public offering of ordinary shares (IPO) and listed the
company on the Market for Alternative Investment (mai)



2023

RECEIVED THE PRIZE "TRUSTED BY SYNnex"

Highest Growth Award FY2022
Enterprise Network Solution
International Network System Public Company Limited



PART 1

**BUSINESS OPERATION
AND OPERATING RESULTS**

1

1. Company's structure and operations

1.1 Policy and overview of business operations

International Network System Public Company Limited (formerly known as SNIT System Company Limited) ("the Company" or "ITNS") was established on April 22nd, 2002, by Miss Nattaya Nanthawanid ("Miss Nattaya"), who has experience in selling computers and computer peripherals for 5 years with a registered capital of Baht 1 Million and has the initial objective of doing business as an importer, exporter, and manufacturer of hardware and software products. Subsequently, in 2011, Miss Nattaya invited Mr. Somchai Oumkratum ("Mr. Somchai") to join the business. Mr. Somchai has 8-year working experience in IT network system sales. They got to know each other while they participated in the customer's bidding. He holds 90% of the shares after increasing the registered and paid-up capital of the Company by Baht 10 Million to support the growth of new businesses related to information technology, network systems, and comprehensive communication in the future. In addition, the Company changed its name to International Network System Co., Ltd.

In 2012, the Company was able to start the information technology network system and communication as a Select Certified Partner of Advanced Enterprise Networks Architecture Specialization, which shows the beginner level of the partnership with Cisco Systems, Inc. ("Cisco"), which is the famous manufacturer of information technology products from the United States and has a relatively high market share of information technology products both domestically and internationally. The Company receives technical support, marketing promotion, and initial promotion from Cisco to build credibility in the Company's sales and services and fully meet the needs of both public and private customers.

After the co-investment, the Company was selected to operate the Backbone network system with a total contract value of Baht 33.30 Million for the Government Housing Bank in 2013, which was the first project to build a reputation and financial credibility for the Company from being supported by a credit line from a financial institution and resulting in the Company being able to accept new projects that have more value and expand customer groups to various businesses in the future. In addition, the Government Housing Bank has continued to choose to use the service with the Company until now.

In addition, the Company can train personnel to become certified experts in network installation, support, and troubleshooting (Cisco Certified Internetwork Expert (CCIE)) and work with Cisco on the Company's customer satisfaction survey. Until mid-2016, the Company was appointed as a Premier Certified Partner, a mid-level partner of Cisco and received more technical support, marketing promotion, and promotion from Cisco. In addition, in 2018 – 2020, the Company has continuously increased the registered and paid-up capital from Baht 10 Million to Baht 150 Million to be used as working capital and expanded the potential of doing business in information technology and communication by designing and installing a complete network and communication system (System Integrator) ranging from Network Infrastructure, Cyber Security System, Data Center System, Collaboration System, Wireless LAN and Network Management as well as distributing equipment used in information technology and communications.

In 2018, Mr. Somchai and Ms. Nattaya together with their business partner, Ms. Anchita Suriyaworaphan ("Miss Anchittha") registered the establishment of ITNS Market Intelligence Company Limited ("ITNSMI") with an initial registered capital of Baht 1 Million with the objective of being a CALL CENTER for surveying Information technology system investment policy and communication of target customers and send information to the company can be used in sales and marketing strategies with individual customer groups.

However, ITNSMI's operating results did not meet the target, ITNSMI's dissolution was registered on August 30th, 2021, and the liquidation was completed on February 14th, 2022.

In 2020, the Company was appointed as a Gold Certified Partner, which is the highest level of Cisco partner with the highest support in terms of trade discounts, and rebates, including technical support and access to new Cisco products. In addition, over the past 10 years, the Company has been in business partnerships with other partners such as Fortinet, LENOVO, DELL EMC, CHECK POINT, JUNIPER Networks, VEEAM, VMWARE, Palo Alto Networks, Hewlett Packard Enterprise and F5, etc. As a result, the Company is able to continually expand its new customer base, both government and private sectors operating telecommunication services, financial institutions, educational institutions, information technology, electronic equipment, medical equipment, hotels, airlines, etc.

In 2022, the Company's registered capital was increased to 220 million baht and it was transformed into a public company by changing its name to International Network System Public Company Limited on October 25, 2022.

In 2023, the Company was awarded the highest growth award for FY2022 Enterprise Network Solution by Synnex (Thailand) Public Company Limited. In addition, it was the Company's first year listing on the mai stock exchange, which helped build customer confidence and recognition. As a result, the Company has more capital available to expand on the market and receive new projects from existing and new customers, resulting in an increase in income across all three main businesses. Moreover, the Company places a strong emphasis on continuous personal development. This year, the Company has certified our employees as experts with fundamental knowledge in the installation, support, and troubleshooting of advanced network systems (Cisco Certified Internetwork Expert or CCIE). Presently, the Company maintains its status as Gold Certified Partner, The highest level of Cisco's partnership, and the Company has more business alliances with other business partners as well.

On May 10, 2023, the Company's Board of Directors approved a project to repurchase shares for financial management for a maximum of 38.5 million baht, equivalent to approximately 11 million shares. In this transaction, 5 per cent of the shares are being repurchased at 1 baht per share at a price not exceeding 115 per cent of the average closing price of five trading days before the purchase of Treasury shares, specifying that the shares can be repurchased between 15 May 2023 and 12 October 2023.

Lastly, on September 7, 2023, the Company completed the repurchase of 11,000,000 shares or 5 per cent of all its shares sold. Consequently, the company has ended its share repurchase program.

As of September 30, 2023, the Company held 11,000,000 treasury shares at an average cost including fees of 3.47 baht per share, for a total cost including fees of 38,122,085 baht. There are 11,000,000 of these treasury shares, which are each worth 1 Baht. To reduce its paid-up capital, the Company writes off its unsold treasury shares or reserves retained earnings equal to repurchased shares until all of the shares are sold or all retained earnings are reserved. On 30 September 2023, the Company set aside 38,122,085 baht as a reserve for treasury shares. As part of the internal statement of financial position, this reserve item is listed under the heading "Retained Earnings - Treasury Stock Reserve".

At present, the Company operates in the information technology and communication business as a designer and installer of a network system and a System Integrator, as well as selling equipment used in information and communication technology, repair and maintenance services and equipment rental which can be divided into 3 types of business as follows:

1. Business of distribution and installation of equipment related to information technology and communication systems.

The Company's main business consists of the design, installation, and distribution of equipment related to information technology systems and communication in order to offer comprehensive products and services to customers, which can be divided into 6 following types:

- 1.1 Network Infrastructure
- 1.2 Cyber Security
- 1.3 Data Center
- 1.4 Collaboration
- 1.5 Wireless LAN
- 1.6 Network Management

2. Business of providing repair and maintenance services for equipment

After installing the equipment related to the information technology system and communication, the Company has also provided repair services and maintenance of equipment related to information technology systems and communication to the customer to be in a condition that is available for use according to the conditions specified by the customer so that customers can continue to do business. Such services can be divided into 3 types as follows:

- 2.1 Preventive Maintenance
- 2.2 Collective Maintenance
- 2.3 Warranty

3. Equipment rental business

In addition, the Company can offer an alternative service for renting out equipment related to information technology systems and communication for customers who do not want to invest in their own equipment, but it is necessary to use such a device such as Network Infrastructure and computer security systems, etc.

1.1.1 Company's vision, objectives, goals, or strategies for the operation

Vision

Our vision is to become a leading company in delivering efficient information technology services recognized by customers nationwide. We prioritize the success and satisfaction of our customers."

Mission

Our mission is to deliver a comprehensive range of technology services, offering efficient products and top-tier services through a quality team. We aim to enhance our customers' business potential and promote the creative use of technology in the environment.*

Goals

1. Generate sustainable returns for the Company's stakeholders.
2. Offer products and services that can support technological changes continuously and efficiently.
3. Continuously develop personnel capabilities to foster the Company's growth
4. Retain existing customers and expand to new ones by delivering fast and efficient services to generate revenue and profits continuously.

Corporate Values

The Company adheres to the corporate value "ITNS" which is used as a principle for employees in the organization and has the following meanings:

- I: Integrity
Adhere to honesty and ethics in doing business with all aspects of stakeholders.
- T: Teamwork
Focus and cultivate the employees how to work as a team.
- N: Novelty
Encourage all employees to cultivate new creative ideas, enhance customer services, and adapt efficiently to evolving technologies.
- S: Sustainability
Conduct business while considering its societal impact and practicing good governance to facilitate the organization's sustainable growth.

1.1.2 Major Changes and Developments

Major developments of the Company since its establishment in 2002 until now are summarized as follows:

Year	Major Events
2002	In April, the Company established International Network System Co., Ltd. on April 22nd, 2002 (formerly known as SN IT System Co., Ltd.) with an initial registered capital of Baht 1 Million at a par value of Baht 100 per share by Miss Nattaya Nanthawanid, who has work experience in sales of computers and computer peripherals for 5 years with the objective of being an importer, exporter, and manufacturer of hardware and software products. Its head office is located at No. 14/5, Village No. 20, Soi Krungthep-Non 43, Krungthep-Non Road, Bang Sue Sub-district, Bang Sue District, Bangkok Metropolis.

Year	Major Events
2010	• In May, the Company has relocated its head office to No. 95/28, Village No. 9, Bang Kruai-Sainoi Road, Bang Len Sub-district, Bang Yai District, Nonthaburi Province.
2011	• In January, Miss Nattaya persuaded Mr. Somchai Oumkratum ("Mr. Somchai") to do business together; they had known each other in the industry through bidding with customers. Mr. Somchai has 8 years of experience working in the field of communication and information technology network system sales. Therefore, the registered and paid-up capital has been increased from Baht 1 Million to Baht 3 Million for use as working capital. • In July, the Company increased the registered and paid-up capital from Baht 3 Million to Baht 10 Million to support business growth and changed its name from ITNS System Co., Ltd. to International Network System Co., Ltd.
2012	• In July Mr. Somchai became a major shareholder, owning 90% of the total shares of the Company and served as its Chief Executive Officer, while Miss Nattaya holds 10% of the total shares of the Company • In July, the Company has been certified with Advanced Enterprise Networks Architecture Specialization to form a business alliance at the Select Certified Partner level with Cisco, the owner of information technology systems products from the United States that has a high market share in the field of information technology systems both domestically and internationally. The Company has received technical support, marketing, and promotion at the entry level from Cisco to build credibility in the Company's sales and service work and be able to fully meet the needs of both public and private sector customers.

Year	Major Events
2013	• In January, the Company registered the addition of a new branch office using the address No. 1420/1, Srisuk Building, Room No. 403, 410-411, 4th Floor, Soi Phaholyothin 26, Phaholyothin Road, Chomphon Sub-district, Chatuchak District, Bangkok Metropolis for contact and coordination with customers in Bangkok Metropolis. • In June, the Company was selected to operate the Backbone network with a total contract value of Baht 33.30 Million for the Government Housing Bank. This is the first project that creates financial credibility for the Company. As a result of being supported by a credit line from a financial institution and resulting in the Company being able to accept new projects with greater value and expand customer groups to various businesses in the future. In addition, the Government Housing Bank has continued to choose to use the service with the Company until now.
2016	• In mid-2016, the Company was appointed as a Premier Certified Partner of Cisco, mid-level partner, meaning the Company receives more technical support, marketing support, and sales promotion from Cisco.
2017	• In January, the Company was awarded the Cisco FY16 Partner Plus Winner's Circle, an award given to business partners who have achieved revenue targets set by Cisco. • In May, the Company paid interim dividends from retained earnings in the amount of Baht 37 Million to shareholders. • In October, the Company was awarded the Cisco Thailand and Indochina Partner Conference 2017 FY16 Premier Partner of the Year, in which it was the only partner at the Premier Partner level, because the Company has developed in all aspects, both in terms of achieving revenue goals and sending employees to be trained, where they passed the test to be certified by Cisco.
2018	• In September, the Company increased the registered and paid-up capital from Baht 10 Million to Baht 50 Million to support business growth.

Year	Major Events
2019	• In November, the Company received the Best Dealer Awards 2019 from VST ECS (Thailand) Co., Ltd. ("VST"), which is an award given to business partners who are able to achieve revenue targets set by VST which is a subsidiary of VST ECS Group is headquartered in the Hong Kong Special Administrative Region of the People's Republic of China and is a leading distributor of IT products with over 48,000 distribution channels across the Asia-Pacific region. • In December, the Company received the Excellent Partner Awards from SIS Distribution (Thailand) Public Company Limited ("SIS"), which is an award given to business partners who can achieve target revenue from selling Server Storage among business customers specified by SIS, where SIS is a listed company on the Stock Exchange of Thailand and a distributor of IT products to more than 70 world-class manufacturers and a customer base of more than 4,500 people, who is a computer operator both as a retail store business dealer, government agencies, and the contractors to set up the system, etc.
2020	• In February, the Company purchased an office located at Chang Building, Building B, 20th floor, usable area of approximately 400 square meters and a total value of Baht 30.61 Million , from a third party to be used as a new office premise and to support future growth. • In April, the Company was appointed a Gold Certified Partner of Cisco, the ultimate partner, with the Company receiving support in terms of trade discounts, rebates, the highest level of technical support, and access to new Cisco products. • In June, the Company moved its head office from No. 95/28, Village No. 9, Bang Krui-Sainoi Road, Bang Len Sub-district, Bang Yai District, Nonthaburi Province to No. 3300/106-107, Elephant Building, Building B, 20th Floor, Phaholyothin Road, Chomphon Sub-district, Chatuchak District, Bangkok Metropolis and in July, the Company has registered the cancellation of the branch office located at No. 1420/1, Srisuk Building, Room No. 403, 410-411, 4th Floor, Soi Phaholyothin 26, Phaholyothin Road, Chomphon Sub-district, Chatuchak District, Bangkok Metropolis. • In September, the Company increased the registered and paid-up capital from Baht 50 Million to Baht 150 Million to support business growth. • In November, the Company received the Best Dealer Awards 2020 from VST ECS (Thailand) Co., Ltd., which is an award given to business partners who can achieve revenue targets set by VST. • In December, the Company paid interim dividends from retained earnings in the amount of Baht 50 Million to shareholders.

Year	Major Events
2021	• In June, the Company paid an interim dividend from retained earnings in the amount of Baht 27.80 Million to the existing shareholders. • In June, Mr. Somchai sold his own shares to a private placement investor, Mr. Saran Supaksaran, in the amount of 45,000 shares, representing 3.00% of the Company's issued and paid-up capital. In July, Mr. Saran held the position as a director of the Company.
2022	• In January, the Company has joined with an information and communication technology equipment supplier to form a joint venture called SPIT in which the Company has the rights and responsibilities of 51% of SPIT joint venture. In this regard, SPIT Joint Venture has the objective of operating a business of renting a security network system with a CCTV system for a government agency with a total value of Baht 78.30 Million (including VAT) throughout the lease period of 5 years from the date of delivery of the network system. • In February, the Board of Directors' Meeting No. 1/2022, held on February 25th, 2022, passed a resolution regarding the capital increase and the allocation of newly issued ordinary shares as follows: • Be converted into a public company and changed the Company's name to International Network System Public Company Limited. • Change the par value of ordinary shares from Baht 100 per share to Baht 1 per share. • Increase registered capital from Baht 150,000,000 to Baht 220,000,000 by issuing 70,000,000 new ordinary shares with a par value of Baht 1 per share for sale to the general public, including directors, executives, and employees of the Company, related persons and benefactors of the Company which is an offering at the same time at the same offering price. • Offer Over-allotment Shares in the amount of not more than 10,000,000 shares with a par value of Baht 1 per share, which is not more than 14.29% of the total number of newly issued ordinary shares offered to the public this time, amounting to 70,000,000 shares. Daol Securities (Thailand) Public Company Limited, as an over-allotment agent, will borrow no more than 10,000,000 ordinary shares from the Company's existing shareholder, Mr. Somchai Oumkratum, and the over-allotment agent will bring the shares, ordinary shares to allocate excess shares. (Over-allotment Shares) and the over-allotment shares may exercise the right to buy shares from Mr. Somchai Oumkratum in the amount of 10,000,000 shares in order to return the ordinary shares to the ordinary share lender for over-allotment shares. (Over-allotment Shares) is Mr. Somchai Oumkratum • In April, the Company paid an annual dividend for the year 2021 in the amount of Baht 30 Million to existing shareholders.

Year	Major Events
2022	• In August, the Company decided to pay an interim dividend of Baht 22.50 Million from the retained earnings at the end of the second quarter of 2022 to the shareholders whose names were in the shareholder register on August 12th, 2022. The source of funds used for paying the dividend is cash flow from business operations and the dividend was paid on September 9th, 2022. • In October, the Company was listed on the mai stock exchange. • In November 2022, the over-allotment agent notified its intention to purchase 10,000,000 newly issued ordinary shares from the Company at a price of Baht 3.89 per share, which is the same price as the initial public offering price of ordinary shares totaling Baht 38,900,000 from Mr. Somchai Oumkratum, therefore, it is considered the end of the period of acquiring over-allotment shares this time.
2023	• In April, the general meeting of shareholders of the Company approved the payment of dividends. A dividend of 26.4 million baht was paid to the Company's shareholders on 23 May 2023 based on its operating results for 2022, at a rate of 0.12 baht per share (220 million shares). • As of April, the company has more employees who have been certified as Cisco Certified Internetwork Experts (CCIEs) able to install, support, and troubleshoot advanced network systems. • On May 10, 2023, the Board of Directors of the Company resolved to approve a share repurchase project for financial management within a limit of not more than 38.5 million baht. There are approximately 11 million shares, which represents 5 percent of all shares sold. Par value of the shares is 1 baht, which is the price at which the shares are being repurchased on the Stock Exchange of Thailand, not exceeding 115 percent of the average closing price of 5 trading days prior to the purchase date. May 15, 2023 to October 12, 2023 are the dates set for repurchasing shares. • On September 7, 2023, the Company completed its share repurchase program. The total number of shares sold was 11,000,000, accounting for 5 percent of the total number of shares sold. Including fees, the average cost per share is 3.47 baht, which amounts to 38,122,085 baht in total. Among the 11,000,000 treasury shares, each share has a par value of one baht. As a result, the Company announced the end of the share repurchase project for financial management. • In October, Synnex (Thailand) Public Company Limited awarded the Company with the Highest Growth Award for FY2022 Enterprise Network Solution.

1.1.3 Report on the use of funds raised from fundraising

Equity securities offering in 2022 by issuing 70,000,000 ordinary shares to the public for the first time. The offering price to the public was Baht 3.89 per share, and after deducting expenses related to the offering of securities, the remaining balance was Baht 254.61 Million. Report on the results of the use of proceeds from the capital increase ended December 31st, 2023, as follows:

Spending	Approximate amount spent (Million Baht)	Estimated time the money is spent	Details
1. To be used as an investment in a company that operates a business related to the business of the Company.	0	Within 2024	The Company plans to invest in companies that operate businesses related to the Company's business, which is still in the process of considering companies in which to invest.
2. To be used in expanding the equipment rental business.	26.22	Within 2024	To be used as capital to expand the equipment rental business according to the business plan.
3. To be used as working capital for the Company's business operations.	154.61	Within 2024	To be used as working capital for business operations in sales and equipment installation projects, which are the Company's core businesses.

1.1.4 Name, head office location, type of business, company registration number, telephone, facsimile, company website, total number and type of shares sold of the Company

Name	International Network System Public Company Limited
Stock symbol	ITNS
Business type	Entrepreneurs in the information and communication technology business by designing and installing a complete network and communication system (System Integrator), as well as selling equipment used in information and communication technology, providing repair and maintenance services and equipment rental.
Registration number	0107565000298
Registered capital	Baht 220,000,000
Paid-up capital	Baht 220,000,000
Number of shares	220,000,000 shares
Par value	Baht 1 per share
Head office location	No. 3300/106-107, Elephant Building, Building B, 20 th Floor, Phaholyothin Road, Chomphon Sub-district, Chatuchak District, Bangkok
Company website	www.itns.co.th

1.2 Nature of business

The Company operates in the fields of information technology and communications. It is a system integrator who designs and installs network and communication systems, as well as sells and rents equipment used in efficient information and communication technology and has world-class accepted standards to meet the needs of both government and private customers. In addition, the Company also provides repair services and maintenance of equipment afterwards, delivery of goods by a knowledgeable team with experience in information technology and communication for a long time including personnel certified by international standards to build customer confidence in quality service and increase the business potential of customers in the future.

1.2.1 Revenue Structure

Revenue from sales and services of the Company consists of (1) revenue from selling equipment and installation services, (2) revenue from repair and maintenance services of equipment, and (3) revenue from equipment rental. The Company's revenue structure in 2021 - 2023 can be summarized as follows:

Type of Business	2021		2022		2023	
	Million Baht	Proportion (%)	Million Baht	Proportion (%)	Million Baht	Proportion (%)
Revenue from sales and services						
1.Revenue from selling equipment and installation services	281.38	75.89	451.14	81.82	553.30	80.24
2.Revenue from repair services and maintenance of equipment	78.66	21.21	93.53	16.96	126.46	18.34
3.Revenue from equipment rental	9.38	2.53	3.72	0.67	6.82	0.99
Total revenue from sales and services	369.42	99.63	548.39	99.45	686.58	99.57
Other revenue*	1.38	0.37	3.01	0.55	2.96	0.43
Total revenue	370.80	100.00	551.40	100.00	689.54	100.00

Note: * Other income consists of Cisco marketing support income, profit from disposal of assets, etc.

The revenue structure according to the above business types can be divided between government and private sector customers in 2021–2023, with the following details:

Customer	2021		2022		2023	
	Million Baht	Proportion (%)	Million Baht	Proportion (%)	Million Baht	Proportion (%)
Total revenue from government sector	155.57	42.11	136.38	24.87	178.21	25.96
Total revenue from private sector	213.85	57.89	412.01	75.13	508.37	74.04
Total revenue from sales and services	369.42	100.00	548.39	100.00	686.58	100.00

1.2.2 Product information

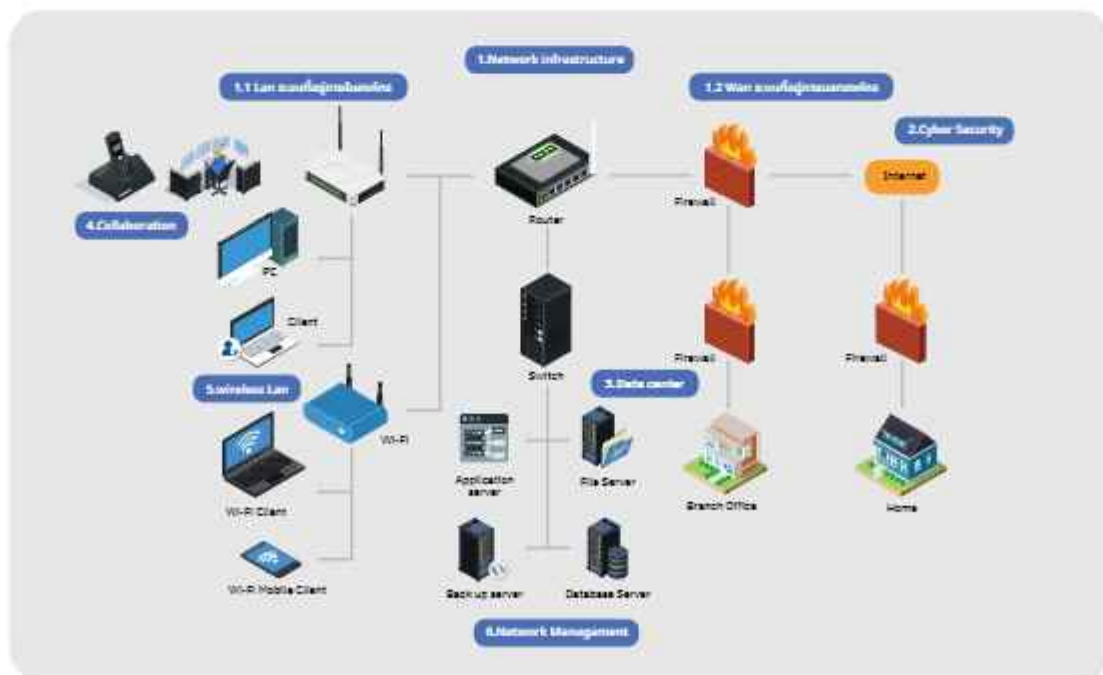
The Company operates an information technology and communications business as a designer and installer of network and communication systems (System Integrator), as well as selling equipment used in information and communication technology, providing equipment repair and maintenance services, and providing equipment rental services, which can be divided into 3 types of businesses as follows:

- 1) Selling and installation of equipment related to information technology and communication systems
- 2) Equipment repair and maintenance services
- 3) Equipment rental services

1.2.2.1 Characteristics of products and services

Selling and installation of equipment related to information technology and communication systems are part of the activities of every organization's operation and perform an important function, which is to bring computer technology and telecommunication technology together. The computer will collect the data, process it into information, and store it in a database so that the user can retrieve the information later. Data usage is done using telecommunication systems to connect computers and devices together in order to be able to bring data or information that has been recorded, calculated, stored, and made into reports and send it to users who are located in different places or far away at any time, conveniently and quickly. In this regard, information technology and communication systems must use components to work, such as hardware, software programs, data and information, personnel, and procedures, in order to be able to make full use of the information. Therefore, the linkage of data and information within and between organizations can be achieved by dividing products and services into 6 categories as follows:

1. Network Infrastructure
2. Cyber Security
3. Data Center
4. Collaboration
5. Wireless LAN
6. Network Management

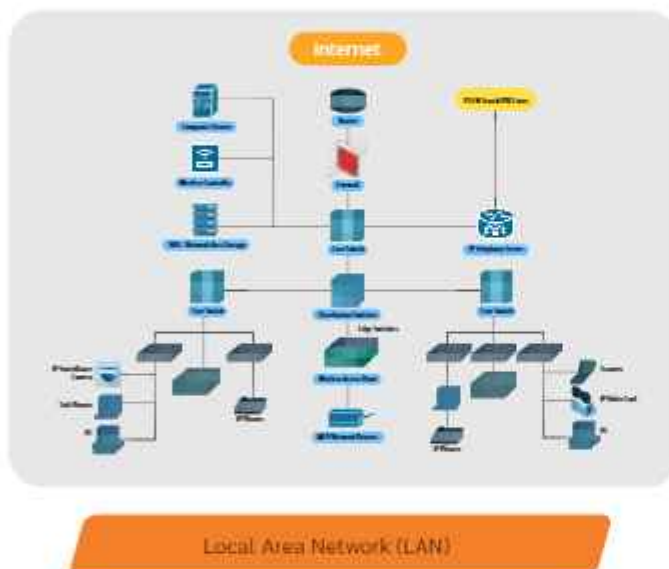


1) Network Infrastructure

It is an important part of an organization's information technology system. It is the main way that data is sent and received and connects data communications in different networks.

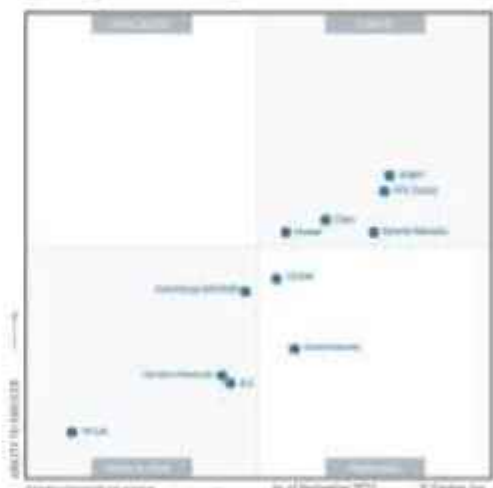
1.1) Local Area Network (LAN)

Local Area Network (LAN) is a network system that transmits signals as the main path with high speed and stability for transmitting image data and audio, including telephony, video conferencing, and live broadcasts, with minimal signal loss during transmission over long distances. In addition, if there is a problem with data transmission, there will be a backup path to send data. Nowadays, transactions need to use data in conjunction with a variety of applications, making the core network a critical infrastructure system in the development of comprehensive information technology and communications for all organizations, from small organizations to large organizations.



Local Area Network (LAN)

Figure 1: Magic Quadrant for Enterprise Wired and Wireless LAN Infrastructure



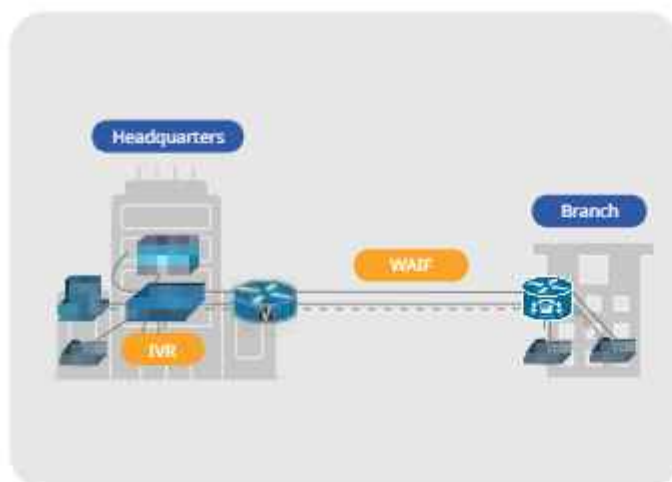
Local Area Network (LAN) products in the global market

The Company mainly sells Cisco LAN products, which are popular products in Thailand. In addition, Cisco is the leader in such products compared to other manufacturers around the world as shown in Magic Quadrant for Wired and Wireless LAN Access Infrastructure of Gartner above. The product details are as follows:

Brand	Product	Product Image	Properties
Cisco	Network Switch		It is a device used to connect computers so they can communicate and exchange information with each other.
	Router		It is a computer device used to find a route and transmit data between computer networks to the desired destination network.
	Software Defined Network (SDN)		It is a technology that enables organizations to change the settings of the original device by using the software to perform this action.
	Software Defined WAN (SD-WAN)		It takes the idea of SDN and applies it to WAN networks. This lets organizations combine many functions on the same platform.

1.2) Wide Area Network (WAN)

It is a network that acts as a link to transmit data, images, and audio, including telephone systems, video conferences, and live broadcasts, through a network that has long distances between offices or branches covering provincial and national areas. In addition, if there is a problem with data transmission, there will be a backup path to transmit data. Therefore, organizations with branches in the provinces or abroad will use remote network systems so that each branch can get to corporate data and share it.



Wide Area Network (WAN)

Figure 1 Magic Quadrant for SD-WAN



Source: Gartner (September 2020)

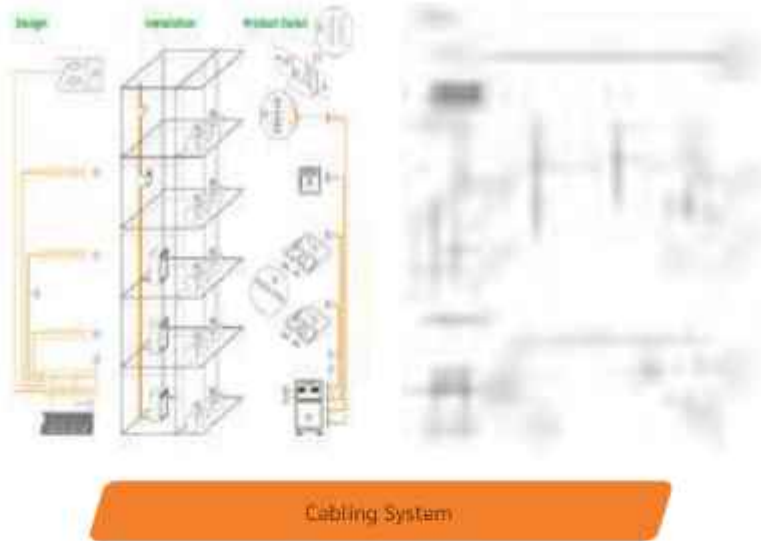
Wide Area Network (WAN) products in the global market

The Company mainly sells long-distance networking (WAN) products from Cisco and Fortinet which are popular products in Thailand. In addition, Cisco and Fortinet are the leaders of these products (Leaders) compared to the rest of the world, as shown in the Magic Quadrant for WAN Edge Infrastructure. of the above partners, with product details as follows:

Brand	Product	Product Image	Properties
Cisco	Network Switch		It is a device used to connect computers so they can communicate and exchange information with each other.
Fortinet	Router		It is a computer device used to find a route and transmit data between computer networks to the desired destination network.

1.3) Cabling System

The cabling system is an intermediary used for receiving-sending data exchanges within or between agencies via copper cables (UTP Copper) or fiber optic cables (Fiber Optic). However, the choice of cables and apparatus will increase the effectiveness and suitability of data transmission at various speeds.



The Company mainly sells Link and AMP's Cabling System products which are popular products in Thailand with the following product details.

Brand	Product	Product Image	Properties
LINK	Cabling System		For receiving-sending and exchanging data within or between agencies using copper cable (UTP Copper) or fiber optic cable, cable equipment serves as an intermediary (Fiber Optic).
AMP			

2) Cyber Security

To address complex network connection issues both internally and externally the organization, as well as reduce the risk of threats that may affect the organization's network system. However, enterprise network security can solve problems and increase productivity for organizations.

Since both public and private organizations must collect, process, and store large amounts of data on computer systems and other devices, the transmission of sensitive information across the network in terms of intellectual property, financial information, and personal data that others can access or disclose without their permission may have a negative impact on the organization. Therefore, every company pays a lot of attention to cybersecurity by putting in place a computer security system that protects only their own network. Today's cyberattacks are becoming more sophisticated and are the most significant threat to any organization's transactions.



Cyber Security

Figure 1: Magic Quadrant for Network Firewalls

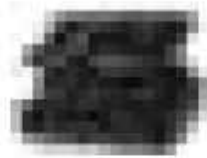


Source: Gartner (December 2022)

Cyber Security products in the global market

The Company primarily offers cyber security products of (1) Cisco, (2) Fortinet, (3) Palo Alto and (4) Check Point, which are renowned brands in Thailand. In addition, Fortinet and Palo Alto are leaders in these products (Leaders) compared to other manufacturers around the world. While Cisco holds a high market share but lacks a clear roadmap or innovation in product (Challengers) development compared to other global vendors, as illustrated in Gartner's Magic Quadrant for Network Firewalls above, with the following product specifications:

Brand	Product	Product Image	Properties
Cisco	Next Generation Firewall		It is a highly effective firewall that can handle complex threats. Anyhow, the Next Generation Firewall is different from general firewalls in that it can separate the use of the Application Layer in each type of program, allowing organizations to set policies to control the use of various applications, such as setting permissions not to use YouTube during working hours, etc.
Fortinet			
Palo Alto Networks			
Check Point			

Brand	Product	Product Image	Properties
Cisco	IPS/IDS (Intrusion Prevention/ Detection System)		It is an intrusion detection system in the network both internally and externally, in which information is at risk or affects the network system and can alert network administrators to provide data protection methods.
McAfee			
Cisco	VPN (Virtual Private Network)		It is a virtual network that utilizes the public network's architecture in the workplace, but it can also maintain a dedicated network within the Company by requiring a password before connecting to the network in order to increase the security of data transfer.
Juniper			
Cisco	Web/Mail Filtering		It is an access security system that serves as protection, checking unfamiliar websites and emails for malware or viruses that could damage the device's data, etc.
Cisco			
Symantec	Anti Virus		It is an application that finds, stops, and gets rid of malware or other threats to computers.
	Proxy Server		It is a computer that does a variety of tasks, instead of a physical server that is part of the Internet network.

Brand	Product	Product Image	Properties
Cisco	Authentication Server		It is a system to identify and authenticate users by verifying users in the network. In this regard, the system will check the username and password to see which system the user can access.
	NAC (Network Admission Control)		It is a control system and monitoring devices that are used by being able to set policies for accessing the network according to the type of device used, such as desktop computers, notebook computers, mobile phones, tablets, etc., to fit the location, time, and software within the device, etc.
McAfee	Log management		It is a system for storing, analyzing, and notifying administrators of network and Internet access data.
F5	DDos Protection		Distributed Denial-of-Service (DDoS) Protection is a system that effectively detects and manages attacks from traffic and application vulnerabilities and services used in the corporate network to be safe from hacker attacks to ensure smooth business operations and maximum efficiency.

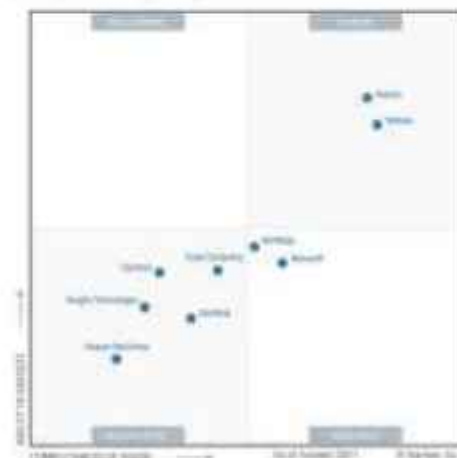
3) Data Center

The infrastructure that collects the resources of the IT system consists of the computer server, computers, network equipment, and other support systems. The server needs to have the ability to automatically allocate and adjust resources so that the application software can run continuously and securely, as well as provide services that meet business needs and are fast, timely, efficient, and stable. In addition, as the server must be able to handle increasing amounts of data and various network connections, the design and installation of the server must consider administrative factors that can be easily managed, reduce overall costs, and save on operating costs. The server is different from a general computer. The server must be able to support large-scale services and processing, as well as always provide service to users of data and support a connection via a high-performance and very secure Internet network. Nowadays, most servers are located in highly reliable and well-maintained data center systems (Maintenance) such as by depositing the data center system through a service provider (Cloud Server) for storing data or processing various work programs instead of storing all data and processing on the data center system within their own office (On-Premise Server). In addition, data center systems can be designed to store data in a safe and secure location such as a Data Center Site (DC), a Disaster & Recovery (DR Site), and a backup and storage system (Storage & Backup System) to prevent system downtime. The Company has experts in designing and supplying products to meet the needs of customers in terms of reasonable prices and maximum efficiency.



Data Center

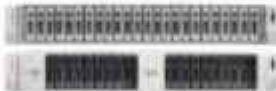
Figure 1: Magic Quadrant for Hyperconverged Infrastructure Software



Source: Gartner (November 2021)

Data Center products in the global market

The Company primarily offered data center systems from renowned manufacturers in Thailand, including (1) Cisco, (2) VMware, (3) HPE, and (4) Dell EMC. In addition, when compared to other global manufacturers, Cisco, VMware, HPE, and Dell EMC are leaders in several product categories. The above picture displays Gartner's Magic Quadrant for Hyperconverged Infrastructure, with the following product information:

Brand	Product	Product Image	Properties
Cisco	Application Centric Infrastructure (ACI)		A high-performance broadcasting device to support the expansion of the system as well as being able to work in a virtualization environment as well as being able to connect to the server and storage devices within the same data center system or separate all data center systems and connect various services between within the data center system and users. In addition, it can also be customized to their needs in the form of Software-defined Network.
	Servers - Unified Computing		A server from Cisco, which is designed to be able to manage more easily, quickly, efficiently, as well as support for virtualization technology
NetApp	Data Storage System		It is a storage and backup system for convenient data management.
Dell EMC			

Brand	Product	Product Image	Properties
HPE	Server		It is a server which is the main computer in the network.
Dell EMC			
NetApp	Servers - Unified Computing		It is a software product that is used to back up data in the data center system so that data doesn't get lost.
NetApp	Servers - Unified Computing		It is a system for managing data that copies operating programs and operating systems (OS), which lets a server computer run more than one OS (OS).

4.) Collaboration

It makes internal communication easier so that clients can conduct business effectively using the following formats:

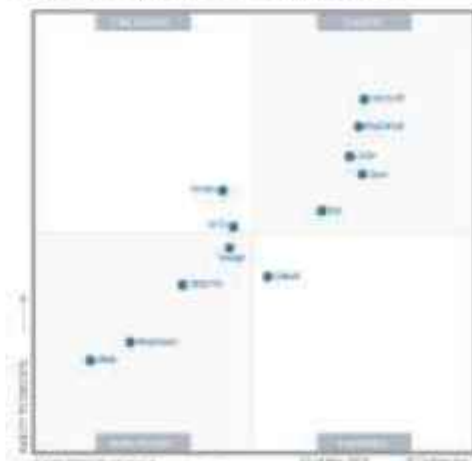
4.1) Voice and Unified Communications

Voice and Unified Communications is a comprehensive communication improvement that combines dial-up and PC-based communications with audio, video, data, and mobility applications into a single system. At the touch of a computer screen, people can communicate in real time (real-time) via text, voice, online presence, e-mail, and conferencing. The Voice and Unified Communications system has used software to help manage communication systems between individuals and organizations in order to make it flexible, simple to use, reduce the complexity of modern communication systems, make device and media components independent of each other, and maximizing business operations' advantages.



Voice and Unified Communications

Figure 1: Magic Quadrant for Unified Communications as a Service, Worldwide



Source: Gartner, November 2022

Voice and Unified Communications products in the global market

The Company primarily offers solutions from Cisco that are well-liked in Thailand, including voice and unified communications. Also, as demonstrated in the Magic Quadrant for Unified Communications of Gartner above and with the following product information, Cisco is the market leader in this category when compared to other competitors globally.

Brand	Product	Product Image	Properties
Cisco	Unified Communications		It combines multiple or multiple communication channels into a single system for business operations, whether it's a phone call, meeting, messaging, file transfer, to make communication in the organization more efficient, easy to use and
	Contact Center		It is a contact center for interaction between the organization and its customers via telephone or other channels such as email, post, and online channels that will facilitate business operations and customer relationship management.
	Collaboration Endpoints		It is a communications tool that may be used in a range of formats, including desktop, office, and IP phones, among others.

4.2) Video Conference

It is a kind of two-way interaction where users can send and receive images (delegates and presentation materials) and audio data via Internet (IP) or ISDN connections (ISDN). It is a type of communication method that integrates images, data, and sound together as though holding a conference in the same room.



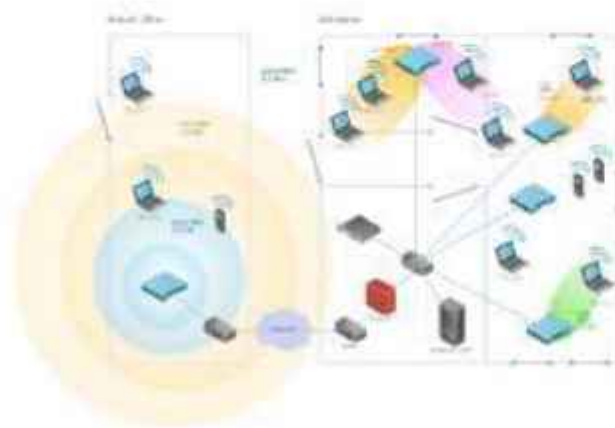
The Company mainly sells video conferencing products from Cisco, which are popular products in Thailand. The product details are as follows.

Brand	Product	Product Image	Properties
Cisco	Conferencing Endpoint		It is a communication system that can accommodate several meeting participants at once, send and receive audio and video data, as well as papers distributed to conference participants.

Brand	Product	Product Image	Properties
Cisco			
	Web Conferencing Application		A web browser can be used to access the web conference platform, which features a straightforward and time-saving procedure.

5) Wireless LAN

It is a network system that connects computers within a wireless area by using radio frequencies to connect. The wireless connection serves both as a connection means to connect computers to each other and as a connection between computers and an access point.



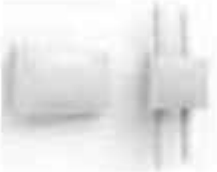
Wireless LAN

Figure 1: Magic Quadrant for Enterprise Wired and Wireless LAN Infrastructure



Wireless LAN products in the global market

The Company mainly sells Cisco Wireless LAN products which are popular products in Thailand. Cisco is also the Leaders in this category compared to other vendors worldwide as shown in the Magic Quadrant for Wired and Wireless LAN Access Infrastructure, of Gartner above with product details as follows

Brand	Product	Product Image	Properties
Cisco	Access Point		It is a device that uses radio frequency signals to wirelessly connect computers.
	Wireless Controller		It is a device used to control the wireless connection as a centralized device for simply management.
	Meraki Access Point		It is a wireless communication system with an online management interface for Cloud Services.

6) Network Management

It is computer system administration for the entire organization, from origin to destination, where the device can be checked at any time. The network management system collects information and analyzes the information in the network in order to achieve optimal and efficient management, which has the following guidelines for management:

1. Fault management is the investigation and gathering information about faults occurring in the network, with the aim of solving the faults in a timely manner.
2. Configuration Management is the management of various network device settings, such as setting IP Address, etc.
3. Account Management is to collect details, create, and control users for various devices to access network resources such as user information, quotas, and rights of the user or group of users, etc.
4. Performance Management is the measurement, reporting, analysis, and control of a network system's performance, including data transfer rates, traffic, and maintenance of various network equipment for constant use.
5. Security Management is to regulate how different network resources are used to adhere to defined policies, such as the use of firewalls and data encryption.



The Company mainly sells network management system products from Cisco and Solarwinds which are popular products in Thailand with product details as follows.

Brand	Product	Product Image	Properties
Cisco	Network Management Software		It is network management software that makes it simple to control, install, monitor, and maintain equipment on wired and wireless networks.
Solarwinds			

Equipment repair and maintenance services

The Company also offers repair and maintenance services for information technology and communication system equipment to customers in a condition that is ready for use in accordance with the conditions specified by customers so that the customers can continue their business by receiving technical assistance from the manufacturers of products that the Company sells after the installation of information technology and communication system equipment has been completed by the Company. In this regard, the Company has delegated the Company's specialists to address inquiries and resolve issues that clients may run into when using communication and information technology. Whenever necessary, replace and repair hardware components.

As a result, customers in both the private and public sectors are more likely to hire specialized services, especially for IT operations. This helps them save money and make the most of their limited resources when running their own businesses proficiently. The aforementioned services can be divided into 3 types as follows:

1. PREVENTIVE MAINTENANCE
2. COLLECTIVE MAINTENANCE
3. WARRANTY

At present, the Company maintains a dedicated a service team stationed at the customer's site to perform equipment repairs, maintenance and ensure the operation of information and communication technology systems, including analytical services and solving problems for customers quickly. The Company's team is made up of experts who have been trained and certified for their capability to provide service from the Company that owns the product. The Company provides services to customers in 2 forms, as follows:

1. Customers who require high system availability and timely service will benefit from providing customer service every day (seven days a week, 24 hours a day), including holidays and public holidays. The characteristics of such services are as follows:
 - The Company dispatches its staff to repair damaged or defective equipment at the customer's office (on-site service) or provide advice to the customer via telephone, fax, or email, as necessary, 24 hours a day, every day.
 - The Company commits to urgently resolving the problem within 4 hours after the customer notifies the problem by repairing or replacing parts within 1 working day in case the product is not fully functional.
 - Provide Preventive Maintenance every 3 months.
 - Every six months, the Company will arrange a meeting with customers to discuss issues with product usage or to offer suggestions for improving system effectiveness.
2. Customer service (5 days x 8 hours) during business hours Monday–Friday from 8:30 a.m. – 5:30 p.m., which is suitable for customers who require moderate system availability. With the exception of a different service period, the nature of the service is the same as the service in Clause 1.

Equipment rental services

In addition, the Company can also offer an alternative service for equipment rental related to information technology and communication systems to customers who do not wish to invest in their own equipment, but they have a need to use items such as Network Infrastructure and computer security systems, etc. Additionally, the business provides customers awaiting equipment that they are in the process of purchasing or for use in urgent missions with a short-term equipment rental service of approximately one month.

1.2.2.2 Marketing and Competition

(A) Marketing for necessary products and services

Competitive Strategy

In the past, the Company has operated its business by creating confidence and satisfaction among customers through the delivery of high-quality services, ensuring prompt and timely service delivery, and offering a diverse range of products at fair prices. This commitment has consistently earned the trust of customers and enabled the company to significantly expand its customer base. The Company has the following competitive strategies:

1) Products & Services Strategy

- Become a partner with information technology system products and communications providers that are internationally recognized.

The Company understands how crucial it is to form business partnerships with other companies in order to uphold positive working relationships and maximize mutual potential. The Company has a strong alliance network thanks to its accomplishments and experience spanning more than 20 years. Customers continue to hire the Company because it has a thorough understanding of the products, works closely with partners to meet customers' needs, and produces high-quality work on schedule.

The Company has been a Gold Certified Partner, Cisco's highest partner level, since starting the information and communications technology networking business in 2012. At present, there are only 19 companies in Thailand that have received Gold Certified Partners. Cisco owns a well-known information technology system product from the United States and has a relatively high market share of information technology system products both domestically and internationally. Therefore, the Company is required to meet the criteria set by Cisco in order to be upgraded to an ultimate partner.

The Company has also thought about choosing a range of products to sell to customers, both in terms of price and quality. It is a distributor of many products under leading brands that are certified to international standards, have a reputation in the industry, and are widely trusted. Therefore, it can build customer confidence in terms of quality and services that are internationally recognized to enable the Company's customers to operate information technology and communication systems efficiently.

- After sales service

The Company emphasizes after-sales service as the heart of business operations in the current situation, where market competition is quite high, but providing good and quality services will enable the Company to create customer satisfaction and maintain the existing customer base by employing the service on a regular basis and continually introducing new customers to the Company. In addition, some customers may request additional services by having the Company's specialists work onsite at the customer's premises to ensure that the information technology and communication network systems are ready to be used with maximum benefit, which is an important factor in the competition among operators in the information and communication technology industry. Currently, the Company has a customer satisfaction assessment form to gather information to improve and develop the service to be always efficient.

- There are experts in providing knowledge and services.

The Company has a team of sales engineers who have knowledge, experience, and expertise in information and communication technology network systems. Mr. Somchai Oumkratum, Chief Executive Officer and most of the members of the team have experience in the business for more than 20 years. A team of sales engineers can provide services starting with an inquiry about customer needs, designing efficient information and communication technology network system, selection of quality equipment, installation and testing of information and communication technology network systems, various after-sales services, etc. In addition, the Company's team currently has four keys areas of expertise: Advanced Data Center Architecture Specialization, Advanced Enterprise Networks Architecture Specialization, and Advanced Enterprise Networks Architecture Specialization, and Advanced Service Provider Architecture Specialization. The Company's team consists of six individuals who have passed the exam and received the highest-level certificate of expertise in network technology, known as the Cisco Certified Internetwork Expert (CCIE) from Cisco. The Company also has been audited to meet the standards set by Cisco, such as providing 24-hour customer support, participating with Cisco in customer satisfaction surveys, etc.

The company believes that providing excellent service is the cornerstone for fostering strong relationships, credibility, and trust. By prioritizing the delivery of quality work within specified timeframes, we have significantly enhanced the company's reputation, which is widely acknowledged and accepted." In addition, work experience is an important foundation that enables the Company to manage, control, and plan the work correctly and precisely, which directly affects its efficiency in controlling the operating results within the set estimates. Therefore, the Company focuses on the self-improvement of employees and keeps up to date with business-related technology news, as well as giving importance to continuously enhancing the potential of personnel at all levels through training to increase the work efficiency of personnel in the field. all levels

- Warranty

The work guarantee is a pivotal service condition offered by the Company. The duration of the work guarantee, typically ranging from 1 to 5 years, is determined based on the type of work and negotiations with the customer. The Company procures direct protection from the distributor to ensure compliance with the customer's workmanship guarantee. This instills confidence in customers regarding any issues that may arise from the services provided by the company after the completion of work (SERVICE-TYPE WARRANTY).*

2) Price

The Company has a policy to set selling prices in the business of selling and installing equipment related to information technology and communication systems before accepting works from clients or before participating the bid to include such cost information and expenses in the project's total cost calculation and add the gross margin, the Company's sales department will confirm the most recent information on cost prices and equipment from the procurement department and compute working hours, wages, and other expenses. To consistently maintain a high level of profitability, the Company has a policy of providing projects with a gross profit of between 10 and 25 percent. This policy is primarily motivated by competitiveness.

For pricing in the repair and maintenance service business and equipment related to information and communication technology systems rental business, the Company will study and evaluate the initial cost to offer a price to the employer by evaluating the details, complexity of the work, the value of materials and equipment used in the project, the number of personnel responsible for project control, other related expenses, timing and other risks, such as costs from changes caused by technological obsolescence of equipment, including the gross profit margin that the Company will receive. The Company will set a higher rate than the business of selling and installing information technology and communication systems equipment to be suitable with the risk and scope of work to be received.

3) Place

The Company values constant communication and cooperation with its clients. The Company has established sales and marketing policies that put an emphasis on long-term customer relationships in order to maintain the existing customer base and continuously expand the new customer base. At present, the Company's executives, namely the Chief Executive Officer and the Chief Officer in Installation and Service are responsible for following up on news, information, movements, and investment plans for new information and communication technology network system projects that will occur among employers in both the public and private sectors which has disclosed information to the public through various media or news distribution channels of each organization.

In this regard, if employers in the public and private sectors wish to invite business owners who run a business of designing networks and integrated communication systems (System Integrator) to participate in bidding and/or submitting proposals for the chance to hire information and communication technology network system projects, the Company will be invited to bid directly from the project owners who are aware of our work profile or have prior experience with similar projects. The employer will consider the budget and select the contractor mainly through the bidding method, where the employer will consider the reputation, past performance, work experience, and financial stability of the contractor. In addition, due to the Company has a policy to continually contact employers from both government and private sectors who used to hire the Company to provide them a service in order to maintain a good relationship, it also increases the opportunity for the Company to receive work from new employers through advice from previous employers, in addition to the opportunity to continuously accept work from previous employers who have confidence in the quality of service based on examples of various information technology and communication network system projects that the Company has designed and installed in the past. However, as of December 31st, 2023, the Company has a sales and marketing team of 8 people with the responsibility to meet directly with customers to inquire about their needs and present details of the use of products and services, including advice on equipment for modern information technology and communication technology networks for customers.

4) Promotion

The Company places importance on building good relationships with customers. The sales team of the Company will keep in close contact with customers in order to get to know their needs and their problems or limitations quickly, as well as provide assistance in solving problems to ensure the customer's highest satisfaction. In addition, the Company focuses on marketing and public relations by searching for markets and building relationships with existing and new customers with potential growth, such as providing equipment rental services related to information technology and communication systems for customers who prefer not to invest in their own equipment, etc. In addition, the Company also has channels to promote its products and various products, such as the Company's website. In the past, the Company participated in exhibitions to promote products with Cisco and educate customers, such as penetration of hotel customers in the southern region at the Andaman IT fair held in Phuket in 2023 and organizes seminars and educational events to provide knowledge in the field of security to government agencies, etc. Company's strengths

IT Andaman 2023 at Phuket



Seminar on cyber security at the Ministry of Commerce



Strengths of company

- The Company has an advantage over its rivals in terms of costs and sources of funding for business operations thanks to its listing on the mai stock exchange. Additionally, it maintains a positive corporate image, which fosters more opportunities and credibility among customers.

- The Company is a partner of a globally recognized manufacturer of information technology and communication network systems. It is one of Cisco's Gold Certified Partners in Thailand, which is the highest level of partners. In addition, over the past 10 years, the Company has been a business partner with various other partners. There are quality products and international reputation such as Fortinet, LENOVO, DELL EMC, CHECK POINT, JUNIPER Networks, VEEAM, VMWARE, Palo Alto Networks, Hewlett Packard Enterprise and F5 etc.

- Information and communication technology network system products are basic systems that are required to enable every organization to diversify its customer base in a variety of industries and cover areas in Thailand as well as continually expand new customer bases in both the public and private sectors that operate telecommunication service providers, financial institutions, educational institutions, information technology, electronic equipment, medical equipment, hotels, airlines, etc.

- The information and communication technology industry is likely to grow in the future, mainly due to the spread of the COVID-19 virus, resulting in Lockdown Work from home and Study at Home measures. In addition, most organizations nowadays need to adjust their business models to be in line with the current New Normal situation, for example, by turning to use more Cloud Server and Data Center services, resulting in the increased use of information and communication technology.

- The Company places great importance on after-sales service as the core of the business operation. This emphasis allows the Company to retain customers and create satisfaction, encouraging them to utilize the service regularly and consistently. Moreover, satisfied customers are more likely to recommend the company to others, leading to a continuous flow of new customers.

- The Company has management and teams with experience and expertise in the industry for almost 20 years and has a human resource development policy to encourage employees to pass training or courses from specialized products that can cover the needs of using the information and communication technology system networks to serve customers from design, consulting about operational procedures, including after-sales service effectively and meet the needs of customers.

- The internal flexibility of the Company, as a medium-sized organization enables the Company to adapt strategies, reorganize, and develop its infrastructure and personnel to accommodate the rapidly changing conditions of the IT market. This adaptability allows the company to accept a wide range of projects, from small to large, effectively meeting the diverse needs of its clients. In addition, the Company is able to control and inspect the work in all sectors thoroughly, resulting in lower fixed costs compared to competitors, which creates a price competitive advantage in project bidding including the control of service standards for customers to be efficient on a regular basis.
- The Company can create performance and differentiate from other network system and integrated communication system designers by offering equipment rental services related to information technology and communication systems for customers who do not wish to invest in their own equipment but need to use such equipment, which can generate more returns for the Company than other SI's traditional businesses that focus on sales and installation of equipment related to information technology and communication systems and the business of providing repair and maintenance of equipment related to information technology and communication systems.

Customer Characteristics

The Company's customer groups encompass a broad range, including government and businesses ranging from small organizations to large corporations across various industries, such as telecommunications and the information technology industry, the electronics industry, the medical equipment industry, financial institutions, and educational institutions, with a demand for products and services related to information technology and communication network systems to support the operations of the organization and to increase the security of the information system and information technology in the organization.

Target customer

The target customer base is divided into 2 types as follows:

1. Government customers

The Company's public sector clients include government agencies, state-owned financial institutions, and government educational institutions such as the Government Housing Bank, the Public Broadcasting Service of Thailand (Public Broadcasting Service of Thailand), Thammasat University, and Rajabhat University, Nakhon Pathom, etc., by using the procurement method in the same manner as the government regulations. That is, most government employers will choose contractors based on who meets all the criteria and offers the best price during the bidding process. Additionally, most government customers have turnkey projects, which cover understanding customer needs, consulting, project planning, system design, implementation, installation, and maintenance, as well as training to create an understanding of use.

2. Private sector customers

The Company's private sector clients include public companies listed on the Stock Exchange of Thailand, limited companies, and multinational companies in the information technology industry, the electronic equipment industry, the medical equipment industry, and educational institutions. Private employers will consider selecting contractors in 2 ways: (1) selecting the bidder who offers the price and conditions that are suitable and most beneficial to the employer, together with the consideration of qualifications in terms of experience, expertise, and other readiness of the contractor; and (2) notifying the intention of hiring a specific contractor, which is usually an employer with a good relationship and continuous employment of the contractor. In addition, most of the private sector customers are well-known organizations with good financial status, which tend to hire outsourced companies with specific expertise to come and change some systems or equipment in all information and communication technology network systems.

In 2021 - 2023, revenue from sales and services provided to government and private sectors can be summarized as follows:

Customers	2021		2022		2023	
	Million Baht	Proportion (%)	Million Baht	Proportion (%)	Million Baht	Proportion (%)
Government customers						
- State-owned financial institutions	79.90	21.63	50.66	9.24	45.55	6.63
- Government agency	65.27	17.67	71.92	13.11	91.87	13.38
- Government educational institution	10.41	2.82	13.80	2.52	40.96	5.97
Total government customers	155.58	41.11	136.38	24.87	178.38	25.98
Private sector customers	213.85	57.89	412.01	75.13	508.20	74.02
Total revenue from sales and services	369.42	100.00	548.39	100.00	686.58	100.00

Distribution and Distribution Channels

The Company focuses on building good care and relationships with customers by means of distribution, most of which are direct sales by allowing the team to meet customers either in traditional or electronic forms. In order to accurately and completely communicate the needs of customers, employers, both public and private sectors, wish to provide opportunities for entrepreneurs who operate a business to design a complete network and communication system (System Integrator) by participating in bidding and/or submitting proposals for the opportunity to hire an information and communication technology network system project. In the past, the Company was invited to participate in the bidding directly from the project owner, who knew its work history or had previously hired the Company. The employer will consider the budget and select the contractor through the bidding method. The employer will consider the reputation, past performance, work experience and financial stability of the contractor. In addition, the Company has a policy of contacting employers in the public and private sectors who used to hire the Company's services continuously to maintain good relationships that increase the Company's chances of getting work from new employers through referrals from existing employers. In addition to having the option to accept work from previous clients who trust the caliber of the service based on examples of various information technology and communication network system projects that the Company has designed and installed in the past. However, as of December 31st, 2023, the Company has a sales and marketing team of 8 people who directly meet with customers to inquire about their needs and present details of the use of products and services, including advice on equipment in regular work on modern information technology and communication technology networks for customers.

In addition, the Company has also added channels for promotion and access to sales by creating a website, the ITNS shop, and adding a contact channel via Line OA: @itns to provide advice to customers and after-sales care.

Risk factors associated with relying on customers that are crucial to the Company's survival.

In the past, the Company has sold to large customers, which carries some risks. As a result, it has a policy of not relying on any customer as a main way to manage the risk of dependence on large customers. Additionally, it constantly expands its customer base to new customer groups while maintaining positive relationships with all of its current clients in order to produce income stability for the Company in the future.

(B) Competition conditions**Industry and Competition****Thai Economy Trend in 2024**

The outlook for the Thai economy in 2024 is expected to expand between 2.7 and 3.7 percent (the median estimate is 3.2 percent), supported by (1) the return of export growth (2) a strong expansion of private consumption and investment, and (3) a continued recovery of the tourism sector. Moreover, private consumption and investment are expected to rise by 3.2 percent and 2.8 percent, respectively. In addition, exports of merchandise in US dollars expanded by 3.8%. Inflation is expected to average about 1.7-2.7%, and the current account balance will be in surplus of 1.5%.

Details of economic projections in 2024 in various areas are as follows:

1. Consumption spending consists of (1) Private consumption spending is expected to grow by 3.2 percent in 2023, slowing down from the 7.0 percent growth in 2023, with the labor market remaining strong as a support factor. As a result of higher consumer confidence and low inflationary pressures, as well as (2) Government consumption spending, it is expected to expand by 2.2 percent in 2023 after a decrease of 4.2 percent. With a budget of 2,762,800 million baht for 2024, an increase of 7.5% from the budget framework of 2,569,219 million baht from the previous fiscal year.

2. Investment will continue to grow by 1.6 percent in 2024, following the 1.3 percent increase in private investment in 2023. Following the recovery trend of merchandise exports and industrial production, the economy is expected to grow by 2.8 percent in 2024, accelerating from 2.0 percent in 2023. The continuous increase in the value of projects applying for investment promotion and obtaining investment promotion certificates, as well as (2) public investment. Because of a delay in the 2024 annual budget process, disbursements are expected to be delayed by 1.8 percent, following a decrease of 0.8 percent in 2023.

3. US dollar value of merchandise exports is expected to increase by 3.8%, compared with a decline of 2.0% in 2023. There will be a 3.3 percent increase in export volume, compared to a decrease of 3.1 percent in 2023, and a 1.0-0.0 percent increase in export prices, compared to a 1.1 percent increase in 2023. The volume of goods and services exports is expected to increase by 6.2% in 2024, which is up from 2.9 percent in 2023.

Source: <https://www.nesdc.go.th/>

Factors fostering the communication market's expansion in 2024

According to Gartner, a world leader in research and advisory, by 2024, global IT spending will reach \$5.1 trillion, an 8% increase from last year, which is an investment in improving operational efficiency and reducing personnel gaps. Additionally, by 2024, it is expected to double its size in terms of software and IT services, with much of this growth coming from cloud computing. It will grow 20.4% in 2024, extending its growth from 2023.

As inflation continues to affect consumers and businesses throughout 2022 - 2023, the equipment market will be impacted. However, equipment spending is expected to increase 4.8% in 2024. (according to Table 1.)

Table 1. Projected Global IT Network Usage Value (Unit: Million USD)

	2022		2023		2024	
	Spending	Growth (%)	Spending	Growth (%)	Spending	Growth (%)
Data Center Systems	227,021	-19.7	237,703	4.7	260,221	9.5
Devices	766,279	-6.3	689,288	-10.0	722,472	4.8
Software	811,314	10.7	916,240	12.9	1,042,386	13.8
IT Services	1,305,699	7.5	1,401,038	7.3	1,547,349	10.4
Communications Services	1,423,128	-1.9	1,449,286	1.8	1,497,345	3.3
Overall IT	4,533,441	2.9	4,693,556	3.5	5,069,773	8.0

Source: Gartner (October 2023)

The strategic technology trends in 2024 will involve enabling organizations to work more efficiently with the help of technology. According to Gartner, 10 strategic technologies will dominate the market in 2024.

1. Democratized Generative AI

The field of generative AI is rapidly developing due to models that are trained on vast amounts of data, cloud computing, and open-source initiatives. In order to make these models available to everyone, Gartner has predicted that GenAI will be used by over 80% of enterprises by 2026, compared to less than 5% in 2022.

With GenAI, people in an organization have access to a wealth of information, both inside and outside of their organization, which can be used to create knowledge and increase efficiency.

2. AI Trust, Risk, and Security Management

Since AI systems can currently be accessed independently, AI reliability, risk, and security management (AI TRiSM) is of vital importance. Without effective management, AI systems can develop negative side effects that easily outweigh the positive impacts. Due to this, AI TRiSM helps in proactive data protection, unique AI security, and detection of data biases and inaccurate results using AI.

According to Gartner, TRiSM AI controls will significantly improve decision accuracy by eliminating up to 80% of erroneous and illegal data by 2026.

3. AI-Augmented Development

To improve developer productivity and meet the growing demand for business software, software development will use AI technologies, such as GenAI to help software engineers design, code, and test applications.

By using AI-based development tools, engineers will be able to reduce the amount of time they spend writing code and focus on more strategic activities, such as designing and developing relevant applications.

4. Intelligent Applications

An intelligent application that incorporates learning is self-adaptive. Gartner states that these applications can adapt to the needs of users based on the data they gather.

A Gartner survey of CEOs and senior executives in 2023 revealed that 26% considered personnel shortages a risk that could result in damage to the organization. As a result, attracting and retaining talented employees is essential and intelligent applications are expected to dominate organizations in the next three years.

5. Augmented-Connected Workforce (ACWF)

As part of the implementation of ACWF, workforce performance applications and analytics will be leveraged to support skills development at work in a way that drives business and has a positive impact on stakeholders.

6. Continuous Threat Exposure Management (CTEM)

The Continuous Threat Exposure Management (CTEM) process enables organizations to continuously assess, expose, and exploit their digital and physical assets. A CTEM assessment is different from a traditional assessment in that it is tailored to the threat or business project at hand. During this process, vulnerabilities and threats are identified that cannot be remedied.

It is predicted by Gartner that organizations that focus on security investments through CTEM programs will experience a dramatic two-thirds reduction in breaches by 2026.

7. Machine Customers

There has been an increase in the use of machine customers, also called Custobots, to assist in the negotiation of procurement agreements. A study has shown that by 2028 there will be 15 billion connected products that will serve as customers, resulting in trillions of dollars in revenue by 2030.

The impact of this trend is expected to outweigh the impact of digital commerce. Thus, strategic planning organizations should consider exploring the possibilities of leveraging these algorithms and devices or even creating a new Custobot.

8. Sustainable Technology

The concept of sustainable technology refers to a set of digital solutions intended to promote environmental, social, and governance (ESG) outcomes to support long-term ecological equilibrium and human rights. The growing use of technologies such as artificial intelligence, cryptocurrencies, the Internet of Things, and cloud computing raises concerns about energy consumption and environmental impact. Consequently, it is important to take into account the importance of increasing the efficiency, circularity, and sustainability of the use of IT within various organizations.

9. Platform Engineering

The platform engineering process involves the manual creation and management of an internal development platform. Each of these platforms is built and maintained by a dedicated team of product developers, and serves as a mechanism for connecting tools and processes to meet the needs of users. Overall, platform engineering aims to improve user experience and accelerate delivery of business value by increasing performance.

10. Industry Cloud Platforms

According to Gartner, more than 70% of organizations will use Industry Cloud Platforms (ICP) by 2027, the adoption rate has increased from less than 15% in 2023. ICP will combine SaaS, PaaS and IaaS services to offer a comprehensive solution that will be able to be tailored to specific industries and can be further customized to suit the requirements of each organization. In addition to these features, these platforms provide packaged business capabilities, composition tools, and other innovations in the field of information management.

Source: www.gartner.com

The estimated number of competitors and the conditions of competition

During the past 5 years, the development and application of information and communications technology systems have changed significantly, as well as the government's initiatives to transform Thailand into a fully digital society. Therefore, both the public and private sectors will have to adapt to the changes that will take place in the future. Investments in data centers, information technology, and communication systems are increasing as a result of investments in basic computer network systems

This has resulted in continued growth in the market for information and communication technology systems. There is a considerable amount of competition in the business as a result of this. A majority of the information and communications technology system industry in Thailand is composed of manufacturers that are capable of selling and providing complete service packages for their products, such as Cisco, Huawei, HPE Aruba and Juniper, etc. Choosing business partners allows the product owners to sell their products and provide customer service. In this business, Cisco has gained significant market share both domestically and globally over the past few years, and Cisco is one of the Company's key trading partners. Cisco has divided its business partners into three levels as follows:

1. Select Certified Partner is an entry-level partner. Cisco must certify them as having specific expertise (specialization) in at least one aspect. As an entry-level affiliate, Cisco has a technical support policy that involves marketing and promotion.

2. Premier Certified Partner is a mid-level partner. As part of their certification process, Cisco requires that they possess specific expertise (Specialization) in at least one area and have at least two experts who have passed the exam and have received a certificate in the installation, support, and troubleshooting of network systems (Cisco Certified Network Associate: CCNA), as well as collaborating with Cisco on customer satisfaction surveys. There is a technical support policy, marketing promotion policy, and promotion for this type of affiliate is higher than that for entry-level affiliates.

3. Gold Certified Partner is the highest level of partner. There must be a minimum of four areas in which they are certified as having specific expertise (Specialization) and a minimum of four experts who have passed the certification examination and are certified as network technology experts at the highest level (Cisco Certified Internetwork Expert, CCIE) and have been verified as experts. All operations must adhere to Cisco standards, including 24-hour customer support and collaborating with Cisco on customer satisfaction surveys. Technical support, marketing promotion, and the promotion of this type of partner are all available at the highest level at Cisco.

The Company is currently a Gold Certified Partner, Cisco's highest level of business partnership. It is a competitive advantage for companies that have been appointed to be Gold Certified Partners of Cisco over their competitors who are not Gold Certified Partners in terms of technical support, marketing promotion, and promotions, including special discounts on Cisco products. The following are the 19 Gold Certified Partners in Thailand as of the end of 2023:

(Unit: Million Baht)

Information on the Department of Business Development's financial statements as of December 31, 2022

No.	Company' name	Project Size	Total Income	Total assets	Registered capital
1	Metro Systems Corporation Public Company Limited (MSC)	Large	7,571.85	3,210.63	360.00
2	Advance Information Technology Public Company Limited (AIT)	Large	6,614.11	6,345.16	1,547.41
3	IBM Thailand Co., Ltd. (IBM) ¹	Large	5,491.30	5,480.20	100.00
4	MFEC Public Company Limited (MFEC)	Large	4,952.76	5,796.21	441.45
5	Samart Telecom Public Company Limited (SAMTEL)	Large	2,015.37	6,905.07	712.00
6	CS Laxinfo Public Company Limited (CSLI) ¹	Large	2,459.51	3,364.27	148.63
7	NEC Corporation (Thailand) Co., Ltd. (NEC) ¹	Large	1,955.59	2,332.26	350.30
8	Datapro Computer Systems Co., Ltd. (DCS) ¹	Medium	2,574.48	1,865.37	100.00
9	NTT (Thailand) Co., Ltd. (NTT) ²	Large	2,566.57	3,448.86	665.37
10	Kindryl (Thailand) Co., Ltd. (Kindryl)	Large	2,898.10	1,746.99	1,097.86
11	Tangerine Co., Ltd. (Tangerine)	Medium	2,113.16	995.93	80.00
12	Niotech Asia Co., Ltd. (Niotech)	Medium	1,350.18	1,234.03	75.00
13	The Practical Solutions Public Company Limited (TPS)	Medium	911.71	856.30	226.80
14	BT Sam Co., Ltd. (BT Sam)	NA	422.58	300.79	5.00

No.	Company' name	Project Size	Total Income	Total assets	Registered capital
15	International Network System Public Company Limited (ITIS)	Medium	548.39	666.49	220.00
16	Net One Network Solution Co., Ltd. (NETONE) *	Medium	387.29	307.59	100.00
17	Orange Business Services (Thailand) Co., Ltd. (ORANGE)	NA	93.48	59.21	24.10
18	ATG Systems (Thailand) Co., Ltd. (ATG)	NA	9.46	19.14	2.00
19	KDDI (Thailand) Co., Ltd. (KDDI)	NA	722.57	705.21	20.60

1 subsidiaries of overseas companies

2 Subsidiaries of Advance Info Service Public Company Limited

3 subsidiaries of Premier Technology Public Company Limited

4 subsidiaries of Loxley Public Company Limited

Size of the Company as compared to its competitors

According to the number of projects hired, entrepreneurs who have received Gold Certified Partners can be divided into groups based on their business operations of information and communication technology. At each level, working capital must be utilized as follows:

A) Large-sized project

Projects requiring operating capital of at least 500 million baht are typically managed by large listed companies on the Stock Exchange of Thailand. These companies are subsidiaries of foreign companies that work with foreign product manufacturers. As a result, the Company is capable of providing complete equipment and has a strong financial position.

B) Medium-sized project

These projects require an operating capital of at least 10 million baht, but not more than 500 million baht, and most of them are partnerships with foreign product manufacturers, but there are some financial limitations. It is therefore impossible to participate in the bidding process for large projects as a result of this limitation.

C) Small-sized projects

The project requires no more than 10 million baht in operating capital, and most of the companies are small and not affiliated with foreign manufacturers.

Taking into consideration that its direct competitors are classified as service providers for small to medium-sized projects, the Company conducts business as a system integrator of network and communication systems, including

1. Datapro Computer Systems Company Limited
2. Tangerine Company Limited
3. Nextech Asia Company Limited
4. The Practical Solution Public Company Limited
5. Net One Network Solution Company Limited

Etc., which has business operations and target customer groups similar to the Company's business.

Status and competitive potential

- The company's listing on the stock exchange and its ability to receive funds from the market provide it with a competitive advantage. This advantage extends to both cost management and accessing diverse sources of funds for business operations. Furthermore, having a strong corporate image enhances the company's credibility and opens doors to opportunities, enabling it to secure more contracts and expand its business operations.

- The company is a distinguished partner of a globally recognized manufacturer of information technology network products and communication solutions. As one of Thailand's GOLD CERTIFIED PARTNER partners, it holds the highest level of accreditation from CISCO. Additionally, for the past 10 years, the Company has been a business partner with other partners whose products are of international quality and reputation and whose partners are diverse in nature, such as Fortinet, LENOVO, DELL EMC, CHECK POINT, JUNIPER Networks, VEEAM, VMWARE, Palo Alto Networks, Hewlett Packard Enterprise, and F5. Technology network system products and information and communication systems are fundamental components required in every organization. Consequently, The Company has been able to diversify its customer base in various industries and cover areas in Thailand. Furthermore, the Company is constantly expanding the number of new customers in both government and private sectors. The private sector includes telecommunications service providers, financial institutions, educational institutions, information technology firms, electronic equipment provider, medical equipment suppliers, hotels, and airlines, among others.

- The information technology industry and communication tend to grow annually, and most organizations have to adjust their business models to remain relevant to the current New Normal. Increased use of Cloud Servers and Data Center services, customer database analysis, and bringing in technology to help create a competitive advantage, among others.

- The Company places great emphasis on providing excellent after-sales service. This assists the company in retaining customers and creating customer satisfaction, resulting in the service being used regularly and continuously and creating an introduction to other customers in the future.

- A Company's executives and teams have nearly 20 years of experience and expertise in the industry, and it encourages its employees to pass training exams or courses related to specialized products as part of its human resources policy as part of its human resources policy. This program covers the design, consulting, and operational steps for providing services to customers utilizing information and communication technology network systems. The program will include efficient after-sales service and meet customers' needs.

- As a medium-sized company, the Company has the ability to change strategies and develop the organization in order to meet the constantly changing conditions of the IT market, which are rapid and occur continuously. As part of its ability to accept small to large projects, the Company is able to inspect and control work in all sectors thoroughly. The result is a lower fixed cost compared to the competition. A competitive advantage is created in price in project bidding as well as standard control Providing services to customers with efficiency regularly

- The Company is capable of delivering results and differentiating itself from its competitors in the field of network systems and integrated communications systems. The Company offers the option of renting information technology systems and communications equipment for customers who do not wish to invest in their equipment but need to use such equipment. The Company can generate greater returns than its traditional business of general SI, which is primarily focused on the sale and installation of information technology equipment and communications systems, as well as repairing and maintaining information technology systems and communication equipment.

1.2.2.3. The procurement of goods and services

Acquisition nature of the product or service

Product Sourcing

As part of the Company's business operations policy, quality and service are of paramount importance, including punctuality. As a result, the quality of the product and the reliability of the product owner are important factors in the decision to place an order with the Company. Our Company currently sells and provides installation services for information and communication technology equipment from leading manufacturers in the world, including Cisco, Fortinet, Lenovo, Dell EMC, Check Point, Juniper Networks, VEEAM, VMWARE, Palo Alto Networks, Hewlett Packard Enterprise, F5, etc., providing a range of products that meet the needs and budget of our customers. The Company has also taken into account the advantages/disadvantages and presented customers with information about each manufacturer that specializes in different products and services. In the past, products were procured through domestic purchases via distributors and foreign companies that have branch offices in Thailand.

It should be noted that although the Company has been appointed as a Gold Certified Partner, which is the highest partner level with Cisco, and the partner level is reviewed annually. Therefore, Cisco has become a major partner of the Company, as well as receiving the highest level of support from Cisco regarding trade discounts and access to new Cisco products, however, the Company does not have any conditions or conditions prohibiting it from selling competitors' products in any way.

As soon as the manufacturer or distributor of the information and communication technology system equipment has delivered the product to the customer's installation site, the Company's team will quickly install the equipment in the customer's area before delivering the service. It is estimated that the work process will take approximately 60 - 90 days to complete for non-complicated system work or small to medium-sized projects. The majority of these clients are private companies and it may take 90 - 180 days for more complex systems or larger projects. The majority of these customers are government agencies. However, the materials and equipment mentioned above will be regarded as work-in-process during the delivery of the work. As long as the Company retains ownership of the product, the accounting department has been assigned to prepare a register to keep track of the remaining products in the process of installation. Installation and after-sales service departments are responsible for counting the remaining products based on the information specified in the register in order to maintain control over the list of products that are currently being installed. At the end of each accounting period, participate in the counting via video call system. However, if the results of the counting differ from those of the customer's product supervisor, the Accounting Staff, Engineering Staff, and the Customer's Product Supervisor will work together to determine the cause of the difference and prepare reports for the Company's executives to acknowledge and approve.

Service Provision

The Company has considered hiring external contractors with experience in cable laying. As a result of insufficient resources allocated to the scope of work that required labor, the Company was unable to complete the installation of information technology systems and communication within the specified period, or doing it yourself has relatively high operating costs. It is the Company's policy to select external contractors by considering the previous work history of the contractor. In addition, it considers the quality of the work, and the ability to deliver the work within the specified timeframe. This is done by registering the Company's external contractors (Vendor List) so that the Company can ensure the quality of the work is met, which may cause the risk that the external contractor will not comply with the Company's requirements. A partial deposit will be paid by the Company to the external contractor upon agreement to hire the contractor, with the remainder to be paid after the contractor has completed the project. Installation and after-sales service departments of the company are responsible for inspecting and approving external contractors' work.

The number of raw material distributors

The products sold by the Company include a number of brands, and each brand has multiple distributors, so the risk of raw material distributors is low since most of the products can be interchanged.

The proportion of raw materials purchased domestically and abroad

1. Purchasing raw materials from abroad

Since most technology products are products whose production centers are abroad, but all products have official distributors in Thailand, the company is able to order products through distributors, and the manufacturer will send the products directly from the factory to the Company through distributors. As part of the Company's processes, the Company will check the current price of a product with the distributor before providing a quotation to the customer and will process orders from distributors after receiving orders from the customer. Therefore, there is no exchange rate risk associated with the Company's product prices or stock costs due to changes in the exchange rate. Additionally, the distributor is responsible for all aspects of transportation and importation.

2. Purchasing raw materials within the country

It may be necessary to purchase products produced in the country or stock products from abroad in some cases where products are urgently required. As a consequence, the Company has many business partners who supply the Company with products in order to spread the risk of relying on a few suppliers.

1.2.2.4 Assets used in Business Operations

The major fixed assets and major intangible assets used by the Company in the conduct of business.

There are fixed assets used by the Company in its business operations, primarily condominiums, and equipment that are rented by the Company. According to the financial statements as of December 31, 2022 and December 31, 2023, the following table shows the net book value of main fixed assets.

List	Net book value (Unit : Million baht)		Ownership Characteristics	Obligation
	December 31, 2022	December 31, 2023		
Condominium • Condominium ownership document number 3300/106, area 192.08 square meters, located at Elephant Building, Lat Yao Subdistrict, Chatuchak District, Bangkok. • Condominium ownership document number 3300/107, area 212.06 square meters, located at Elephant Building, Lat Yao Subdistrict, Chatuchak District, Bangkok.	26.78	25.43	Owned by the company	-

List	Net book value (Unit : Million baht)		Ownership Characteristics	Obligation
	December 31, 2022	December 31, 2023		
Equipment (property for rent)	3.91	9.87	Owned by the company	-
Tools, Decorations and Office supplies	1.19	0.83	Owned by the company	-
Vehicle	0.87	0.77	Owned by the company	-
Intangible assets	0.23	0.18	Owned by the company	-
Total	32.98	37.08		

Right of use assets

List	Net book value (Unit : Million baht)		Obligation
	December 31, 2022	December 31, 2023	
Vehicle	1.25	1.06	Obligations under financial lease agreements

Insurance

In order to reduce the impact of loss or damage from accidents and natural disasters, the Company has arranged fire and property all risk insurance (Property All Risks Insurance) to cover the Company's buildings, product inventory, as well as various equipment and materials. Moreover, the Company has also arranged legal liability insurance for third parties (Public Liability Insurance) that covers legal responsibilities resulting from its business operations. The details are as follows.

Fire insurance policy

Company	Company
Type of insurance	Fire insurance
Insurer	General Insurance Company No. 1
Assured	Company
Insured property	1. Buildings (not including foundations) including improvements and additions to buildings, sub-buildings, fences, walls and doors, furniture, fixtures and fixtures. Various appliances and electrical equipment including various personal property
Place of insurance	3300/106-107 Elephant Building, Building B, 20 th Floor, Phahonyothin Road, Chomphon Subdistrict, Chatuchak District, Bangkok 10900
Sum Insurance	20,000,000 Baht
Insurance period	12 April 2023 – 12 April 2024

Property All Risks Insurance

Company	Company
Type of insurance	Property risk insurance
Insurer	General Insurance Company No. 2
Assured	Company
Insured property	1. Building with insured sum of 4,000,000 baht 2. Furniture, decorations and fixtures with an insured sum of 4,000,000 baht 3. Product stock with insured amount of 5,000,000 baht
Place of insurance	3300/106-107 Elephant Building, Building B, 20 th Floor, Phahonyothin Road, Chomphon Subdistrict, Chatuchak District, Bangkok 10900
Sum Insurance	13,000,000 Baht
Insurance period	20 July 2023 – 20 July 2024

Public Liability Insurance

Company	Company
Type of insurance	Legal liability insurance for third parties
Insurer	General Insurance Company No. 2
Assured	Company
Scope of risks covered	1. Legal liability arising from business operations and occurs within or is caused by the use of the insured business premises. 2. Legal liability arising from the insured or the insured's employees, who regularly work at the insured business location While out performing work related to the insured's business outside the insured place of business (Work Away Clause), liability is limited to 100,000 baht throughout the insurance period.
Place of insurance	3300/106-107 Elephant Building, Building B, 20 th Floor, Phahonyothin Road, Chomphon Subdistrict, Chatuchak District, Bangkok 10900
Sum Insurance	1,000,000 Baht/time, throughout the insured period
First liability	2,000 Baht/time
Insurance period	20 July 2023 – 20 July 2024

Company's Loan Agreement

Based on December 31, 2023, the Company had loan lines from four financial institutions totaling 252.00 million baht, as follows:

An overview of the credit limit available from financial institution number 1

No.	Types of loan	Loan Limit (Million Baht)	Interest rate	Contract period	Collateral
1	Overdraft loan limit	7.00	MRR + 1.00 per year	Non-binding revolving credit	- Mr. Somchai Oumkratum and Miss Nattaya, Nanthawanid are guarantors. - Thai Credit Guarantee Corporation (TCG) is the guarantor. - Mortgage of land and buildings on title deed number 85816, owned by Miss Nattaya, Nanthawanid as collateral
	Total credit limit	7.00			

An overview of the credit limit available from financial institution number 2

No.	Types of loan	Loan Limit (Million Baht)	Interest rate	Contract period	Collateral
1	Amount of envelope guarantee letter	5.00	0.85 percent per year	1 year and review the limit every year	- The Company deposit account number 382-3-04963-2/03 and 382-3-04963-2/04
2	Contract guarantee limit	5.00	1.00 percent per year	1 year and review the limit every year	- Mr. Somchai Oumkratum and Miss Nattaya, Nanthawanid are guarantors.
3	Letter of guarantee limit	50.00	0.85 and 1.00 percent per year	1 year and review the limit every year	- The Company deposit account number 382-3-04963-2/05
4	Promissory note limit	30	MLR-2.0 per year	1 year and review the limit every year	
	Total credit limit	90.00			

An overview of the credit limit available from financial institution number 3

No.	Types of loan	Loan Limit (Million Baht)	Interest rate	Contract period	Collateral
1	Amount of envelope guarantee letter	5.00	1.50 percent per year	Non-binding revolving credit	- The Company deposit account number 035-0-25214-4
2	Contract guarantee limit	30.00	2.00 percent per year	Non-binding revolving credit	- Mr. Somchai Oumkratum and Miss Nattaya. Nanthawanid are guarantors.
3	Promissory note credit limit	10.00	MLR + 0.50 per year	Non-binding revolving credit	
	Total credit limit	45.00			

An overview of the credit limit available from financial institution number 4

No.	Types of loan	Loan Limit (Million Baht)	Interest rate	Contract period	Collateral
1	Letter of guarantee limit	10.00	1.25 percent per year	Non-binding revolving credit	- The Company deposit account number 03-50-0152018-4-03
2	Promissory note credit limit	10.00	MLR per year	Non-binding revolving credit	- Mr. Somchai Oumkratum and Miss Nattaya. Nanthawanid are guarantors. - Transfer rights to claim money to the bank.
	Total credit limit	20.00			

An overview of the credit limit available from financial institution number 5

No.	Types of loan	Loan Limit (Millon Baht)	Interest rate	Contract period	Collateral
1	Letter of guarantee limit	30.00	0.85 and 1.0 percent per year	Non-binding revolving credit	- The Company deposit account number 039-0-55312-3
	Total credit limit	30.00			

An overview of the credit limit available from financial institution number 6

No.	Types of loan	Loan Limit (Millon Baht)	Interest rate	Contract period	Collateral
1	Contract guarantee limit	10.00	0.75 percent per year	Non-binding revolving credit	- The Company deposit account number 5-553159-018
2	Promissory note credit limit	50.00	4.75 percent per year	Non-binding revolving credit	
	Total credit limit	60.00			

Policy on investments in subsidiaries, associated companies, and joint ventures

Investments will be made by the Company into subsidiaries or associated companies which conduct supporting business and benefit the Company's business operations by focusing on investments with growth potential consistent with the Company's objectives of a strategic business expansion plan, reliability, and ethical conduct. As a result, society and the environment benefit, in addition to creating good returns on future investments for Shareholders' equity. The approval of investments in subsidiaries, associated companies, and/or joint ventures must be consistent with the announcement made by the Capital Market Supervisory Board regarding the criteria for entering into significant transactions that are considered the acquisition or disposal of assets as well as the announcement by the Board of Directors of the Stock Exchange of Thailand regarding the disclosure of information and the operations of listed companies when it comes to acquisitions or disposals, 2004. As a consequence of investing in the above-mentioned businesses, the Company has a policy of investing in sufficient proportions so that it can control and supervise them by sending directors and/or a designated representative. The proportion of shares held will permit you to participate in the management of subsidiaries and associated companies, as well as the determination of business practices.

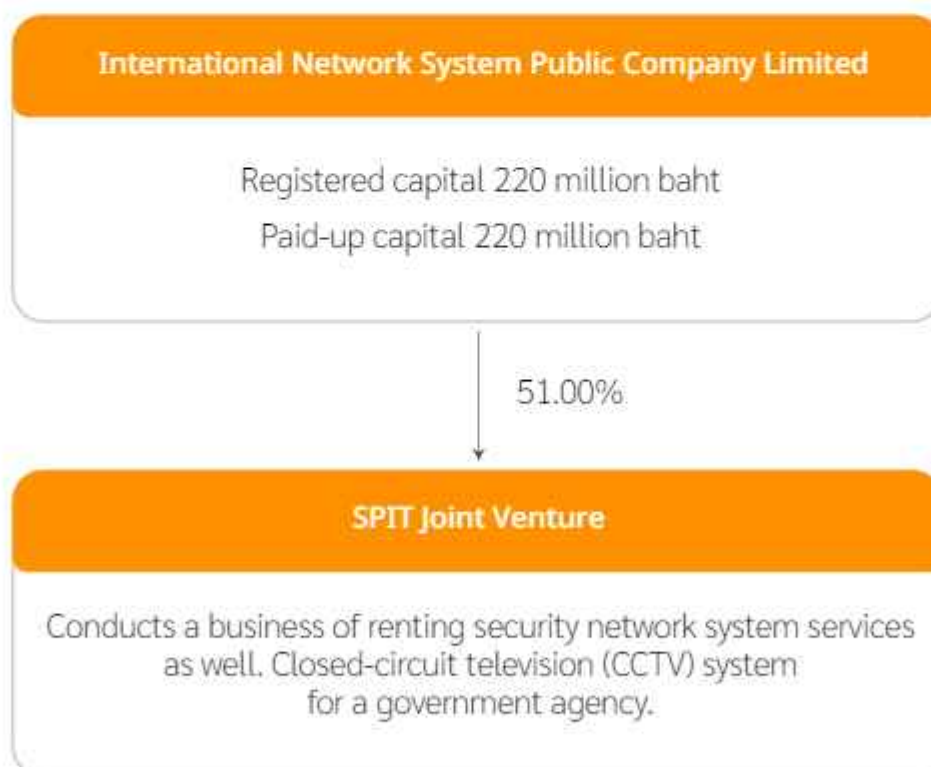
An analysis of the feasibility of a project will be conducted by the Company before any investment decision is made. Considering all aspects of the investment potential, including investment risks, is an important step in the investment consideration process. Additionally, the Company has a policy of sending personnel to participate in policy formulation in order to ensure investments are consistent with the Company's objectives and strategic plans. In addition to management and supervision, there must be a plan for investment expenditures that is consistent with the money allocation plan once considered in order to ensure efficiency and effectiveness in operating the business according to expectations. As a result, it will be proposed for approval in accordance with the next steps. (Please see additional details in Section 2.3.8 Corporate Governance - Report on key performance results in corporate governance)

1.2.2.5 Undelivered projects

As of December 31, 2023 there were projects that had been ordered by customers but had not yet been delivered and Delivery is expected to commence from January 2024 onwards, as follows:

Unit: Million baht	Expected value of revenue to be recognized		Total
	2024	2025-2028	
Income from equipment sales	47.42	-	47.42
Income from repair services and maintain equipment	95.96	66.88	162.84
Income from equipment rental	3.52	1.34	4.86
Total	146.90	68.22	215.12

1.3 The shareholding structure of the Companies



SPIT Joint Venture

In January 2022, the Company has established a joint venture with equipment suppliers related to information technology systems and communication to establish the SPIT joint venture, and the Company will share in the rights, responsibilities, and losses resulting from the joint venture's performance. Joint ventures are shared 51 percent by all parties, while 49 percent is devoted to the other partner. The Company is primarily responsible for dealing with customers, collecting income and paying expenses, and dividing the income among the joint venture partners in accordance with their proportions. Meanwhile, a second partner is responsible for the procurement, installation, supervision, control, and maintenance of the equipment. SPIT Joint Venture is intended to operate a rental business of closed-circuit television (CCTV) systems for the Industrial Estate Authority of Thailand. The contract has a total value of 78.30 million baht (including VAT) throughout the lease period of five years, which starts on the date of delivery of the network system. (SPIT has now completed the delivery of the work on 30 June 2022). According to the equity method, the Company will recognize the share of profits of the SPIT joint venture over the term of the contract.

1.3.1 The shareholding structure of the Company

The company has no subsidiaries or associated companies.

1.3.2 Individuals who may have conflicts of interest hold more than 10 percent of the voting shares of subsidiaries or joint venture companies.

Neither a subsidiary nor an associated company exists within the Company.

1.3.3 Relationship with the business group of the major shareholder

There is no significant relationship or involvement between the Company and other business operations of the major shareholder group. However, Mr. Sittha, who is the Chief Installation and Service Officer of the Company, and Mrs. Sasithorn Rattanalangkarn ("Mrs. Sasithorn"), the wife of Mr. Sittha has held the position of director and is a shareholder of Bester Technology Company Limited ("BTECH") in the proportions of 32 percent and 30 percent, respectively, and Mr. Somboon Phongsathorn Kunopakarn ("Mr. Somboon") who holds the position of Installation and After-Sales Service Manager of the Company. Mr. Somboon is a shareholder of BTECH with a 19 percent shareholding. BTECH was established in October 2017 with the purpose of operating a retail store for computer products. Among its customers are the Provincial Electricity Authority, hospitals, and government agencies located throughout the provinces, and most of the products sold are mobile phones, computers, and computer-related equipment. There is no need for installation. As a result, BTECH's customer base and product characteristics are not competitive with those of the Company.

Nevertheless, in order to avoid conflicts of interest in the future, the Company and BTECH signed a non-competition agreement on April 2022, 21, with the essence of the contract as follows.

1. As long as Mr. Sittha remains an executive of the company or a director or shareholder in BTECH, and Mrs. Sasithorn remains a director or shareholder in BTECH, the contract giver will not take any action as follows: Unless the Company has given its written consent, the following may not be used, whether directly or indirectly.

1.1) Engage in any business or become a partner or shareholder or joint venture partner, whether by yourself or by your family members, or become a director, executive, person with management authority, employee, or operator. Any other activity that results in receiving benefits or having a vested interest in the Company's joint venture. This includes any other juristic person or participant in any business that operates a business similar to/ or competitive with the Company's business in Thailand.

1.2) Provide advice, help, and guidance to others conducting businesses of the same nature or similar to the Company's business in Thailand

1.3) Inviting or attempting to persuade employees to resign from their positions as directors and/or employees of the Company

2. In order to facilitate the interpretation of this contract. The business operations of the Company include design, installation, sales, repair, and maintenance. This includes consulting on hardware, software, computers, and telecommunications tools and all types of network systems. Although BTECH's business can be operated, it is not considered a business with the same characteristics, similar to the Company's business or in direct competition with it. In this context, the business is concerned with operating a retail store for personal computers (desktop computer systems or laptops), personal computer peripherals (such as printers, computer mice, speakers, hard drives, keyboards, batteries for the uninterruptible power supply), and equipment. Communications (such as mobile phones, charging cables, headphones, etc.) and equipment, including sublease agreements for internet services.

3. The memorandum of understanding terminates immediately upon the occurrence of any of the following events.

3.1) It occurs when a company delists securities from the Stock Exchange of Thailand.

3.2.) Mr. Sittha is not an executive in the Company or a director and/or shareholder in BTECH.

1.3.4 Shareholders

1.3.4.1 List of shareholders as of December 31, 2023

Rank	List of Shareholders	Data as of 31 December 2023	
		Shares	% Shares
1	Mr. Somchai Oumkratum ¹	95,500,000	43.41
2	Miss Korakoch Oumkratum ²	22,000,000	10.00
	Total of the Oumkratum family	117,500,000	53.41
3	International Network System Public Company Limited	11,000,000	5.00
4	Mr. Saran Supaksaran	10,450,000	4.75
5	Miss Nattaya Nanthawanid	6,000,000	2.73
6	Mrs. Tanaporn Lautrakool	3,710,000	1.69
7	Thai NVDR Company Limited	3,447,701	1.57
8	Mr. Sompong Naovarapong	3,280,000	1.49
9	Mr. Sittha Rattanalangkarn ¹	3,020,000	1.37
10	Mr. Natthawut Jindapon ¹	3,000,000	1.36
	Other	58,592,299	27.59
	Total	220,000,000	100.00

Important: 1. Company directors or executives 2. Children of Mr. Somchai Oumkratum who have reached the legal age

1.3.4.2 In the case of a holding company, list the names of shareholders of the Company that conducts its main business.

- None

1.3.4.3 Agreements between major shareholders that affect the issuance and offering of securities or the Company's management and substance to operations

- None

1.4 Number of registered capital and paid-up capital

1.4.1 Registered capital/Paid-up capital/Number of shares and the name of the registered stock exchange

As of December 31, 2023, the Company had a registered capital of 220,000,000 baht, of which 220,000,000 baht are paid-up capital, consisting of 220,000,000 common shares with a par value of 1 baht per share listed on the Market for Alternative Investment (mai).

1.5 Issuance of other securities

- None

1.6 Dividend payment policy

Dividends are paid by the Company at a rate not less than 40 percent of net profits each year after deducting corporate income tax from the Company's separate financial statements and after deducting the legal reserve and other accumulated funds, as determined by the Company. This dividend payment may, however, change depending on the Company's financial position, operating results, investment plans, and future necessity, as determined by the Board of Directors and/or the shareholders.

2. Risk Management

2.1 Policy and risk management plan

The Company realizes and attaches importance to risk management, as it is an important basis for achieving business objectives and is considered a part of good governance. The Company has set up a risk management committee to keep an eye on any risks that could happen within the organization and to make sure that the Company's risk management and internal control systems are working well. This includes setting policies and risk management plans for the organization to use as a guide for operations. The Board of Directors' Meeting No. 5/2023 held on November 8th, 2023 reviewed, improved, and approved the Company's risk management policy along with the following review of risk management for the year 2023, with details as follows.

1.) All executives and employees must be aware of the risks that exist in their operations in their departments and the organization and be responsible for risk management in their departments by adhering to the corporate risk management policy, including participating in the development of risk management to increase the chances of success and reduce the impact that may occur on the operation to achieve the goals.

2.) Set up an assessment of the risks arising from both external and internal factors that may result in the Company not being able to achieve its objectives. This assessment covers four risks, namely: 1) strategic risk 2) operational risk 3) reporting risk and 4) laws, regulations, and official requirements compliance risk.

3.) To have processes, guidelines, and measures for risk management that are internationally appropriate and adequate, including identification, analysis, assessment, prioritization, management, control, monitoring, evaluation reports, and continuous communication of risk information that is consistently practiced throughout the Company.

4.) Guidelines for preventing and mitigating risks from the Company's operations are established to avoid damage or losses that may occur, including monitoring and evaluating the results of risk management regularly.

5.) To have written operating regulations for executives and operators to follow, which is a risk control measure from operations

In addition, the Company's risk management committee has established risk management guidelines and policies and given importance to internal risk management, including supporting and promoting corporate risk management, which covers the business objectives in 4 areas as follows:

1. Strategic Risk Strategic risk is the risk arising from the formulation of strategic plans and operational plans and their inappropriate or inconsistent implementation with internal factors and external environments that affect the achievement of visions, missions, or goals, organization goals In this regard, the Company has set up a risk management process as part of its strategic consideration, strategic planning, and the operation of the Company, including requiring all departments to identify risks, assess risks, respond to risks, and monitor risks, as well as prepare reports showing risk levels, results of risk management, and additional risk management response measures in case the risk level is not reduced. However, if a member of staff sees or knows about a risk that could affect the Company, the risk owner must inform related parties about it so they can find a way to deal with it.

2. Operational Risk is the risk that arises in every normal work process from performing various operations throughout the organization. In this regard, the Company has an operational policy aimed at enhancing efficiency and effectiveness in operations. Therefore, the importance of risk identification has been categorized according to responsibilities: personnel, procurement, sales, finance, information technology, disasters, etc., by identifying risks, causes of risks, risk management methods, and risk levels of each department within the Company that correspond to an aspect of the Company's operations.

- Personnel Risk such as fraud risk or the pursuit of improper benefits such as giving or accepting bribes or misappropriating the Company's assets, as well as the intention to modify, conceal, or report the risk of relying on a single employee or the risk of relying on personnel with a shortage of specialized skills or fluctuations in the turnover rate of personnel, which may affect efficiency in the operation of the Company.
- Purchasing Risk such as the risk of shortage of products or the risk of receiving incomplete orders or products that differ from the needs of customers or planned plans, etc., may have an impact on the Company's operations.
- Sales Risk, such as the risk of competition from business competitors, the risk of reliance on selling products to large customers, and the risk of customer dissatisfaction in terms of quality or service, including the risk arising from the inability to comply with the agreement with the customer.
- Financial Risk, such as risk from interest rate fluctuation, risk from a lack of liquidity due to collection from customers or late payment, risk from increasing borrowing from financial institutions and not being able to comply with the conditions of the loan agreement, etc.
- Information Technology Risk, such as the risk arising from damage to information systems or technological equipment, includes unauthorized access to such systems or equipment.
- Disaster and Uncontrollable Risk, such as the risk caused by natural disasters, the risk of protests, riots, the risk of fire, crime, or other external factors such as the economy and politics, etc.

3. Reporting Risk is the risk of misreporting based on the facts or incomplete reports, such as the risk of financial reporting not meeting the specified standards, risks from auditors failing to certify financial statements or conditionally certifying them, leakage of information, and reporting erroneous information that results in erroneous decisions and may affect the Company's operations.

4. Compliance Risk is the risk of non-compliance with laws, regulations, and requirements of government agencies, including the risk of non-compliance with the Company's policies, procedures, such as the risk of not renewing the license, the risk of being prosecuted, the risk of issuing laws, regulations, official requirements, and regulatory risk, etc.

In this regard, organization risk management is a process in which various activities are carried out continuously and has a link and coordination with various departments within the organization, with the risk management structure of the Company as follows:

1.) The Board of Directors has the following duties.

- Consider and approve the policy and risk management framework.
- Understand the risks that can have serious consequences.
- Support, promote, and supervise risk management.
- Ensure that risks with potential adverse effects are adequately and appropriately managed.

2.) The audit committee has following duties.

- Independently supervise and monitor risk management.
- Set up internal controls to ensure that organization-wide risks are managed adequately and appropriately.
- Follow up on the work of the internal audit department and those responsible for risk management.
- Communicate with the Risk Management Committee to understand the context of significant risks and link them to internal controls to ensure that appropriate internal controls and risk management are in place throughout the organization, including overall good corporate governance.
- Report to the Board of Directors and the shareholders on how well internal control is working and how well it is working.

3.) The Risk Management Committee has the following duties.

- Monitor the development of a risk management framework and a risk identification and assessment process.
- Monitor the implementation of the risk management plan, assess the appropriateness of the risk management plan, and report significant risks to the Board of Directors.
- Evaluate and approve risk management plans.
- The Risk Management Working Group provides support for each department to enable the implementation of the policy by providing knowledge and advice on how to collect and analyze risk data as a whole and compile reports for the risk management coordinator to report directly to the Risk Management Committee and present to the Board of Directors.
- The secretary of the Risk Management Committee is responsible for coordinating closely in the department so that risk management policies can be implemented in the department and report risks to supervisors according to the hierarchy, including reports to the Risk Management Committee.
- Provide support, promotion, and advice on risk management processes to various units of the Company upon request.

4.) Senior management has the following duties.

- Supervise and control the Company's risk management process by considering objectives, identifying, evaluating, managing, and developing a plan for monitoring and evaluating risk management at an acceptable level.
- Promote and implement risk management policies and ensure that risk management processes are implemented across the organization.
- Monitor significant risks across the organization.

5.) The units or persons responsible for risk management have the following duties:

- Identify risks, approaches, and risk management processes for departments and present them to the Risk Management Committee for approval of risk management plans.
- Ensure that daily operations are adequately assessing, managing, and reporting risks.
- Promote and support employees in each department to realize the importance of risk management.

6.) Supervisors and employees have the following duties.

- Identify, measure, control, and monitor risks; and report operational-related risks to department managers.
- Participate in forming a risk management plan and implementing it.

7.) Internal auditors have the following duties:

- Ensure that all the Company's systems and practices for managing risks are working properly.
- Ensures that the organization has adequate internal controls to manage risks and that those controls are being implemented effectively.
- Review the performance of the risk management unit.
- Communicate with the risk management function to understand the risks and conduct a risk-based audit.

8.) Other related persons are responsible for cooperating with and complying with the Company's risk policies, guidelines, and risk management processes.

2.2 Business Risk Factors

2.2.1 Business Operation Risk

2.2.1.1 The risk of not being able to renew the business alliance contract with Cisco

One of the Company major business alliance is Cisco Systems, Inc. ("Cisco"), which owns a well-known information technology system product from the United States and has a market share of both information technology system products within and abroad that is quite high. The Company has a business alliance contract with Cisco that is valid for 1 year and will be renewed on a yearly basis, provided that the Company is able to comply with the agreement with the product owner. Therefore, if the Company does not renew the business alliance agreement, it may affect the revenue and profit of the Company. In addition, the business alliance agreement between the Company and Cisco does not limit rights. To be the sole agent in Thailand.

However, the Company expects to continue to have a distributor contract with Cisco because the Company has had a good relationship with Cisco for more than 9 years, and in the past, the Company has been renewing the Gold Certified Partner contract once in 2021 without any obstacles. This makes the Company confident that it can still meet the requirements and qualifications to sell Cisco products such as the Company has 4 specialists who have advanced CCIE certificates and have specializations in 4 solutions, and the contract has been continuously renewed.

However, over the past 10 yearsThe Company still has other business partners such as Fortinet, LENOVO, DELL EMC, CHECK POINT, JUNIPER Networks, VEEAM, VMWARE, Paloalto Networks, Hewlett Packard Enterprise and F5 etc. As a result, the Company can continually expand its new customer base, both in the public and private sectors, and reduce its dependence on any one partner. In addition, in the event that the Company does not renew the partnership agreement or there is a force majeure event beyond the Company's control that may cause the Company to be terminated or not renewed with Cisco, the Company still has the opportunity to form business alliances with additional product owners in the future. The Company believes that the knowledge and competence of its team and the diversity of its existing and new customer base will enable the Company can provide products that meet customer needs in the future.

2.2.1.2 Risk of relying on distributors

Currently, the Company is a service provider for designing, installing, and distributing equipment related to information and communication technology systems. Therefore, it is necessary to order various equipment from domestic distributors to be used in providing services to customers, such as cables, equipment related to network infrastructure, communication equipment, etc. The Company therefore has the risk of relying on distributors to supply products and services in the event that such distributors directly sell products to customers, stop selling products to the Company, and/or the inability to deliver products or equipment to the Company on time may affect sales and the credibility of the Company. This will significantly affect the operation and financial position of the Company.

The Company has assessed that it will not be much affected by such factors because the installation of equipment related to information and communication technology systems requires various types of related equipment and depends on knowledge and expertise in installation. In addition, there are many distributors, manufacturers, and importers of such products in Thailand.

2.2.1.3 Risk of relying on large customers

In the past, the Company had income from sales and services to a few large customers in terms of designing, installing, and distributing equipment related to information and communication technology systems and equipment repair and maintenance services.

However, the Company is aware of the risk management from dependence on large customers and has a policy of not relying on any customer mainly by encouraging the sales department to expand the customer base to new customer groups all the time.

2.2.1.4 Risk from technology change

The nature of business operations related to information and communication technology systems requires flexibility in always adapting to changes and rapid developments in technology, which requires keeping up with information related to such technology closely. In the event that the Company is unable to adapt to such changes, this may result in the Company being unable to offer effective products to customers and being disadvantaged in terms of competitiveness in the industry, as well as the risk of depreciation in the value of obsolete products. This may decrease the Company's market share and negatively affect the Company's financial position and operating results.

However, the Company closely monitors news and information related to business operations and has a policy for related employees to receive regular training and knowledge development from both product owners and distributors in order to be able to adapt to technological changes in time and have the ability to offer efficient products that meet the needs of customers. In addition, the Company also has a policy to order equipment related to information and communication technology systems after signing agreements or contracts with customers for use in the specific project management of each project in order to reduce the risk of keeping inventories for a long time and resulting in a decrease in the value of obsolete products again.

2.2.1.5 The risk of the discontinuity of revenue

All sales and service revenue of the Company consists of (1) Revenue from equipment distribution and installation (2) Revenue from repair and maintenance of equipment services (3) Revenue from the rental of the equipment. In 2023, revenue from equipment distribution of Baht 553.30 Million, Baht 126.46 Million and Baht 6.82 Million or the proportion of 18.34%, 80.24% and 0.99% of the total revenue respectively. The revenue from the sale of equipment is a project work that is based on the customer's annual information technology budget. There is a project implementation period starting from providing consulting services, designing, installing, and selling equipment related to information technology and communication systems. The project timeline starts from receiving customer needs until the date of delivery and availability of information technology and communication systems to customers, which takes about 60 - 180 days for uncomplicated system work or small to medium-sized projects, most of which are private company clients, and about 180-360 days for more complex systems or large-scale projects, most of which are government clients. Therefore, the Company may have a risk of revenue discontinuity. Since the main income of the Company comes from the sale of equipment and the Company has an operating period of 60 - 360 days. The Company can recognize revenue when the work is completed and ready for use, which makes it unable to continuously recognize revenue for a long period of time, especially in the event that the Company is unable to find new projects to replace the existing projects that have been completed in a timely manner.

The Company places a high value on consistent income generation. The annual budget plan has been established so that the management can use the data to analyze, plan, receive work, and continue the project auction. The Company also has a plan to focus on growing the business of renting information and communication technology system equipment for customers who do not want to invest in their own devices but find it necessary to use such devices, which can help reduce the risk of revenue.

2.2.1.6 The risk of late delivery of work and fines

Normally, the Company has an operational period of about 60-180 days from the customer's needs until the delivery date of the information and communication technology system to the customer for the project where the system is not complicated or a small to medium-sized project, which is mostly private companies, and approximately 180-360 days for more complex systems or large projects, which are mostly government customers. However, in the event that the Company is unable to deliver the work to the customer as specified in accordance with the agreement or contract without reasonable cause or because of the Company's mistakes, it has the duty to pay damages to customers. From the date of delivery, the work is submitted according to the agreement or contract with a daily fine of 0.10% of the value of products and services that have not been delivered. If the Company's customers in the repair and maintenance of equipment services face damaged equipment or cannot use the equipment more than the number of hours specified in each month, there will be an hourly fine as specified in the contract or if there is damaged equipment and the Company cannot provide a replacement within the specified time, there will be a daily fine at the rate of 0.10% of the contract value. So, the Company may have to pay more money if any of the above things happen, and it may affect the Company's business reputation, overall operation plan, and personnel planning for future plans.

However, the Company is aware of such risks. Therefore, before the Company accepts the project in the category of equipment distribution, the management will consider the project volume that has not yet been delivered by the Company and the sufficiency of personnel in order to be able to manage the project efficiently and deliver the work as scheduled. In addition, the Company has also trained its employees and organized a meeting between the management and the team that controlled the project to monitor the progress of the operation every month. In this regard, if it is found that the project work is delayed from the plan, the Company and the relevant departments will immediately proceed. In some cases, the Company will get in touch with the employer to let them know what caused the delay due to force majeure and ask for an extension of the operation period. In the past, the Company has never delivered a delay or a fine in any way.

2.2.1.7 Risk of relying on executives and experienced personnel

The main business of the Company is the design and installation of the network and system in a comprehensive system (System Integrator), as well as selling equipment used in information and communication technology, providing repair and maintenance services, and renting equipment. Mr. Somchai Oumkratum ("Mr. Somchai") is the Chief Executive Officer and has been an expert in information technology and communication systems for over 20 years. In addition, Mr. Somchai has a good relationship with customers and distributors, resulting in the Company's continuous growth. In addition, the Company must rely on personnel with the knowledge and specific ability to understand the use of information technology and communication systems and the customer's work system very well, especially 6 employees who are accredited by CISCO CERTIFIED Internetwork (CCIE) in accordance with the qualifications of CISCO's Gold CISCO to be able to service and meet the needs of customers. For this reason, it can be seen that personnel are very important to the Company's business and the success of the Company, especially executives who have influenced the success of the Company. So, if the Company can't treat knowledgeable executives and staff or can't find or train replacement executives and staff, its operations and finances may suffer.

However, the Company is aware of the importance of personnel, which is the key to business operations; it therefore determined the returns and welfare for personnel at an appropriate level and the wage rates in the same business in order to make a decision on the wage at the same level as other companies. In addition, the Company also has a policy to manage human resources and promote the knowledge and ability of employees regularly through both internal and external training and by promoting good relationships among employees within the Company to foster long-term commitment to the organization, as well as creating a manual with work details (Job Description) and the operational procedures of each party are clearly written so that the Company personnel can work to replace each other if it is a loss of personnel and reducing the dependency of personnel individually. In addition, the Company has also allowed employees in important positions to participate in the ownership of the Company as an incentive for employees to grow with the long-term company. However, the Company has a policy to promote and support funds for employees to train and test for both CCNP and CCIE certificates to reduce such risk.

2.2.2 Risk of investment of securities holders

2.2.2.1 Risk of the Company's financial liquidity

In selling equipment in a project, the Company is necessary to use the working capital for the auction process, project preparations include the purchase of materials, equipment, and wages, including some advance payment to the sub-contractors, which are procedures before the Company receives payment from the employer under the contract. Therefore, the Company may be at risk of a lack of working capital, which may be caused by ineffective working capital management or the employer changing the payment schedule, which affects the project operation or causing the Company to lack the ability in the competition and losing business opportunities to receive new projects. Therefore, if the Company is not able to provide sufficient funding sources, it may have a negative impact on its financial status and overall operations in the future.

The business is well aware of the possibility of this; therefore, it seeks a means of avoiding it and evaluates the caliber of the customer before participating in the auction or being awarded the work. When accepting work or being awarded the bid, the Company will pay strict attention to the service contract to be able to ensure that the Company will be able to deliver quality work in accordance with the specified time frame to customers to reduce the problem of customer payment, including the annual budget plan with the target of revenue and projects to bid in advance work so that senior executives can analyze and plan to receive work or contact the new project bid in accordance with the project that will deliver and create the Company's continuous revenue to reduce the risk of financial liquidity.

The Company has a high liquidity ratio and a high cash flow. In addition, the Company can use short-term loans from financial institutions to manage liquidity and has never defaulted on paying debt to creditors or financial institutions in any way. The Company is confident that the risk will not affect the Company's operations.

2.2.2.2 Risk of having a large shareholder holding more than 50 percent

Mr. Somchai Oumkratum holds 95.50 million shares, or 43.41% of the payment of Baht 220 Million after offering IPOs (in the case of using the right to buy shares in excess of ordinary numbers), which, when combined with the Company's shares in the amount of 22.00 million shares, or 10% of the payment of Baht 220 Million after offering IPOs, are held by Miss Korrakoch Oumkratum, who is Mr. Somchai's daughter of legal age, causes Mr. Somchai's family to have the right to vote in the company for about 53.41% of the paid up capital of Baht 220 Million. However, if the shareholders vote in the same direction, they will be able to control almost all the resolutions of the shareholders, whether the appointment of directors or in other matters that require a majority of the shareholders' votes, except for the matters specified by law or regulation, in which case the Company requires 3/4 of the shareholders, such as increasing capital, reducing sales, or all business transfers. Therefore, Mr. Somchai's family may have an influence on the vote at the Company's shareholders' meeting, especially the power of nominations to be appointed as a committee at the annual shareholders' meeting of the Company and the proposal of persons to be appointed as executives by the Board of Directors. Depending on how many shares Mr. Somchai's family owns, it could give them the power to run the Company and pass a special resolution at a shareholders' meeting that needs 3/4 of the shareholders to be present and be able to vote. Therefore, the other company's shareholders are at risk of not being able to collect votes to balance the matter that Mr. Somchai's family proposed to the shareholders' meeting.

However, the Company is aware of such risks and therefore has clear policies in the operation, with the main interest of all shareholders, including the scope of the powers, duties, and responsibilities of various committees that are clearly defined and transparent. Also, out of a total of 6 directors, the Company has put 3 independent directors in charge of 3 audit committees. This means that 50% of the Company's directors are independent, giving the Company a sense of independence and balance in the management of the Company to a certain extent. In this regard, the Audit Committee and independent directors are independent people who have education and qualifications, including knowledge and ability to protect minor shareholders. In addition, in making the decision to take or ignore any action, the Board of Directors has a policy to operate in the interests of shareholders. In addition, if it is necessary for the Company to do transactions with people who may have conflicts, the Company will comply with the procedures for approval of the transactions between each other and the criteria announced by the Capital Markets and Stock Exchange of Thailand strictly, in which the person who has an interest has no right to pronounce on that agenda.

3. Driving business with sustainability

The Company operates a business under the framework of good governance, which is transparent and can be checked, with the determination to develop a business alongside the economic, social, and environmental balances. In this regard, the Company is committed to being a good role model organization (Good Corporate Citizen) in sustainable business operations and able to manage the business to grow steadily and be accepted in society based on ethics and principles of good corporate governance, as well as being able to effectively return to shareholders by considering the impact of conducting business towards those involved in the Company in all aspects. In this way, the Company has made the following rules about its social responsibility in different areas.

3.1 Policy and goals for sustainability management

The Company has established directions and guidelines for sustainable development by agreeing to create a balance based on the Environmental, Social, and Governance (called "ESG") in driving to a sustainable organization, which is considered a part of the Company's business operations, and determining the guidelines for sustainability based on the expectations of the stakeholders, which include business operations, anti-corruption, human rights respect, fair labor practice, and environmental stewardship, as well as risk management throughout the business value chain based on product development and service that responds to the business model and behavior of the changes, including improving the quality of life of parties and participating in society, in order to respond to sustainable development goals in accordance with the policy of responsibility for the environment, social and corporate governance, which can be seen in the following images:



3.2 Management of impact on stakeholders in the value chain of business

3.2.1 Value chain of business

The Company operates a business with the participation of a group of stakeholders, as well as focusing on the sustainability management of business operations throughout the value chain by requiring communication through various channels with people regularly and continuously in order to receive comments, needs, and expectations of the stakeholders to be integrated for the decision-making process. It leads to stability and wealth with products and services that meet the needs of all stakeholders, as well as the development of sustainability throughout the chain, value, economic growth, society, and keeping the environment in balance. The Company has the main activity in the following value chain.

Main activities	Details
1. Product supply	• The Company attaches importance to the procurement process that is equally and fair for all partners. • The Company has made sure to offer high-quality products that meet the needs of customers from a wide range of distributors, so that they don't have to depend on just one of them. • The Company has built a relationship with the distributors of long-term products both domestically and internationally to support the business operations and create sustainable growth.
2. Operation	• The Company gives importance to product quality and providing quality services to customers, from design, consulting, and installation, taking into account the needs and usage of customers, the budget of the customer, the delivery of products and services in time that customers need, and taking care of after-sales services to allow the customers' business to proceed effectively. • The Company attaches importance to human resources, which is the key to driving the Company's business, from hiring employees with knowledge, ability, and compensation management that can compete in the labor market to motivating employees, providing regular training and opportunities for growth in career, caring for them, and creating morale in order for employees to form bonds with the organization and have dedication in the work that will be sent. As a result, customers receive effective services.
3. Product delivery	• The Company stores the products in a suitable location that does not harm the product. If the distributor is required to deliver the product directly to the customer's location, the Company has prepared evidence of the product to be able to check in accordance with good internal control systems.

Main activities	Details
4. Marketing	• The Company creates competitiveness through a variety of products, complete service, good relationships with customers, and maintaining the quality of service to meet standards. • The Company sees the importance of communication and public relations by publicizing the various products that it sells with the product owner in order for customers to have knowledge and understanding of the product.
5. Customer service	• The Company has a process of listening to customer opinions and suggestions to develop products that maximize customer satisfaction. • The Company has fast and effective after-sales service.

The Company has conducted support activities in parallel with the main activities to drive the Company's business operations to be efficiently and continuously carried out, as follows:

Main activities	Details
1. Human resource management	The Company is aware of the importance of human resource development and treats all employees fairly. Human resources are considered an important factor in business operations and the sustainable growth of the organization. Therefore, the Company has given employment a lot of thought. Fair employment conditions aren't taken advantage of, and employees are paid fairly based on their abilities. Work is also seen as part of the process of running the business according to standards, which helps keep jobs stable and helps people move up in their careers.
2. Technology development	The Company has followed the information related to business operations closely and has a policy for personnel involved in work related to the Company's main activities to follow up, study, and attend new knowledge training consistently from the product owner or distributors to be ready to receive technology changes all the time.
3. Procurement	The Company adheres to business operations, taking into account ethics, transparency, and fairness for all partners, as well as maintaining business relationships and developing business with partners.

3.2.2 Analysis of stakeholders in business value chains

The Company has a policy to create an analysis of stakeholders throughout the Company's value chain to receive comments, requirements, and the expectations of the stakeholders are a guideline for the following expectations.

Stakeholders	Way to communicate with stakeholders	Expectations of the stakeholders	Company's response
Shareholders / Investors / Analysts	• Annual general shareholder meeting. • 56-1 One Report Form. • Presentation of quarterly performance • Disclosure to public. • Analyst meeting • Listed company meets investors activities. • Accepting complaints of shareholders, investors, analysts through complaints channel.	• The Company has a stable financial and financial status with continuous growth. • The practice of all shareholders equally. • Good corporate governance, legal practice and without corruption. • Information of the Company that has been received correctly, completely, and transparently. • Efficiency in risk management systems.	• The Company creates competitiveness and continuous development of business growth. • The Company has a regular business strategy. • The Company has transparent business supervision, has a corporate governance system under the principles of good corporate governance, and follows the ethics of business operations. • The Company has a clear and appropriate dividend payment policy. • The Company revealed the information correctly, completely, and transparently. • The Company carefully and systematically manages risks.

Stakeholders	Way to communicate with stakeholders	Expectations of the stakeholders	Company's response
Customer	• Listening to opinions, suggestions, and problems of customers • Customer satisfaction and evaluation • Meeting customers or communication through various online channels	• Providing equality and fair service. • Quality products and services meet the specified standards. • Suitable and fairness of products and services. • Receiving the product information and service correctly. • The problem is solved quickly once an error occurs. • Keep information confidential without disclosing customers' information that has been known from business operations.	• The Company has improved the quality and expanded the variety of products to meet the needs of customers. • The Company has a quality management system with international standards. • The Company has a fast and effective after-sales service policy by going to help at the event. • The Company has an ethical obligation to maintain the secrecy of customer information.
Partner	• Contact to buy products or use services from partners continuously. • Assessing the satisfaction of partners • Organizing seminars or activities together	• Compliance with contracts and business operations together is transparent, fair, and equal. • Paying fair compensation and meeting the time that has been agreed. • Keeping the information confidential and not disclosing the partner's information	• The Company has a policy on treating all partners with equality. • The Company complies with trade conditions and the contract. • The Company has ethics in maintaining the secrets of partners.

Stakeholders	Way to communicate with stakeholders	Expectations of the stakeholders	Company's response
Employee	• Listening to the opinions, suggestions, and problems of employees through a variety of communication channels within the Company. • Annual performance evaluation • Employee satisfaction assessment • Meeting, seminars, and personnel development training is held in the	• Appropriate compensation, fairness, and opportunities for advancement in the workplace, including job stability. • Treating all employees equally and respecting human rights • Environment and safety in the work area • The equipment used in the operation is sufficient and in a suitable condition. • Knowledge and ability development	• The Company has a policy to pay fair compensation according to the potential of employees. • The Company has a policy of evaluating work using a standardized evaluation process in order to create career stability and promote career advancement. • The Company treats all employees fairly and respects human rights. • The Company arranges the training to promote the employee to improve their knowledge and abilities continuously.
Society and community	• Organizing activities to participate in communities and society	• Supporting living and creating good quality of life for society and communities	• The Company has promoted participation in strengthening society and the community and improving the quality of life in society through both education and well-being.

3.3 Management of sustainability in the environmental dimension

3.3.1 Environmental policies and guidelines

Information technology and communication progress lead to the creation of products and services and provide innovation to improve the quality of life of participants in society and the environment. Currently, the Company has considered the balance between the development of the quality of life to meet the needs of humans and the limited use of natural resources and the environment. It is considered the main mission of the organization to show the integrated environmental responsibility, responsibility, into the organization's business process, along with adjusting the direction of operation to be in line with sustainable development goals by delivering the value of the product and service through tools of information technology and communication to reduce various limitations in the past, from methods, channels and materials, equipment for communication to immediately meet the demand.

However, information technology systems and communication may have the opportunity to affect the environment, both directly and indirectly, such as dangerous waste management, electricity, air pollution, water pollution, etc. As a result, environmental problems are therefore both risky and an opportunity for creating a competitive advantage for the Company in the future. Therefore, the Company has brought secure and reliable communication technology systems together with environmental conservation and ecosystem creation to promote equality and access to information technology systems and communication among the stakeholders that create business competitiveness in parallel with environmental friendliness to lead to low carbon social development and sustainable growth.

3.3.2 Environmental Performance

All types of business operations require the use of electricity and water within office buildings and fuel for personnel travel, which are fundamental factors that drive every business. Therefore, the Company focuses on the business of designing and installing information technology systems and complete communication systems (System Integrator), which is the main business of the Company, along with environmental preservation by developing work systems that focus on the use of resource efficiency, reducing the use of unnecessary resources, and having measures to support energy saving. Efficient resource management not only helps reduce the cost of business operations for the Company but also helps create stability of limited resources to be sufficient for long-term use, which is a good consciousness in coexistence and showing responsibility for the environment and for the Company to participate in solving global warming problems. Details are as follows:

1.) Energy consumption

The Company places importance on the proper use of electricity and is committed to reducing the use of electricity in the office building by establishing a policy to reduce the use of electricity in the office, for example, by turning off the light switch, turning off air conditioners during lunch breaks, and scheduling to turn off electrical appliances at specific times after work and during holidays, etc. In addition, the Company Encourage employees in the organization to use electricity for maximum efficiency, not wasting energy, and encourages employees to unplug electrical appliances that are not in use to reduce energy consumption within the organization for maximum efficiency and to further develop a sustainable business.

2.) Water consumption

The Company has educated and instilled awareness among employees in order to use water wisely, achieve maximum efficiency, and avoid wasteful use of water resources.

3.) Garbage, waste, and pollution management

The Company encourages employees to reduce the use of consumable materials and office equipment and to reuse or recycle to reduce potential waste, including promoting the use of technology in related processes to minimize waste, for example: the use of lunch boxes, water bottles, or personal glasses instead of foam or plastic boxes; the use of double-sided paper for printing; carrying cloth bags or bags for packing; the delivery and storage of documents in electronic format; etc. to reduce environmental pollution.

4.) Choosing the location of the Company's office

The Company understands the importance of reducing carbon monoxide emissions and pollution from urban transport in Bangkok. Therefore, in February 2020, the Company has decided to buy an office located at the Elephant Building, which is next to the BTS SkyTrain Station on Phaholyothin 24 Road, for employees and those who come in contact with the Company to travel to the Company's office through the use of public trains quickly and easily. As a result, the use of fossil fuels and emissions are reduced, thereby preventing their impact on the human body and the environment.

5.) Management to reduce the greenhouse gas problem

The Company has seen the importance of global warming and climate change that is more severe. The Company is aware of the problem and is committed to cooperating and promoting various activities to help reduce global warming fully. At present, the Company has found that the activity that produces the highest amount of greenhouse gas emissions is the electricity consumption of the air conditioners in the Company's offices. Therefore, the Company has a guideline to change the work process to use energy more economically and efficiently by setting maintenance measures for air conditioners according to the energy conservation plan continuously in order to reduce the greenhouse gas emissions caused by such activities. However, even though the Company's business is as a designer and installer of a complete network and communication system (System Integrator), as well as selling, repairing, and maintaining services, and renting such equipment, having guidelines to use resources economically and efficiently, which has always been done within the organization, can reduce greenhouse gas problems, but at present, the Company has not prepared greenhouse gas emission data according to international standards or equivalent. However, the Executive Committee Meeting No. 5/2022 on May 13th, 2022 appointed a working group within the Company to conduct a study on greenhouse gas emission assessment guidelines from business operations and verification guidelines within the year 2022- 2024 which the working group is currently studying information that will be adapted to suit the organization. When the said working group is able to perform the assessment, the Company will hire the verified carbon footprint of an organization registered with the Thailand Greenhouse Gas Management Organization (TGO) or an effective verified person. It is internationally accepted to continue and will continue to disclose the results of the assessment of greenhouse gas emissions in the form of an annual report (Form 56-1 One Report) to the public.

3.4 Sustainability Management in Social Dimension

3.4.1 Social Policy and Practice

The Company keeps putting its attention on building strength and long-term growth. It also recognizes the value and importance of its employees by doing activities or projects to support their well-being, respecting human rights, and helping them reach their full potential by giving them training regularly and making sure they have a good overall well-being at work. The Company believes that having good health, both physical and mental, social and environmental well-being will enable employees to perform better. In addition, bringing a good atmosphere affects relationships, cooperation, coordination within the Company, making it work more efficiently and eventually has a better turnover and leads the organization to growth and success. sustainable. In addition, the Company is committed to caring for and developing society and communities by focusing on creating benefits for communities and society by promoting skills and knowledge and building community potential to create opportunities and elevate the quality of life of society and communities for the better both in terms of education, quality of life, and well-being. The Company has policies and guidelines for society and communities as follows:

1.) Human Rights Respect

The Company has the policy to support and respect the protection of human rights by treating related parties, whether employees, communities, or surrounding societies, with respect for human values, equality, and equal freedom, and not to violate fundamental rights and discriminate on the basis of race, nationality, religion, language, skin color, gender, age, education, physical condition, or social status, including taking care to prevent the business of the Company from being directly or indirectly involved in human rights violations such as forced labor, child labor, sexual harassment, etc. In order to effectively respect human rights, the Company has built a body of knowledge on human rights and instilled awareness in its personnel about complying with human rights principles.

2.) Fair Labor Practice

The Company knows how important it is to develop human resources and treat workers fairly. These are things that will make the business more valuable, make it more competitive, and help it grow in the long run. It has a policy that all employees live together in a happy working environment and are treated like brothers and sisters without taking advantage of each other. In addition, the Company has also given importance to human resource management in every step for maximum efficiency since the recruitment phase; personnel development includes continuous training for employees, fair compensation, and appropriate welfare arrangements. Moreover, the Company encourages and supports all employees to have the opportunity to advance, learn at all levels of the organization, and develop skills to raise the level of professionalism in an appropriate working environment.

3.) Responsibility to Consumers

The Company has selected products, materials, and equipment, including providing services in all work processes, to meet the needs of customers comprehensively and thoroughly according to the guidelines that have been prescribed in the business ethics manual. The Company shall treat customers fairly without discrimination and shall not disclose information about customers that they have learned to use for their own benefit and that of those involved. It also tries to make customers happy and gain their trust by giving them quality products that meet their needs with good project management at reasonable prices, including strictly complying with terms and conditions made with customers. Furthermore, the Company also pays attention to opinions, suggestions, complaints from customers, and experiences gained from working in the past to review in order to develop and upgrade the standard of work processes to be consistently high-quality so that customers get the most benefit from the Company's service.

4.) Participation in community and social development

The Company continues to focus on building strength and sustainable growth along with community and social development with a policy to conduct business that is beneficial to the economy and society, adhering to being a good citizen, and providing assistance and developing society by organizing activities or projects to support the well-being of communities and society. The Company believes that creating a good atmosphere and social well-being will result in relationships, cooperation, and coordination within the Company, community, and society for better work. For this reason, the Company has provided support in terms of educational equipment, sports equipment, and cold relief equipment, as well as scholarships for students, people, and schools in rural areas with a lack of funds, including technology support for the hospitals of the government so that hospitals can provide public health services to the public efficiently. In addition, the Company has a policy to support the surrounding society by providing assistance in times of difficult social situations in order to alleviate suffering for people and various agencies.

3.4.2. Social Performance

Throughout the past, the Company has been committed to corporate social responsibility (CSR) by continuously organizing activities to help society and activities that benefit the environment through building good relationships with all stakeholders, such as trading partners, shareholders, society, communities, etc. The Company can summarize the activities that have been carried out as follows:

1.) WebEx software donation activity to support the operation of the hospital

During a COVID-19 outbreak, the Company considers that medical facilities will need help from many different agencies. The Company has supported teleconferencing communication systems for hospitals and government agencies to facilitate medical personnel's use of communication channels safely. In addition, the Company also provides food support to agencies that are vaccination centers for people.



2.) Support educational funds and students' personality development

The Company supports the educational funds and develops Nakhon Pathom Rajaphat University students' personalities to support studying and inventing, developing and exploring the students' research encouraging youth to apply knowledge and abilities to benefit society.



3.) Support the Phramongkutklo Hospital Foundation under the Royal Patronage

The company supports the Phramongkutklo Hospital Foundation under the royal patronage for the foundation to use for its tasks.



4. Management Discussion and Analysis

4.1 Analysis of operating results and financial position

Business Overview and Significant Changes

International Network System Public Company Limited (formerly known as SN IT System Company Limited) ("the Company" or "ITNS") was established on April 22nd, 2002 to operate a business as a designer and installer of a complete network and communication system (System Integrator), ranging from Network Infrastructure, Cyber Security System, Data Center, Collaboration, Wireless LAN and Network Management, as well as selling equipment used in information and communication technology, equipment repair and maintenance services, and equipment rental. At present, the Company can divide its businesses into 3 categories: 1) business of selling and installing equipment related to information and communication technology systems 2) business of repair services and maintenance of equipment and 3) equipment rental business.

Since 2012, the Company has been a partner of Cisco at different levels. In 2020, the Company has been appointed as a Gold Certified Partner, which is the highest partner level of Cisco, resulting in the Company being recognized with maximum support for trade discounts and rebates, as well as technical support and access to new Cisco products. In addition, over the past 10 years, the company has formed business alliances with other business partners such as Fortinet, LENOVO, DELL EMC, CHECK POINT, JUNIPER Networks, VEEAM, VMWARE, Paloalto Networks, Hewlett Packard Enterprise, and F5, etc., which enable the Company to rapidly expand its customer base continuously, both in the government and private sectors, that operate telecommunication service providers, financial institutions, academic institutes, information technology, electronic devices, medical equipment, hotels, and airlines, etc.

Analysis of operating results

Business type	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales and services						
1.Revenue from selling equipment and installation services	281.38	75.89	451.14	81.82	553.30	80.24
2.Revenue from repair services and maintenance of equipment	78.66	21.21	93.53	16.96	126.46	18.34
3.Revenue from equipment rental	9.38	2.53	3.72	0.67	6.82	0.99
Total revenue from sales and services	369.42	99.63	548.39	99.45	686.58	99.57
Other revenue	1.38	0.37	3.01	0.55	2.96	0.43
Total revenue	370.80	100.00	551.40	100.00	689.54	100.00

Business type	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Cost of sales and services	(300.25)	(80.98)	(448.43)	(81.33)	(573.68)	(83.20)
Gross profit	69.17	18.65	99.96	18.13	112.90	16.37
Cost of distribution	(12.85)	(3.47)	(15.89)	(2.88)	(21.32)	(3.09)
Administrative expenses	(17.49)	(4.72)	(19.13)	(3.47)	(20.79)	(3.02)
Net profit (loss) before finance cost and corporate income	40.20	10.84	67.95	12.32	73.75	10.70
Profit share in joint venture	-	-	0.75	0.14	1.45	0.21
Finance income	0.16	0.04	0.56	0.10	3.03	0.44
Finance cost	(0.08)	(0.02)	(0.03)	(0.01)	(0.02)	(0.00)
Profit (loss) before corporate income tax	40.28	10.86	69.23	12.56	78.21	11.34
Corporate income tax revenue (expense)	(7.70)	(2.08)	(13.96)	(2.53)	(15.36)	(2.23)
Net profit (loss) for the period	32.58	8.79	55.27	10.02	62.85	9.11

Total revenue

Business type	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales and services						
1. Revenue from selling equipment and installation services	281.38	75.89	451.14	81.82	553.30	80.24
2. Revenue from repair and maintenance services	78.66	21.21	93.53	16.96	126.46	18.34
3. Revenue from equipment rental	9.38	2.53	3.72	0.67	6.82	0.99
Total revenue from sales and services	369.42	99.63	548.39	99.45	686.58	99.57
Other revenue ¹	1.38	0.37	3.01	0.55	2.96	0.43
Total revenue	370.80	100.00	551.40	100.00	689.54	100.00

Note: 1. Other revenue consists of Cisco marketing support and profit from disposal of assets, etc.

During 2021 - 2023, the Company's total revenue was Baht 370.79 Million, Baht 551.40 Million, and Baht 689.54 Million, respectively, with the Company's main revenue from equipment sales and installation services, accounted for 75.89% - 81.82% of the total revenue; revenue from maintenance services after the sale, accounted for 16.96% - 21.21% of the total revenue; and the remaining revenue was revenue from equipment rental, accounted for 0.67% - 2.53% of the total revenue. However, if revenue from sales and service is taken into account, it is found that the Company had customers in both the government and private sectors, as follows:

Revenue structure	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales and services						
1. Revenue from government sector	155.57	42.11	136.38	24.87	178.21	25.96
2. Revenue from private sector	213.85	57.89	412.01	75.13	508.37	74.04
Total revenue from sales and services	369.42	100.00	548.39	100.00	686.58	100.00

From the table above, in 2021 - 2023, most of the revenue from sales and services of the Company were from private sector projects as the Company would like to reduce the risk of relying on major customers and customers from the government sector who still have budget fluctuations. The Company has set up a strategy to expand the work to new private sector customers both old and new customers to diversify the customer base and increase the Company's market share in the future. In 2023, the Company expanded its customer base to include over 15 new customers in various industries, including the petroleum industry, financial service business, air traffic controlling business and internet and application service provider business.

Revenue from sales and services

Revenue from selling equipment and installation services

Revenue from selling equipment and installation services	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from selling equipment and installation services						
- Government sector	79.94	28.41	57.24	12.69	83.85	15.15
- Private sector	201.44	71.59	393.90	87.31	469.45	84.85
Total revenue from selling equipment and installation services	281.38	100.00	451.14	100.00	553.30	100.00

In 2021, the Company's revenue from equipment sales and installation services was Baht 281.38 Million, a decrease of Baht 10.47 Million or 3.59% compared to 2020. The revenue generated from the projects of government agencies has decreased to 28.41% of the total revenue from equipment sales and installation services because the Company had turned to diversifying its business by acquiring new customers and accepting more projects in the private sector. The spread of the Coronavirus ("Covid-19") that has become more severe is a catalyst for business operators to turn to relying more on information and communication technology systems, resulting in business operations changing rapidly. Initially, business operators focused on improving the efficiency of business operations and assisting customers to increase sales channels and market to consumers via the Internet; however, it has evolved into a business continuity creation, both in the activities of support agencies (Support Function) and revenue-generating units, resulting in revenue from private sector projects increasing by 70.00% compared to the previous year and accounting for 71.59% of revenue from equipment sales and installation services.

In 2022, the Company's revenue from equipment sales and installation services was Baht 451.14 Million, an increase of Baht 169.76 Million, representing an increase of 60.33% compared to the previous year. Most of the revenue came from agreements for the purchase and installation of equipment from the private sector, which accounts for 87.31% of the total revenue from equipment sales and installation services due to the distribution of the customer base to new customers and accepting more projects in the private sector. The majority of the previous year's revenue was generated by equipment purchase agreements with four private companies, with project values ranging from Baht 209.76 Million to Baht 70.97 Million, Baht 42.55 Million, and Baht 31.95 Million, respectively. Even though revenue from government projects went down from the previous year, it still made up 12.69% of the total revenue from equipment sales and installation services. This was mostly because of agreements to buy and set up equipment for a television station project for Baht 30.78 Million. However, the Company still has the project value that has not been delivered of approximately Baht 229.19 Million, which is a project for 15 government and private customers and will gradually be recognized as income in the following year.

In 2023, the company had income from equipment sales and installation services was Baht 553.30 Million, an increase of Baht 102.16 Million, representing an increase of 22.64% compared to the previous year., primarily from contracts. A majority of equipment sales and installation revenues are derived from orders and the installation of private sector equipment, accounting for approximately 84.85% of total revenue. There has been an expansion of the Company's work among both existing and new customers. Having been listed on the mai stock exchange, the Company has been able to build confidence among customers and has access to funding that enables it to expand its range of accepted projects and accept a greater number of projects. And at the end of 2023 the Company also has a project value of approximately Baht 47.42 Million that has not yet been delivered, which is a project for both public and private customers. This value will be gradually recognized as income in the following year.

Revenue from equipment repair and maintenance services

Revenue structure	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from equipment repair and maintenance services						
- Government sector	66.34	84.33	75.48	80.70	91.65	72.47
- Private sector	12.32	15.67	18.05	19.30	34.81	27.53
Total revenue from equipment repair and maintenance services	78.66	100.00	93.53	100.00	126.46	100.00

Revenue from equipment repair and maintenance services occurs after revenue from sales of equipment in the event that the Company receives additional agreements from customers with service periods ranging from 1 - 5 years, resulting in the Company's stable income continually being greater than income from the sale of equipment, which is highly volatile according to the company's ability in acquiring the projects. Also, the amount of money generated from repairing and maintaining equipment will grow in line with the number of customers, both those with ongoing service agreements and those with agreements for new projects. As a result, the Company is focusing on both project work and after-sales service at the same time. This kind of revenue is recognized in a straight line over the time it takes to provide the service to the customer.

In 2021, the Company's revenue from equipment repair and maintenance services totaled Baht 78.67 Million, an increase of Baht 7.94 Million or 11.23% over the previous year. The ongoing agreement for equipment repair and maintenance service brings in about Baht 60.42 Million per year, while the new agreement will bring in about Baht 18.25 Million per year. In this regard, the revenue generated from government projects grew 9.69% from the previous year and accounted for 84.33% of the revenue from all repair and maintenance services. It can be seen that the growth of these kinds of income has slowed down a bit, which is because fewer people are interested in government projects. At the same time, private sector revenue grew 20.29% from the previous year and accounted for 15.67% of total equipment repair and maintenance revenue. This happened because the agreement was renewed and an agreement was made for ongoing equipment repair and maintenance services. The revenue from Service - Type Warranty was approximately Baht 0.83 Million, or 1.05% of the revenue from equipment repair and maintenance services. The Company trying to increase the proportion of revenue from repair services and maintain higher equipment levels so that the company has a consistent recurring income, which can be seen from the fact that the proportion of income in this section has increased steadily in line with the growth of revenue from equipment sales.

In 2022, the Company had revenue from equipment repair and maintenance services in the amount of Baht 93.53 Million, an increase of Baht 14.87 Million or an increase of 18.90% compared to the previous year. Most of the revenue generated from the ongoing equipment repair and maintenance service agreement was worth approximately Baht 72.37 Million, while the revenue generated from the new agreement was approximately Baht 21.16 Million. At the end of 2022, the Company has a repair service and maintenance contract value from customers but has not reached the service period of approximately Baht 177.04 Million, which will gradually be recognized as revenue throughout the period of service to customers by the straight-line method.

In 2023, the Company had revenue from equipment repair and maintenance services in the amount of Baht 126.46 Million, an increase of Baht 32.93 Million or an increase of 35.21% compared to the previous year. Most of the revenue generated from the ongoing equipment repair and maintenance service agreement was worth approximately Baht 83.06 Million, while the revenue generated from the new agreement was approximately Baht 43.40 Million. At the end of 2023, the Company has a repair service and maintenance contract value from customers but has not reached the service period of approximately Baht 162.84 Million, which the service period is from 2024 to 2028 and will gradually be recognized as revenue throughout the period of service to customers by the straight-line method.

Revenue from equipment rental

Revenue from equipment rental	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from equipment rental						
- Government sector	9.30	99.15	3.66	98.39	2.71	39.74
- Private sector	0.08	0.85	0.06	1.61	4.11	60.26
Total revenue from equipment rental	9.38	100.00	3.72	100.00	6.82	100.00

Revenue from equipment rental is generated after the Company has invested in purchasing or installing equipment and signing contracts to allow lessees to use it. The tenant pays the Company rent for a period of 7 days - 1 month for customers waiting for equipment during procurement or for use in urgent missions, and for a period of 1 - 3 years for general project work. In this regard, the agreement states that at the end of the agreement period, the Company must return the leased equipment within 30 days. Using the straight-line method, the Company can record this kind of income over the time it rents out equipment to customers.

In 2021, the Company had equipment rental income of Baht 9.38 Million, a decrease of Baht 2.43 Million or 20.58% compared to 2020, mainly due to the expiration of the contract. Equipment rental projects and equipment rental projects decreased compared to the previous year. Almost all equipment rental revenue in 2021 came from ongoing leases that have been in place since 2019. Even though the Company has no new lease agreements in 2021, the Company still has a plan to expand the business in the future in order to create continuous income stability.

In 2022, the Company had income from equipment rental in the amount of Baht 3.72 Million, a decrease of Baht 5.66 Million due to 2 lease agreements that expired in the first quarter of 2022. However, at the end of 2022, the Company had the value of equipment rental service agreements that have received orders from customers, but the equipment rental service period has not reached approximately Baht 11.68 Million, which will be recognized as revenue gradually throughout the service period rendered to customers using the straight line method.

In 2023, the Company had income from equipment rental in the amount of Baht 6.82 Million, a increase of Baht 3.10 Million or 83.36% compared to 2022, due to funds raised from stock exchange fundraising, the Company will have a value of equipment rental service contract. And, at the end of 2023, the Company had the value of equipment rental service agreements that have received orders from customers, but the equipment rental service period has not reached approximately Baht 4.86 Million, which will be recognized as revenue gradually throughout the service period rendered to customers using the straight line method.

Other revenues

Other revenue	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
1. Revenues from loan guarantee fees	-	-	-	-	0.29	9.80
2. Cisco's marketing support revenue	0.15	10.95	0.13	4.32	-	-
3. Profit (loss) from actual exchange rate	-	-	0.01	0.33	-	-
4. Profit (loss) from the sale of assets	1.04	75.91	2.50	83.06	2.55	86.15
5. Other revenues ¹	0.18	13.14	0.37	12.29	0.12	4.05
Total other revenues	1.37	100.00	3.01	100.00	2.96	100.00

Note : -

1. Other revenues consist of subsidies for promoting and maintaining employment in SMEs, subsidies from social security (only in 2022) and discounts

In 2023, the Company's other revenues consist of 1) Revenues from loan guarantee fees 2) Profit (loss) from the sale of assets, most of which arises from the sale of leased assets at the end of the lease period, the total value is equal to Baht 2.55 Million and 3) other income, etc.

In 2021 - 2023, the company had other income of baht 1.37 Million, baht 3.01 Million, and baht 2.96 Million, accounting for 0.37%, 0.55%, and 0.43% of total income, respectively. The company's other income It is a relatively stable income and does not change significantly from year to year.

Cost of sales and services and gross profit

Cost of sales and services and gross profit	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales and services	369.42	100.00	548.39	100.00	686.58	100.00
Cost of sales and services	300.25	81.28	448.43	81.77	573.68	83.56
Gross profit	69.17	18.72	99.96	18.23	112.90	16.44

In 2021–2023, the Company had total costs of sales and services equal to Baht 300.25 Million, Baht 448.43 Million, and Baht 573.68 Million, respectively, consisting of: 1) the cost of selling equipment 2) the cost of providing repair and maintenance services from insurance purchases, 3) the cost of equipment rental, and 4) the cost of other sales and services, which includes technical and customer service staff salaries, transportation, travel, allowances, and miscellaneous project expenses, etc. The cost of sales and services for the Company can be summarized as follows.

In 2021, the Company had cost of sales and services equal to Baht 300.25 Million or 81.28% of sales and service income, which decreased by Baht 8.78 Million, representing a decrease of 2.84% compared to 2020, following a slight decrease in revenue. In this regard, the Company received projects from government agencies worth approximately Baht 155.57 Million, which decreased by approximately Baht 90.08 Million compared to the previous year, while diversifying its business into new customer groups and accepting more projects in the private sector. Due to the spread of the Covid-19 infection that has become more severe, various business operators have needed to adjust and turn to relying more on information technology and communication systems, resulting in revenue from the private sector equal to Baht 213.85 Million, an increase of Baht 85.11 Million. However, although the revenue in 2021 had decreased, the gross profit increased by Baht 3.81 Million compared to the previous year, resulting in the gross profit margin increasing to 18.72% of sales and revenue in providing service, which is caused by the project work for which the Company acquired a higher gross profit margin than the previous year due to the nature of the projects that the Company is proficient in designing and installing systems, resulting in an increase in gross profit margins from the previous year.

In 2022, The Company's cost of sales and services equal to Baht 448.43 Million, accounting for 81.77% of sales and service revenue, which increased by Baht 148.18 Million, representing a 49.35% increase over the previous year. This is in line with the revenue from sales and services in 2022, which increased in the amount of Baht 178.97 Million, or an increase in the rate increased by 48.45% compared to the previous year, resulting in an increase in gross profit from the previous year in the amount of Baht 30.79 Million, representing an increase in gross profit margin from the previous year equal to 44.51%, resulting from accepting a project from one major customer whom the Company has experience working with in the working site, enabling the Company to plan the system installation and can also effectively control the cost.

In 2023, The Company's cost of sales and services equal to Baht 573.68 Million, accounting for 83.56% of sales and service revenue, which increased by Baht 125.25 Million, representing a 27.93% increase over the previous year. This is in line with the revenue from sales and services in 2023, which increased in the amount of Baht 138.19 Million, or an increase in the rate increased by 25.20% compared to the previous year, resulting in an increase in gross profit from the previous year in the amount of Baht 12.94 Million, representing an increase in gross profit margin from the previous year equal to 12.95%.

Cost of distribution

In 2021 - 2023, the Company had cost of distribution of approximately Baht 12.85 Million, Baht 15.89 Million and Baht 21.32 Million, respectively, which is accounted for approximately 3.47%, 2.88%, and 3.09% of the total revenue as per below details of the change in distribution costs in each period.

Cost of distribution	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Employee expenses	6.49	50.51	8.98	56.51	11.60	54.41
Commission	4.66	36.26	3.83	24.10	5.16	24.20
Sales promotion expenses	0.08	0.62	0.70	4.41	1.02	4.78
Accommodation and travel expenses	0.48	3.74	0.74	4.66	0.91	4.27
Other cost of distribution ¹	1.14	8.87	1.64	10.32	2.63	12.34
Cost of distribution	12.85	100.00	15.89	100.00	21.32	100.00

Note:

1. Other cost of distribution consisted of depreciation of equipment and office equipment, shipping costs and entertainment expenses, etc.

The Company's cost of distribution is primarily due to sales-related expenses, which include 1) Employee expenses such as salaries, wages, and other benefits of sales staff, etc., which account for between 50.51% - 56.51% of the cost of distribution, 2) Commission accounted for between 24.10% - 36.26% of the cost of distribution, 3) Sales promotion expenses such as advertising and public relations, fees for exhibition activities among alliances are between 0.62% - 4.78% of the cost of distribution, 4) Accommodation and travel expenses for sales staff accounted for between 3.74% - 4.66% of the cost of distribution; and 5) Other costs of distribution such as depreciation of equipment and office equipment, shipping costs and entertainment expenses, etc., accounted for between 8.87% - 12.34 % of the cost of distribution.

In 2021, the Company's cost of distribution was Baht 12.85 Million, which was an increase of Baht 1.43 Million or a growth rate of 12.52% compared to the previous year due to an increasing employee pay to encourage workers to help with the increase in project work, which led to a ratio of cost of distribution to total income of about 3.46%, which was a slight increase from the previous year.

In 2022, the Company's cost of distribution was Baht 15.89 Million, an increase of Baht 3.04 Million, or 23.66%, over the previous year. The increase was due to the expansion of the experienced sales team to expand the market and customer base and the increase in the salary base to motivate employees, resulting in an increase in personnel expenses of Baht 2.49 Million.

In 2023, the Company's cost of distribution was Baht 21.32 Million, an increase of Baht 5.43 Million, or 34.17%. As a result of the expansion of an experienced sales team to expand the market and customer base, as well as an increase in base salaries, training expenses, and benefits for employees, this increase has been achieved. To provide incentives to employees, employee expenses increased by Baht 2.62 Million, representing a 29.18% increase over the previous year, along with commissions that increased according to sales and service earnings.

Administrative expenses

During 2021 - 2023, the Company had administrative expenses of Baht 17.49 Million, Baht 19.13 Million, and Baht 20.79 Million, respectively, accounted for 4.72%, 3.47% and 3.02% of the total revenue, with details of administrative expenses in each period as follows:

Administrative expenses	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Management and employee expenses	9.77	55.86	11.20	58.55	11.61	55.84
Office expenses and service fees	0.53	3.03	0.89	4.65	1.05	5.05
Bank fees	0.83	4.75	1.12	5.85	1.40	6.73
Consulting and professional service fees	3.43	19.61	2.47	12.91	2.15	10.34
Depreciation and amortization	1.78	10.18	1.78	9.30	1.80	8.66
Cost of repair, utilities, and insurance	0.67	3.83	0.94	4.91	1.09	5.24
Other administrative expenses ¹	0.48	2.74	0.73	3.83	1.69	8.14
Administrative expenses	17.49	100.00	19.13	100.00	20.79	100.00

Note:

1. Other administrative expenses consisted of public relations costs, website service fee, fees and services related to companies listed on the stock exchange, and parking fees for employees and visitors, etc.

Administrative expenses in 2021 – 2023 consist of 1) Management and employee expenses such as salary, wages, other benefits and expenses related to executives and employees in the part not related to sales, etc., accounting for between 55.84% - 58.55% of administrative expenses, 2) Office expenses and service fees, which include a variety of support costs such as building rentals and equipment rentals, service fees for office equipment, etc., accounted for between 3.03% - 5.05% of administrative expenses, 3.) Bank fees for issuing a letter of guarantee with a financial institution. There are two types of letters of guarantee: bid bonds and performance bonds. Bid bonds are used to bid on government projects, and performance bonds are used to guarantee that the contract will be fulfilled. The fee for a performance bond is between 4.75% - 6.73% of the administrative costs, 4.) Consulting and professional service fees, such as auditing fees, legal advisory fees, and professional fees, etc., were in the range of 10.34% - 19.61% of administrative expenses, 5.) Depreciation and amortization, such as building and structure depreciation and office equipment, computer, and equipment depreciation, accounted for 8.66% - 10.18% of administrative expenses, 6.) Cost of repair, utilities, and insurance, such as electricity, water, and property repair and maintenance costs, which accounted for between 3.83% - 5.24% of administrative expenses, and 7.) Other administrative expenses, such as of public relations costs, website service fee, fees and services related to companies listed on the stock exchange, donation and parking fees for employees and external visitors, etc., which accounted for between 2.74% - 8.14% of administrative expenses.

In 2021, the Company had administrative expenses of Baht 17.49 Million, a slight increase of Baht 0.45 Million from the previous year, due to higher management and employee expenses to incentivize employees and accommodate increases in project work, as well as higher consulting and professional service fees to prepare for the listing of securities in the SET, which increased by Baht 2.00 Million from the previous year.

In 2022, the Company had administrative expenses of Baht 19.12 Million, an increase of Baht 1.63 Million compared to the previous year due to management and employee expenses, namely remuneration for directors. Meeting allowances are incurred throughout the year 2022, but the Board of Directors was appointed at the end of the year in 2021, so such expenses were incurred in the second half of the year. Increased salary, bonus, training, and welfare benefits are also available to motivate employees.

In 2023, the Company had administrative expenses of Baht 20.79 Million, an increase of Baht 1.66 Million compared to the previous year due to fees and services related to stock exchange-listed companies, website service fee, public relations fees and expenses related to the preparation of the 2023 annual report, etc. The Company also invests in salaries, bonuses, training expenses, and welfare expenses to motivate its employees.

Finance cost

In 2021 – 2023, the Company had finance costs of Baht 0.08 Million, Baht 0.03 Million, and Baht 0.02 Million , respectively, representing 0.02%, 0.01%, and 0.00% of the total revenue. The financial cost consists of 1) Interest expenses - overdraft loans and short-term loans ; and 2) Interest expenses - liabilities from the Financial Lease Agreement. In this regard, the details of the Company's finance cost in the past are as follows.

Finance Cost	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Interest expense- Overdraft loans and short-term loan	0.04	50.00	-	-	-	-
Interest expense-Financial lease liabilities	0.04	50.00	0.03	100.00	0.02	100.00
Finance Cost	0.08	100.00	0.03	100.00	0.02	100.00

The majority of the Company's finance costs are interest expenses incurred as a result of the use of a short-term loan with floating interest rates of MLR and MLR plus 0.50% per annum for use as working capital and liquidity in the acquisition of various projects.

In 2021, the Company had finance costs of approximately Baht 0.08 Million, a decrease of Baht 1.53 Million compared to the previous year, mainly due to a decrease in interest expenses - short-term loans after the Company has repaid short-term loans to financial institutions in 2020, resulting in a decrease in interest expenses - short-term loans by Baht 1.50 Million.

In 2022, the Company had no loan interest burden, only interest expenses - liabilities from financial lease agreement in the amount of Baht 0.03 Million, accounted for 0.01 % of the total revenue.

In 2023, the Company had no loan interest burden, only interest expenses - liabilities from financial lease agreement in the amount of Baht 0.02 Million, accounted for 0.00 % of the total revenue.

Profit share in joint venture

In 2022, the Company's profit share in joint venture was Baht 0.75 Million, accounted for 0.14% of the total revenue. The profit share was from SPIT Joint Venture (Joint Venture), calculated by using equity method. The joint venture recognized revenue and cost in July 2022.

In 2023, the Company's profit share in joint venture was Baht 1.45 Million, accounted for 0.21% of the total revenue, which increased by baht 0.70 Million, representing an increase of 93.33% compared to the previous year, because the SPIT joint venture (joint venture) will recognize full-year revenue in 2023.

Income tax revenue or expense

Income tax revenue or expenses consist of current income tax and deferred income tax. Income tax for the years 2021 – 2023 was expected to be paid or recovered from taxable profits or losses for the year using tax rates announced or expected to be effective as of the reporting date, as well as tax adjustments related to items in previous years. Deferred income taxes, on the other hand, are recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Tax expenses were Baht 7.70 Million, Baht 13.96 Million, and Baht 15.36 Million for the years 2021-2023, respectively. This increase was due to the continuous increase in operating profit.

Net profit

In 2021 – 2023, the Company had a net profit of approximately Baht 32.58 Million, Baht 55.27 Million, and Baht 62.85 Million, respectively, representing a net profit margin of 8.78%, 10.02%, and 9.11% of total revenue, respectively. In this regard, the Company's net profit during the past period are as follows:

In 2021, the Company had a net profit of approximately Baht 32.58 Million or a net profit margin of 8.78% of total revenue, which increased by Baht 3.75 Million or a growth rate of 13.01% compared to the previous year. Although the net profit growth rate slowed due to a decrease in government project acceptance, the net profit margin increased from the projects that the Company completely acquired a higher gross profit margin than the previous year from the nature of the projects that the Company has expertise in designing, installing and integrating systems, resulting in an increase in gross profit margin from the previous year, together with a decrease in financial costs after the Company has paid back to financial institutions in 2020.

In 2022, the Company had a net profit of Baht 55.27 Million, or a net profit margin of 10.01% of the total revenue, which increased by Baht 22.69 Million, or a growth rate of 69.64% compared to the previous year. The increase was mainly derived from an increase of gross profit, compared to the previous year since the Company acquired a project from an existing customer where the Company had experience at their site, enabling the Company to effectively plan the system installation and the Company was able to control the project cost effectively. Thus, the gross profit was higher than that of the previous year.

In 2023, the Company had a net profit of Baht 62.85 Million, or a net profit margin of 9.11% of the total revenue, which increased by Baht 7.58 Million, or a growth rate of 13.71% compared to the previous year. The increase was mainly derived from an increase of gross profit, compared to the previous year, because the company able to expand the size of project acceptance for both existing and new customers, this increase in gross profit was mostly the result of an increase in gross profit over last year. As a result, it is also able to expand the number of new customers even further. This has resulted in the Company generating increased income from all three of its main businesses, including equipment sales and installation services, repair services and equipment maintenance, and equipment rental.

Financial position analysis

Total assets

At the end of 2021 - 2023, the Company had total assets of Baht 264.36 Million, Baht 666.49 Million and Baht 576.07 Million, respectively. The Company's significant assets were cash and cash equivalents, account receivables and other receivables, contract asset, inventories, prepaid expenses, other non-current financial assets, long-term loan, and property, plant, and equipment, which represented 95.98 - 99.09% of the total assets. Details of the Company's significant assets during the past periods are as follows.

Cash and cash equivalents

The Company had cash and cash equivalents worth Baht 29.37 Million, Baht 252.21 Million, and Baht 175.55 Million at the end of 2021-2023, representing 11.11%, 37.84%, and 30.47% of the total assets, respectively. Most of them are bank deposits in the category of savings. In this regard, changes in cash and cash equivalents of the Company arising from an increase or decrease in net cash received from or mainly used in operating activities, investing activities, and financing activities (Please see the topic cash flow analysis for more information.)

Account receivables and other receivables

The Company has account receivables and other receivables consisting of account receivables, service receivables, revenue department receivables, etc. At the end of 2021 - 2023, the Company had account receivables and other receivables of Baht 76.31 Million, Baht 94.46 Million, and Baht 130.23 Million, respectively, representing 28.86%, 14.17%, and 22.61% of total asset value, respectively. The details are as follows.

Account receivables and other receivables	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Total accounts receivables	75.63	99.11	93.08	98.54	127.12	97.61
Revenue department receivables	-	-	1.21	1.28	-	-
Other receivables	0.68	0.89	0.17	0.18	3.11	2.39
Total account receivables and other receivables	76.31	100.00	94.46	100.00	130.23	100.00

Account receivables are receivables from the Company's normal operations, namely, customers who purchase goods and services from the Company. The Company had net account receivables of approximately Baht 75.63 Million, Baht 93.08 Million, and Baht 127.12 Million at the end of 2021 - 2023, representing 28.61%, 13.97%, and 22.07% of total asset value, respectively. The Company has a policy to provide a credit term for account receivables of approximately 30 to 90 days, with criteria for determining the credit limit and repayment period based on customer qualifications such as registered capital and financial status, as well as the relationship and duration of using the service with the Company, etc.

Account receivables	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Receivable with non-due payment	70.17	92.79	78.85	84.71	74.48	58.59
Overdue payment						
less than 3 months	3.35	4.42	13.89	14.92	52.64	41.41
more than 3 - 6 months	2.11	2.79	0.34	0.37	-	-
Total account receivables	75.63	100.00	93.08	100.00	127.12	100.00

Furthermore, at the end of 2021 - 2023, the Company had unpaid account receivables of Baht 70.17 Million, Baht 78.85 Million, and Baht 74.48 Million, representing 92.79%, 84.71%, and 58.59% of all account receivables, with an average collection period of approximately 66.22 days, 56.14 days, and 58.53 days, respectively. This is the same as the amount of time customers must pay for goods and services (Credit Term), which is between 30 and 90 days. In addition, if considering the age of account receivable, it was found that there were account receivables that were overdue less than 3 months, accounting for 4.42%, 14.92%, and 41.41% of all account receivables, respectively. However, the Company still has account receivables that are more than three months but not more than six months past due, accounting for 2.79%, 0.37%, and 0.00% of total account receivables, respectively. The increase in account receivables in 2023 was due to billing that occurred at the end of the year but was not due.

In addition, the Company has a policy to consider setting aside an allowance for expected credit losses for the Company's normal account receivables using a Simplified Approach, which is based on the age of the overdue payment and expected to be uncollectible. It also takes past collection experience, current economic conditions, and other factors including Forward-Looking Information to be taken into account in measuring expected credit losses from January 1st, 2021. However, in the past, the Company had no receivables that could not be collected, therefore the Company has no provision for credit losses according to the Company's policy.

In addition, the Company has other receivables, which consist of the Revenue Department, accrued interest income, other receivables, etc. At the end of 2021 - 2023, other receivables amounted to Baht 0.68 Million, Baht 1.38 Million, and Baht 3.11 Million, respectively.

Inventories

At the end of 2021- 2023, the Company had net inventories of Baht 16.41 Million, Baht 75.05 Million, Baht 16.33 Million, respectively, accounted for 6.21%, 11.26% and 2.83% of the total assets. Inventories consisted of equipment and work in process with the following details:

Inventories	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Equipment and work in process	16.41	100.00	75.05	100.00	16.33	100.00
Total inventories	16.41	100.00	75.05	100.00	16.33	100.00

Due to the nature of the Company's business operations, the Company will order equipment after the customer has hired the Company to carry out the project as agreed, causing the Company to not need to purchase products in advance to keep inventory. In addition, the equipment in each project has specific characteristics and features according to customer requirements that can be used only in each project. Inventories of the Company It is equipment ordered to prepare for use in each project and work in progress, wich arising from equipment pending installation.

In 2021, the Company had net inventories of Baht 16.41 Million, a decrease of Baht 27.75 Million, accounted for 62.84% decrease from the previous year due to the work handover and it was recognized as cost of sale.

In 2022, the Company had inventories such as equipment and work in progress. The value is equal to Baht 75.05 Million caused by equipment that is waiting to be installed. This represents an increase of 357.34% compared to the previous year. This was due to the receipt of products for installation for customers at the end of the year. However, the Company will deliver the work in the next installment. However, the list of spare parts arising from the purchase of equipment should prevent shortages of scarce raw materials. The Company does not have a policy to purchase products in advance to keep in inventory, causing the list of spare parts to continuously decrease, and at present, the Company has no such spare parts remaining.

In 2023, the Company had inventories such as equipment and work in progress. The value is equal to Baht 16.33 Million caused by equipment that is waiting to be installed. This represents an increase of 78.24% compared to the year 2022, due to the delivery of work completed and recorded in the account as cost of sales.

Prepaid expenses

At the end of 2021 - 2023, the Company had Baht 34.53 Million, Baht 43.42 Million, and Baht 58.37 Million in current advance expenses, which represented 13.06%, 6.51% and 10.13% of total assets, respectively. These expenses consisted primarily of 1) prepaid service costs, which were costs of equipment repair and maintenance services that generated full cash flow for purchasing insurance from product owners in order to obtain trade discounts; and 2) prepaid insurance costs from purchasing a product warranty agreement in the Service - Type Warranty, etc. Noncurrent prepaid expenses were Baht 35.15 Million, Baht 44.03 Million, and Baht 40.52 Million, represented 13.30%, 6.61% and 7.03% of total expenses. Most of these expenses were incurred from prepaid service costs with more than 1 year period.

Property, plant, and equipment

Property, plant, and equipment at the end of 2021 - 2023 was Baht 31.70 Million, Baht 32.75 Million, and Baht 36.90 Million, accounted for 11.99%, 4.91% and 6.41% of the total assets, respectively, consisting of condominiums, equipment, tools, decorations and office equipment, and vehicles, etc.

At the end of 2021, the Company had property, plant, and equipment-net of Baht 31.70 Million, decreased by Baht 5.27 Million, represented an increase 14.25% compared to the previous year. The main causes of the decrease were due to depreciation expenses and the disposal of assets during the period, such as the sale of vehicles with long usage periods and unused assets, including office equipment and decoration.

At the end of 2022, the Company had property, plant, and equipment-net of Baht 32.75 Million, increased by Baht 1.05 Million, represented an increase of 3.31% compared to the previous year, mainly due to investment in equipment for rental service to support the project to provide equipment rental services of a Broadcasting Company.

At the end of 2023, the Company had property, plant, and equipment-net of Baht 36.90 Million, increased by Baht 4.16 Million, represented an increase of 12.70% compared to the previous year, mainly due to investment in equipment for rental service to expand work on equipment rental.

Total liabilities

At the end of 2021 - 2023, the Company had total liabilities of Baht 76.03 Million, Baht 217.04 Million, and Baht 127.97 Million, respectively. The Company's significant liabilities consisted of overdraft and short-term loan from financial institutions, account payables and other payables, agreement liabilities, lease liabilities and provision of employee benefits, accounted for 99.54% - 99.83% of the total liabilities. The details of the company's significant liabilities are as follows.

Account payables and other payables

The Company had account payables and other payables which consisted of account payables, Accrued project costs, accrued expenses and other current payables, etc. At the end of 2021-2023, the Company had account payables and other payables of Baht 44.33 Million, Baht 178.59 Million, and Baht 85.38 Million, accounted for 16.77%, 26.80% and 14.82% of the total liabilities with below details.

Account receivables	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Account payables	39.47	89.04	155.21	86.91	76.78	89.93
Other account payables	0.16	0.36	0.25	0.14	0.32	0.37
Accrued project costs	0.19	0.43	18.59	10.41	1.25	1.46
Accrued expenses	2.52	5.68	2.48	1.39	4.25	4.98
Other current payables ¹	1.99	4.49	2.06	1.15	2.78	3.26
Total account payables and other payables	44.33	100.00	178.59	100.00	85.38	100.00

Note: 1. Other current payables consisted of the Revenue Department, undue output tax etc.

Account payables were account payable arising from the overdue payments for goods purchased by the Company in order to be used in equipment sale project work. At the end of 2021-2023, the Company had account payables of Baht 39.47 Million, Baht 155.21 Million, and Baht 76.78 Million, accounted for 51.91%, 71.51% and 60.00% of the total liabilities.

In 2021, the Company's account payables decreased by Baht 33.04 Million, which corresponds to the decrease in the volume of equipment and work in progress due to the reduction of project work that occurred at the end of the year.

In 2022, the Company's account payables increased by Baht 115.74 Million. Most of them were undue account payables from equipment purchase for the project work incurred during that period and account payables from the project in which the Company received product for installation at the end of the year.

In 2023, the Company's account payables decreased by Baht 78.43 Million as a result of payments made to creditors and no purchases made at the end of the year. This is indicative of a decrease in inventories.

Contract Liabilities

Contract liabilities consist of unearned revenue and advance deposits. Most of the revenue received in advance is from product warranty contracts under Service-Type Warranty, which customers want to purchase additionally and have a continuous warranty period after the delivery of the work.

At the end of 2021 - 2023, the Company had current liabilities arising from contracts - which are due within 1 year in the amount of Baht 8.61 Million, Baht 15.92 Million and Baht 20.09 Million, representing 11.32%, 7.34% and 15.70% of the total Liabilities, respectively. While at the end of 2021 - 2023, non-current contractual liabilities, which are contractual liabilities with a maturity of more than 1 year, are approximately Baht 13.73 Million, Baht 11.27 Million, and Baht 9.84 Million, respectively.

Lease liabilities - net

At the end of 2021 - 2023, the Company had net lease liabilities of Baht 0.96 Million, Baht 0.61 Million, and Baht 0.25 Million, respectively, representing 1.26%, 0.28%, and 0.20% of total liabilities, respectively, arising from the lease. Vehicles lease in 2020 for business use and decreased from the repayment of liabilities according to the terms of the lease each year.

Provision of payable for employee benefit

At the end of 2021 - 2023, the Company had provision of payable for employee benefits amounting to Baht 3.44 Million baht, Baht 3.98 Million and Baht 4.67 Million respectively, representing 4.52%, 1.83% and 3.65% of the total liabilities. Based on the assumptions used in the calculation, the Company has recorded employee benefits in accordance with the actuarial benefit assessment report, namely, discount rate, salary increase rate, employee turnover rate, and age. Non-current provision of payable for employee benefits for each period will change in accordance with assumptions about the discount rate estimated from average yields on government bonds and reflect the estimated timing of benefit payments. However, at the end of 2021-2023, non-current provisions for employee benefits increased by Baht 0.45 Million, Baht 0.54 Million, and Baht 0.69 Million, respectively, due to the recognition of service costs incurred in the current period and the increase in the total interest costs. However, the Company has estimated the value of liabilities for new employee benefits in the year 2021 -2023, resulting in changes in the provision with profits of approximately Baht 0.21 Million, Baht 0.21 Million and Baht 0.32 Million respectively.

Shareholders' equity

The shareholders' equity of the Company at the end of 2021 - 2023 was Baht 188.33 Million, Baht 449.45 Million, and Baht 448.10 Million, accounted for 71.24%, 67.44% and 77.79% of the total liabilities and shareholders' equity.

The shareholders' equity of the Company at the end of 2023 was Baht 448.09 Million, accounted for 77.78% of the total liabilities and shareholders' equity which decreased by Baht 1.36 Million, accounted for 0.30% decrease compared to the previous year, that is consistent with due to the repurchase of shares in the amount of baht 38.12 Million and the payment of dividends in the amount of baht 26.40 Million and the increase was due to comprehensive profit for the year in the amount of baht 63.15 Million. The details are as follows:

On April 26th, 2023, the Annual General Meeting of the Company's shareholders approved the payment of dividends in respect of operating results for the year 2022 at a rate of Baht 0.12 per share (220 Million ordinary shares), or a total of Baht 26.40 Million, to its shareholders based on the shareholder register as of March 9th, 2023. The Company has already paid the dividend

on May 23rd, 2023. However, net profit for the period 2022, the Company paid an interim dividend of Baht 0.15 per share (150 Million ordinary shares), or a total of Baht 22.50 Million, in September 2022. Therefore, the approval of the payment of dividends in respect of operating results for the year 2022 was totaling Baht 0.27 per share, or a total of Baht 48.9 Million.

The Company has the policy of paying dividends to shareholders at the rate of not less than 40% of net profit from separate financial statements after deduction of corporate income tax and reserves as required by the laws and the Company's regulations.

On May 10th, 2023, the meeting of the Company's Board of Directors approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 38.5 Million or approximately 11 Million shares, which is approximately 5% of total issued shares at par value of Baht 1 per share by repurchasing in the Stock Exchange of Thailand, which the repurchase price shall not be exceeding 115 percent of the average closing stock price prior to 5 working days on the date of repurchase of treasury stocks. The repurchase period is from May 15th, 2023, to October 12th, 2023.

On 7 September 2023, the Company completed the repurchase of 11,000,000 shares, equivalent to 5% of the total issued shares. Therefore, the Company has declared the cessation of the share repurchase program for the purpose of financial management.

At the end of 2023, the Company had outstanding treasury stocks of 11,000,000 shares in the account with an average cost of Baht 3.47 per share. The total cost was Baht 38,122,085. The treasury stocks of 11,000,000 shares have a par value of Baht 1 per share. The Company set aside an amount from retained earnings equal to the cost of the treasury shares to a separate reserve account with such reserve to remain outstanding until either the shares are sold or paid-up capital is reduced by the cancellation of any remaining unsold shares. As at the end of 2023, the Company has set aside approximately Baht 38,122,085, with the Company recording the reserve as "Retained earnings - reserve for treasury stocks" in the statement of financial position.

Liquidity and adequacy of funds

Cash flow analysis

The Company was able to manage liquidity and working capital with cash flow received from business operations to be used in operating activities, debt settlement, and investment activities. The Company's cash flow statement for 2021 - 2023 can be summarized as follows:

Cash flow	2021	2022	2023
	Million Baht	Million Baht	Million Baht
Net cash flows from (used in) operating activities	15.24	82.82	(3.98)
Net cash flows from (used in) investment activities	(0.13)	(63.51)	(7.79)
Net cash flows from (used in) financing activities	(46.06)	203.53	(64.89)
Cash and cash equivalents net increase (decrease)	(30.95)	222.84	(76.66)
Cash and cash equivalents at the beginning of the year	60.32	29.37	252.21
Cash and cash equivalents at the end of the year	29.37	252.21	175.55

In 2021, The Company had cash flows from operating activities of Baht 15.24 Million, resulting from cash flows from net profits for the year of Baht 32.59 Million, adjusted by non-cash items and finance costs of Baht 14.07 Million, primarily due to income tax expenses of Baht 7.70 Million and depreciation and amortization expenses of Baht 6.77 Million. Furthermore, working capital changes of Baht 31.42 Million were used to adjust operating activities to cash in 2021. Major items that caused changes in working capital were an increase in account receivables and other receivables of Baht 17.41 Million from unpaid account receivables, an increase in prepaid expenses of Baht 12.33 Million, and a decrease in account payables and other current payables of Baht 36.99 Million was partially offset by a decrease in inventories of Baht 27.75 Million from a decrease in project work occurred at the end of the year and an increase in liabilities arising from the contract in the amount of Baht 17.22 Million. While cash flow used in investing activities was Baht 0.13 Million, this was a decrease from the previous year since the Company did not investment in high-value assets. There was a sale of assets during the period, including vehicles, and other assets that are not in use, such as equipment, office equipment, office furnishings, etc. In addition, net cash flow used in financing activities amounted to Baht 46.06 Million, mainly due to the repayment of short-term loans from financial institution creditors in the amount of Baht 16.05 Million and an interim dividend payment from retained earnings, amount Baht 27.80 Million. In this regard, the Company has no cash inflow resulting from a capital increase or borrowing in any way. Net cash flow decreased by Baht 30.96 Million in 2021, and cash and cash equivalents were Baht 29.37 Million at the end of 2021.

In 2022, the Company had cash flow from operating activities of Baht 82.82 Million, cash flow from net profit for 2022 of Baht 55.27 Million and adjusted by non-cash items and finance cost of Baht 14.95 Million, which were mainly due to income tax expenses of Baht 13.96 Million and depreciation and amortization expenses of Baht 3.97 Million. In addition, in 2022, operating activities were adjusted to cash with changes in working capital in the amount of Baht 42.28 Million. Significant items causing changes in working capital were an increase in account receivables and other receivables of Baht 18.25 Million, an increase in contract assets of Baht 11.42 Million, an increase in inventories of Baht 58.64 Million, an increase in contract liabilities of Baht 4.85 Million, and an increase in account payables and other current payables in the amount of Baht 133.33 Million. While cash flow used in investing activities was Baht 63.51 Million, resulting from an increase in deposits at the bank pledged as collateral in the amount of Baht 32.72 Million, payment of loans to related parties in the amount of Baht 30.01 Million and cash paid for purchases of fixed assets and intangible assets amounted to Baht 4.87 Million. Most of which were investments in equipment to support the growth of the equipment rental business. Net cash flows from financing activities amounted to Baht 203.53 Million, mainly due to the capital increase of Baht 272.30 Million, capital increase expenses of Baht 15.89 Million, dividend payment of Baht 52.50 Million, consisting of dividend payment for the year 2021 to existing shareholders in accordance with the resolution of the Annual General Meeting of Shareholders for the year 2022 in the amount of Baht 30.00 Million and the interim dividend payment from the retained earnings ended June 30th, 2022 according to the resolution of the Board of Directors' Meeting held on August 11th, 2022, of Baht 22.50 Million. However, the Company had no cash inflow from borrowing. As a result, the Company had a net cash flow in 2022 increased by Baht 222.84 Million and its cash and cash equivalents at the end of 2022 totaled Baht 252.21 Million.

In 2023, the Company had cash flow used in operating activities in the amount of Baht 3.98 Million, cash flow from profit before tax for 2023 of Baht 78.20 Million and adjusted by non-cash items and finance cost of Baht 0.07 Million, which were mainly due to depreciation and amortization expenses of Baht 5.98 Million. In addition, in 2023, operating activities were adjusted to cash with changes in working capital in the amount of Baht 67.47 Million. Significant Items causing changes in working capital were an increase in account receivables and other receivables of Baht 33.15 Million, an decrease in contract assets of Baht 15.99 Million, an decrease in inventories of Baht 58.72 Million, an increase in contract liabilities of Baht 2.74 Million, and an decrease in account payables and other current payables in the amount of Baht 93.22 Million.

While cash flow used in investing activities was Baht 7.79 Million, resulting from an increase in deposits at the bank pledged as collateral in the amount of Baht 6.54 Million, and cash paid for purchases of fixed assets and intangible assets amounted to Baht 9.89 Million most of which were investments in equipment to support the growth of the equipment rental business, cash received from repayment of loans to related parties in the amount of Baht 5.46 Million, interest received from long-term loan to related party and bank amounted to Baht 2.43 Million and receiving profit sharing from the joint venture in the amounted to Baht 0.75 Million.

Net cash flows used in financing activities amounted to Baht 64.89 Million, this was mainly due to the payment of share repurchases in the amounted to Baht 38.12 and the payment of dividends the amounted to Baht 26.39 Million.

However, the Company had no cash inflow from borrowing. As a result, the Company had a net cash flow in 2023 decreased by Baht 76.66 Million and its cash and cash equivalents at the end of 2023 totaled Baht 175.55 Million.

Source of Funds

Capital Structure

The total debt to equity ratio at the end of the period 2021 – 2023 was 0.40 times, 0.48 times and 0.29 times, respectively. During 2021 - 2022, the company's total debt to shareholder equity ratio increased, with increased debt from trade creditors and other creditors. This is because products were ordered at the end of the year and payment has not yet been due, which increased more than shareholders' equity. The increase in shareholders' equity comes from increasing capital, share premium and net profit from operations. However, at the end of 2023, the total debt to equity ratio decreased. This was due to a decrease in trade and other payables in the amount of Baht 93.21 Million, which resulted from payments of goods to creditors and no purchases of goods at the end of the year. This corresponds to a decrease in inventories.

Debt

The Company's total liabilities at the end of the period 2021 - 2023 amounted to Baht 76.03 Million, Baht 217.04 Million, and Baht 127.97 Million, respectively, representing 28.76%, 32.56%, and 22.21% of total liabilities and shareholders' equity, respectively. Most of the liabilities consisted of Trade and other payables, contract liabilities, Lease liabilities, accrued expenses, other current liabilities and provisions for employee benefits. The total amount is between 99.54% - 99.83% of total liabilities. As of the end of 2021, the company's total liabilities decreased by 34.26 Million baht due to a decrease in trade and other payables, but at the end of 2022 increased by 141.01 Million baht due to trade and other payables Most of this arose from trade payables that were not yet due for payment from the amount of equipment ordered for project work that occurred during that period. At the end of 2023, total liabilities decreased due to trade payables and creditors. Others decreased from payments to creditors and no purchases at the end of the year. This corresponds to a decrease in inventories.

Equity

The Company's shareholders' equity at the end of 2021 - 2023 was Baht 188.33 Million, Baht 449.45 Million, and Baht 448.10 Million, respectively, representing 71.24%, 67.44% and 77.79% of total liabilities and shareholders' equity according to No. In 2021 - 2023, the increase in shareholders' equity each year came from the total comprehensive profit for the year in the amount of Baht 32.80 Million, Baht 55.48 Million and Baht 63.17 Million respectively. The details are as follows:

In 2021, the Company's shareholders' equity increased due to profits from the Company's operations:

In 2022, the company has increased shareholder equity from capital increase and share premium, and decreased from dividend payments. The Company's 2022 Annual General Meeting of Shareholders on March 18, 2022 passed a resolution regarding increasing the registered capital from 150,000,000 baht to 220,000,000 baht by issuing 70,000,000 new common shares with a par value of 1.00 baht per share. To offer for sale to the general public. This includes directors, executives, and employees of the company. Person in relationship. The Company's benefactors. It is offered for sale at the same time, at the same offering price. And it was resolved to pay dividends for the year 2021 to existing shareholders in the amount of 30.00 Million baht, whose names appeared in the shareholder register on March 25, 2022. The source of funds used to pay such dividends came from the current Cash from business operations and such dividends. It was already paid on April 8, 2022 and the Board of Directors' meeting on August 11, 2022 approved the payment of interim dividends from retained earnings in the amount of 22.50 Million baht, whose names appeared in the shareholder register on the 12th, August 2022. The source of funds used to pay such dividends comes from cash flow from business operations. And that dividend has been paid on September 9, 2022.

In 2023, the Company's total shareholders' equity decreased slightly. The decreased amount is due to dividend payment, treasury stocks and the increased amount was due to net profit during the year. On February 22, 2023, the Board of Directors' meeting resolved to approve a proposal to the 2023 Annual General Meeting of Shareholders to consider paying dividends from the net profits of 2022 in the amount of Baht 26.40 Million. However, The Company has a policy to pay dividends at the rate of not less than 40% of net profit after income tax. Juristic person of separate financial statements after legal reserve and other accumulations as specified by the company (Please find more details in Section 2.2, Section 2.2.1 Structure and Operations of the Company, Sub-Section 1.7 Dividend Payment Policy).

On May 10th, 2023, the meeting of the Company's Board of Directors approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 38.5 Million or approximately 11 Million shares, which is approximately 5% of total issued shares at par value of Baht 1 per share by repurchasing in the Stock Exchange of Thailand, which the repurchase price shall not be exceeding 115 percent of the average closing stock price prior to 5 working days on the date of repurchase of treasury stocks. The repurchase period is from May 15th, 2023, to October 12th, 2023.

On 7 September 2023, the Company completed the repurchase of 11,000,000 shares, equivalent to 5% of the total issued shares. Therefore, the Company has declared the cessation of the share repurchase program for the purpose of financial management.

At the end of 2023, the Company had outstanding treasury stocks of 11,000,000 shares in the account with an average cost of Baht 3.47 per share. The total cost was Baht 38,122,085. The treasury stocks of 11,000,000 shares have a par value of Baht 1 per share. The Company set aside an amount from retained earnings equal to the cost of the treasury shares to a separate reserve account with such reserve to remain outstanding until either the shares are sold or paid-up capital is reduced by the cancellation of any remaining unsold shares. As at the end of 2023, the Company has set aside approximately Baht 38,122,085, with the Company recording the reserve as "Retained earnings - reserve for treasury stocks" in the statement of financial position.

Analysis of key financial ratios

Liquidity ratio

Return on Assets and Return on Fixed Assets

At the end of 2021 – 2023, the Company had return on assets equal to 11.68%, 11.88% and 10.12% respectively, return on fixed assets was 326.45%, 525.44% and 570.61% respectively. Return on assets has risen, this is because the average assets in 2022-2023 are higher than in 2021-2022. And the return on fixed assets has been high as a result of net profit growth in line with higher revenue growth together with the ability to effectively control the cost of sales and services as well as the cost of distribution and administration.

Debt to Equity Ratio and Interest Coverage Ratio

At the end of 2021 – 2023, the Company's debt to equity ratio was 0.40 times, 0.48 times and 0.29 times, respectively, which in 2023 is at a lower level in two years ago, due to the company has repaid debts to trade creditors and has low debt incurred at the end of 2023.

While the interest coverage ratio was 589.12 times, 2,441.00 times, and 4,211.50 times, respectively, due to the year 2022 to the present, the Company has not been burdened with bank overdrafts or short-term loans from financial institutions, including long-term loans carrying interest. As well as the net income from operations for each accounting period.

4.2 The main factors and influences that may have an impact on the future financial position and operating results

Joint Venture

On January 4th, 2022, the Company and information technology system equipment suppliers, as well as a communications company, agreed to form a joint venture SPIT ("SPIT") with the goal of operating a rental business for security network system with CCTV system (CCTV) to the Industrial Estate Authority of Thailand. In this regard, the Company is 51.00% involved in the rights and responsibilities incurred or related to the performance of the Joint Venture, as well as any and all losses associated with the Joint Venture, and the other venturer is 49.00% involved in the joint venture and has shared responsibilities. The Company is primarily responsible for dealing with customers, collecting revenues, and paying expenses, including sharing income with counterparties in joint ventures in proportion to the joint ventures, whereas another joint venture is responsible for purchasing equipment to install, overseeing the project, controlling it, and maintaining it. In addition, on February 25th, 2022, SPIT Joint Venture signed a contract for the rental of such security monitoring system service, with a delivery period of approximately 150 days (currently, SPIT has already delivered the work on June 30th, 2022) from the date of the contract signing, and the project value is approximately Baht 78.30 Million (including VAT) which will be gradually paid monthly for 60 months at a rate of approximately Baht 1.31 Million per month. In the first and last installments of 2016, the amount was approximately Baht 1.15 Million within 30 days from the date of receipt of the invoice from the service provider, and the committee has already inspected the package. In this regard, the Company can gradually recognize the income from such transactions according to the equity method in each quarter through the share of profits or losses from joint ventures proportionate to 51.00% of the Company's investment value. This is the income in the statement of comprehensive income in the financial statements for the year 2022 - 2027.

4.3 Important financial information

1) Auditor's report

2021-2022	Audited by Mr.Phisit Cheewaruangroj	Certified Public Accountant Registration No. 2803 MR and Associate Company Limited
2023	Audited by Mr.Piya Chaipruckmalakam	Certified Public Accountant Registration No. 7544 EY Office Company Limited

Financial statements for the year ended December 31st, 2021 – 2023

The auditor's report for the Company's financial statements for the years 2021 - 2023 expressed an unqualified opinion that the Company's financial statements It has shown the financial position as of December 31st, 2021 - 2023, operating results, and cash flows for the year ended on the same day as the Company. It was materially correct, as it should have been under financial reporting standards.

2) Table of summary of financial statement

Statement of Financial Position

Items	Audited					
	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and cash equivalents	29.37	11.11	252.21	37.84	175.55	30.47
Account receivables and other receivables	76.31	28.86	94.46	14.17	130.23	22.61
Assets arising from agreements	17.46	6.60	28.88	4.33	12.89	2.24
Current portion of receivable from financial lease agreement	-	-	1.69	0.25	6.14	1.07
Current portion of long-terms loans	-	-	5.46	0.82	5.74	1.00
Inventory- net	16.41	6.21	75.05	11.26	16.33	2.83
Prepaid expenses – current	34.53	13.06	43.42	6.51	58.37	10.13
Other current assets	-	-	6.43	0.96	0.15	0.03
Total current assets	174.08	65.85	507.60	76.16	405.40	70.37
Other non-current financial assets	19.23	7.27	51.95	7.79	58.49	10.15
Investments in joint ventures recorded by equity method	-	-	0.75	0.11	1.45	0.25
Receivables under financial lease agreement	-	-	3.75	0.56	14.01	2.43
Long-term loans	-	-	23.66	3.55	17.92	3.11
Property, buildings, and equipment	31.70	11.99	32.75	4.91	36.90	6.41
Right-of-use assets	1.45	0.55	1.25	0.19	1.06	0.18
Intangible assets	0.26	0.10	0.23	0.04	0.18	0.03
Deferred tax income assets	0.69	0.26	0.52	0.08	0.16	0.02
Non-current prepaid expenses	35.15	13.30	44.03	6.61	40.52	7.03
Other non-current assets	1.80	0.68	-	-	-	-
Total non-current assets	90.28	34.15	158.89	23.84	170.67	29.63
Total Assets	264.36	100.00	666.49	100.00	576.07	100.00
Liabilities and Shareholder's Equity						
Trade and other payables	44.33	16.77	178.59	26.80	85.38	14.82
Contract liabilities - current portion	8.61	3.26	15.92	2.39	20.09	3.49
Current portion of lease liabilities	0.35	0.13	0.36	0.05	0.25	0.04
Income tax payable	2.67	1.01	5.31	0.80	5.59	0.97

Items	Audited					
	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Other current liabilities	2.29	0.87	1.36	0.20	2.15	0.37
Total current liabilities	58.25	22.03	201.53	30.24	113.46	19.70
Contract liabilities - non-current portion	13.73	5.19	11.27	1.69	9.84	1.71
Lease liabilities, net of current portion	0.61	0.23	0.25	0.04	-	-
Provision for long-term employee benefits	3.44	1.30	3.98	0.60	4.67	0.81
Total non-current liabilities	17.78	6.73	15.50	2.33	14.51	2.52
Total Liabilities	76.03	28.76	217.04	32.56	127.97	22.21
Registered capital	150.00	56.74	220.00	33.01	220.00	38.19
Registered and paid-up capital	150.00	56.74	220.00	33.01	220.00	38.19
Share premium	-	-	188.15	28.23	188.15	32.66
Appropriated - statutory reserve	5.50	2.08	9.96	1.49	13.11	2.28
Reserve for treasury stocks	-	-	-	-	38.12	6.62
Unappropriated	32.83	12.42	31.34	4.70	26.84	4.66
Treasury stocks	-	-	-	-	(38.12)	(6.62)
Total Shareholder's Equity	188.33	71.24	449.45	67.44	448.10	77.79
Total Liabilities and Shareholder's Equity	264.36	100.00	666.49	100.00	576.07	100.00

Statement of Comprehensive Income

Items	Audited					
	2021		2022		2023	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales and services						
1. Revenue from selling equipment and installation services	281.38	75.89	451.14	81.82	553.30	80.24
2. Revenue from repair services and maintenance of equipment	78.66	21.21	93.53	16.96	126.46	18.34
3. Revenue from equipment rental	9.38	2.53	3.72	0.67	6.82	0.99
Total revenue from sales and services	369.42	99.63	548.39	99.45	686.58	99.57
Other revenue	1.38	0.37	3.01	0.55	2.96	0.43
Total revenue	370.80	100.00	551.40	100.00	689.54	100.00
Cost of sales and services	(300.25)	(80.98)	(448.43)	(81.33)	(573.68)	(83.20)
Gross profit	69.17	18.65	99.96	18.13	112.90	16.37
Cost of distribution	(12.85)	(3.47)	(15.89)	(2.88)	(21.32)	(3.09)
Administrative expenses	(17.49)	(4.72)	(19.13)	(3.47)	(20.79)	(3.02)
Net profit before finance cost and corporate income	40.21	10.84	67.95	12.32	73.75	10.70
Finance income	0.15	0.04	0.56	0.10	3.03	0.44
Finance cost	(0.08)	(0.02)	(0.03)	(0.01)	(0.02)	-
Profit share in joint venture	-	-	0.75	0.14	1.45	0.21
Profit before corporate income tax	40.28	10.86	69.23	12.56	78.21	11.34
Corporate income tax revenue (expense)	(7.70)	(2.08)	(13.96)	(2.53)	(15.36)	(2.23)
Net profit for the year	32.58	8.79	55.27	10.02	62.85	9.11
Other comprehensive income:						
Profit (Loss) from actuarial measures for employee benefit plans	0.21	0.06	0.21	0.04	0.32	0.05
Total comprehensive income for the year	32.79	8.85	55.48	10.06	63.17	9.16

Statement of Cash Flow

Items	Audited		
	2021	2022	2023
	Million Baht	Million Baht	Million Baht
Cash flow from operating activities			
Profit before tax	40.29	69.23	78.20
Adjustments to reconcile net profit to cash received from operating activities			
Depreciation and Amortization	6.77	3.97	5.98
(Profit) loss from disposal of assets	-	-	(2.55)
(Profit) loss from disposal of equipment	(1.04)	(2.50)	-
Profit sharing of the joint venture	-	(0.75)	(1.45)
Provision of liabilities for employee benefit	0.71	0.79	1.10
Finance income	(0.15)	(0.56)	(3.03)
Finance cost	0.08	0.03	0.02
Changes in operating assets (increase) decrease			
Account receivables and other receivables	(17.41)	(18.25)	(33.15)
Assets arising from contracts	(3.26)	(11.42)	15.99
Account receivables under finance lease agreements	-	(5.41)	(14.18)
Inventories	27.75	(58.64)	58.72
Prepaid expenses for service costs and others	(12.33)	(17.76)	(11.45)
Other current assets	-	(6.43)	6.28
Changes in operating liabilities (increase) decrease			
Trade and other payables	(36.99)	134.27	(93.22)
Contract liabilities	17.22	4.85	2.74
Other current liabilities	-	(0.94)	0.79
Cash paid for income tax	(6.40)	(7.66)	(14.77)
Net cash flows from (used in) operating activities	15.24	82.82	(3.98)
Cash flows from investing activities			
Increase in restricted bank deposits	(0.02)	(32.72)	(6.54)
Cash paid to provide long-term loan to related party	-	(30.01)	-
Cash received from repayment of long-term loan to related party	-	0.88	5.46
Cash received from share of profit from investment in joint venture	-	-	0.75
Cash paid for purchase of equipment	(1.30)	(4.87)	(9.89)

Items	Audited		
	2021	2022	2023
	Million Baht	Million Baht	Million Baht
Proceeds from disposal of equipment	1.09	2.58	-
Interest received	0.11	0.63	2.43
Net cash flows used in investing activities	(0.13)	(63.51)	(7.79)
Cash flows from financing activities			
Repay short-term loans	(16.05)	-	-
Payment of principal portion of lease liabilities	(0.34)	(0.35)	(0.36)
Interest paid	(0.08)	(0.03)	(0.02)
Proceeds from increase in share capital	-	272.30	-
Cash paid for transaction cost of shares	(1.80)	(15.89)	-
Cash paid for treasury stocks	-	-	(38.12)
Dividend paid	(27.80)	(52.50)	(26.39)
Net cash flows from (used in) financing activities	(46.06)	203.53	(64.89)
Net increase (decrease) in cash and cash equivalents	(30.95)	222.84	(76.66)
Cash and cash equivalents at the beginning of the year	60.32	29.37	252.21
Cash and cash equivalents at the end of the year	29.37	252.21	175.55

Key Financial Ratios

Items	Audited		
	2021	2022	2023
Liquidity Ratio			
Current ratio (time)	2.99	2.52	3.57
Quick ratio (time)	1.81	1.72	2.70
Cash flow current ratio (time)	0.19	0.64	(0.03)
Receivable current ratio (time)	5.51	6.50	6.24
Average debt collection period (day)	66.22	56.14	58.53
Inventory turnovers ratio (time)	9.91	9.81	12.56
Average selling period (day)	36.82	37.22	29.07
Payable current ratio (time)	5.34	4.20	4.56
Debt repayment period (day)	68.35	86.87	80.12
Cash cycle (day)	34.69	6.49	7.48
Profitability Ratio			
Gross profit margin (%)	18.72	18.23	16.44
Operating profit margin (%)	10.88	12.39	10.74
Other income to total revenue ratio (%)	0.37	0.55	0.43
Cash to profit ratio (%)	37.92	121.88	(5.40)
Net profit margin (%)	8.79	10.02	9.11
Return on equity (%)	17.53	17.33	14.00
Efficiency Ratio			
Return on assets (%)	11.68	11.88	10.12
Return on fixed assets (%)	326.37	525.44	570.61
Asset turnover (time)	1.33	1.18	1.11
Financial Policy Ratio			
Debt to equity ratio (time)	0.40	0.48	0.29
Interest coverage ratio (time)	589.13	2,441.00	4,210.50
Interest-bearing debt to earnings before interest, income tax, depreciation and amortization (time)	0.02	0.01	-
Commitment coverage ratio (time)	134.20	198.69	318.92
Pay out ratio (%)	92.08 ¹	88.47 ²	-

Items	Audited		
	2021	2022	2023
Data per share³			
Book value per share (Baht)	1.26	2.74	2.09
Net profit per share			
- Basic earnings per share (Baht) ⁴	0.22	0.34	0.29
- Earnings per share calculated by Fully Diluted Method (Baht)	0.15	0.25	0.29
Weighted average number of ordinary shares (Million shares)	150.00	164.19	214.89
Number of fully diluted ordinary shares (Million shares)	220.00	220.00	220.00

Remark:

1. On March 18th, 2022, the Annual General Meeting of Shareholders for the year 2022 resolved to pay dividends for the year 2021 to existing shareholders in the amount of Baht 30.00 Million.
2. On August 11th, 2022, the Board of Directors' Meeting No. 3/2022 resolved to pay interim dividends from the retained earnings of the Company in the amount of Baht 22.50 Million. And on April 26th, 2023, the 2023 Annual General Meeting of Shareholders resolved to pay dividends for 2022 in the total amount of Baht 26.40 Million.
3. Adjust the par value to be equal to Baht 1.00 per share for comparison purposes.
4. Calculated from the weighted average number of ordinary shares.

5. General information and other key information

5.1 General information about securities issuing company

Thai name	: International Network System Public Company Limited ("ITNS")
English name	: International Network System Public Company Limited
Company registration date	: April 22 nd , 2002
Date of transformation into a public company	: April 22 nd , 2022
Company registration number	: 0107565000298
Nature of business	: Entrepreneurs in the information technology and communication industry operating as a designer and installer of a complete network and communication system (System Integrator), as well as selling equipment used in information and communication technology, equipment repair and maintenance services, and equipment rental.
Head office location	: No. 3300/106-107, Chang Tower, Building B, 20 th Floor, Phaholyothin Road, Chomphon Sub-district, Chatuchak District, Bangkok 10900
Telephone number	: 02-513-7637
Fax	: 02-513-7686
Website	: www.itns.co.th
Registered capital	: Baht 220,000,000 (Two Hundred Twenty-Million Baht Only)
Par value	: Baht 1.00 (One Baht)

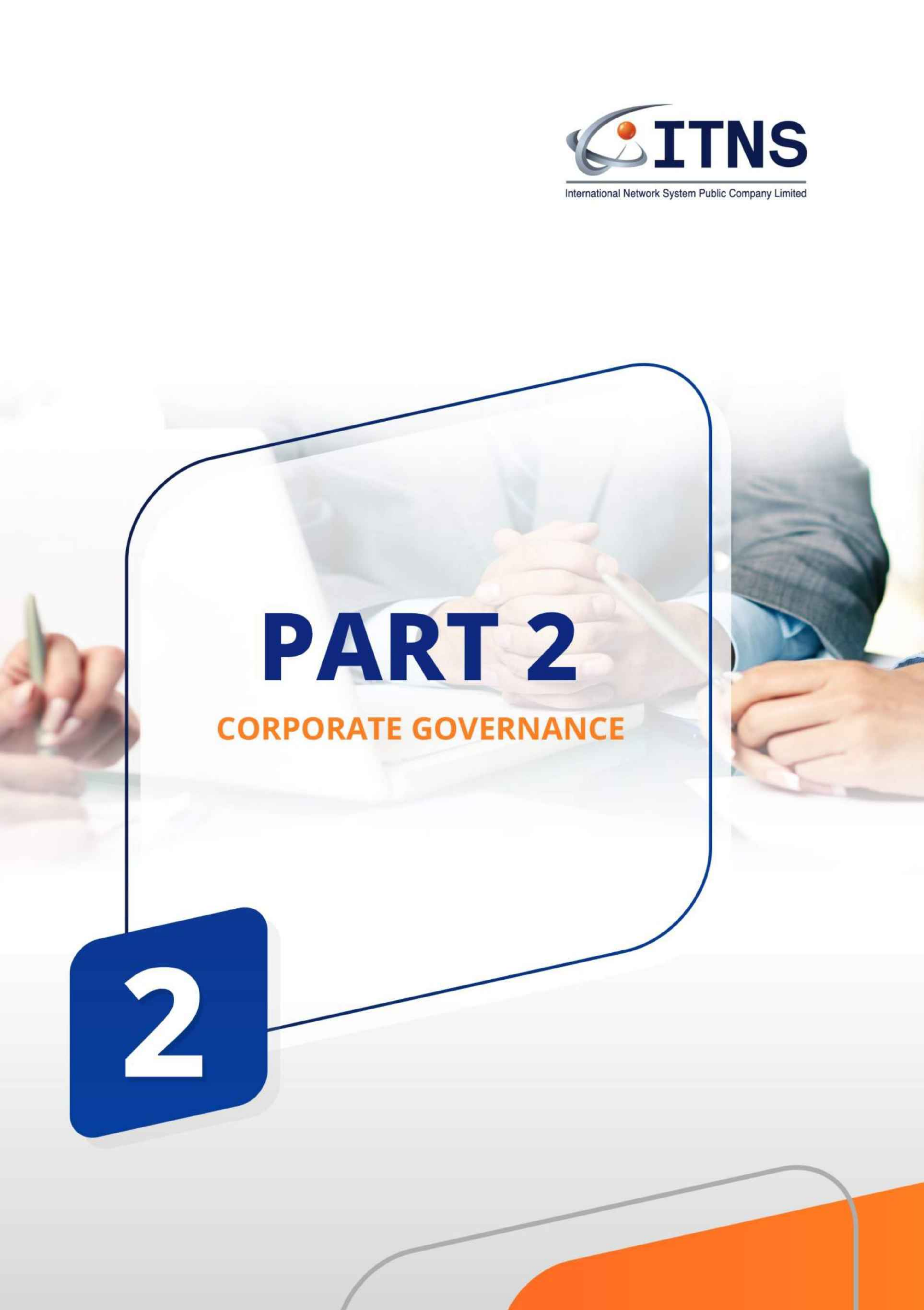
5.2 Other reference persons information

- 1) Ordinary share registrar : Thailand Securities Depository Company Limited
The Stock Exchange of Thailand Building, 1st floor, Building B,
No. 93, Ratchadaphisek Road, Din Daeng Sub-district, Din Daeng District,
Bangkok 10400
Telephone number: 02-009-9000 TSD Call Center: 02-009-9999
Fax: 02-009-9991
- 2) Auditor : EY Office Limited
193/136-137, Lake Rajada Office Complex, 33rd floor,
Rajadapisak Road, Klongtoey Sub-district Klongtoey District, Bangkok 10110
Telephone number: 02-264-9090
Fax: 02-264-0789-90

- 3) Internal auditor : Resourceful Company Limited
No. 45/6, Kanchanaphisek 001 Alley, Kanchanaphisek Road,
Bang Bon Tai Sub-district, Bang Bon District, Bangkok 10150
Telephone number: 02-415-7779, 02-895-0738
Fax: 02-895-2442
- 4) Investor Relations Section : Tel: 02-513-7637 ext. 895 E-mail: ir@itns.co.th
Company Secretary Section : Tel: 02-513-7637 ext. 895 E-mail: kanvara.t@itns.co.th
Complaints and suggestions : Tel: 02-513-7637 ext. 895 E-mail: complaint@itns.co.th

5.3 Legal disputes

As of December 31st, 2023, the company has no legal disputes that could potentially harm the company, which account for more than 5% of the shareholder's equity, and there are no disputes that would significantly impact the company's operations.



PART 2

CORPORATE GOVERNANCE

2

6. Corporate Governance Policy

6.1 Corporate Governance Policy

The Company realizes and attaches great importance to good corporate governance in order to promote the Company's operations as being efficient, transparent, verifiable, increasing competitiveness, and achieving sustainable growth, which will lead to the confidence of all stakeholders that the Company's operations have been done with fairness and taking into account the best interests of all stakeholders, including employees, investors, shareholders, and other stakeholders. Therefore, the Board of Directors agrees to establish a corporate governance policy based on the principles and guidelines for good corporate governance for listed companies in 2017 which is prepared by the Securities and Exchange Commission as a guideline for managing the organization to create confidence in the operations of the Company and to ensure that the Company operates with fairness, transparency, and taking into account the best interests of shareholders and all stakeholders. The Company's corporate governance policy consists of 8 categories of practices, which can be summarized as follows:

Practice 1	Roles and responsibilities of the board of directors
Practice 2	Determination of sustainable objectives and main goals of the Company
Practice 3	Strengthen effective committees
Practice 4	Recruitment and development of senior executives and personnel management
Practice 5	Promote innovation and responsible business practices
Practice 6	Ensure that there is an appropriate risk management and internal control system.
Practice 7	Maintain financial credibility and disclosure.
Practice 8	Encourage participation and communication with shareholders.

Practice 1: Roles and Responsibilities of the Board of Directors

Practice 1.1

The board understands its role and recognizes its responsibility as a leader to ensure good governance of the organization, which covers the following:

1. Setting objectives and goals
2. Setting strategies, operating policies, as well as allocating key resources to achieve objectives and goals
3. Monitoring, evaluating, and supervising performance reporting

Practice 1.2

The Board of Directors shall supervise the Company to lead to good Governance Outcome, at least as follows:

1. Be competitive and have a good performance, considering the long-term effects.
2. Conduct business with ethics, respect rights, and have responsibility to shareholders and stakeholders.
3. Beneficial to society and develops or reduces negative impacts on the environment.
4. Be adaptable to changing factors.

In this regard, the Board of Directors will adhere to the following principles in supervising the Company to achieve good corporate governance results:

1.2.1 The Board of Directors considers ethics, social, and environmental impact in addition to financial performance.

1.2.2 The Board of Directors will be a good example of how to govern the Company in an ethical way.

1.2.3 The Board of Directors will provide policies for directors, executives, and employees that demonstrate principles and guidelines in writing, such as business ethics, etc.

1.2.4 The Board shall supervise communication to ensure that all directors, executives, and employees understand, have sufficient mechanisms to facilitate the implementation of the above policies, monitor the implementation, and regularly review the policy and practice.

Practice 1.3

The Board of Directors shall supervise all directors and executives to ensure that they perform their duties with accountability (Duty of Care) and honesty to the organization (Duty of Loyalty) and ensure that the operation is in accordance with the law, regulations, and resolutions of the shareholders' meeting as well as the policies or guidelines that have been established, including having a process for approving important operations such as investments and transactions that affect the Company significantly, related transactions, acquisition or disposition of assets, dividend payment, etc.

Practice 1.4

The Board of Directors shall understand the scope of duties and responsibilities of the Board of Directors and clearly define the scope of assignment of duties and responsibilities to the Chief Executive Officer and the Management, as well as monitor and supervise the Chief Executive Officer and the Management in performing their duties as assigned.

1.4.1 The Board of Directors shall prepare a charter or corporate governance policy that specifies the duties and responsibilities of the Board of Directors for use as a reference in the performance of all directors and will arrange to review such a charter on a regular basis, at least once a year, including reviewing the division of roles and responsibilities of the Board of Directors, Chief Executive Officer, and management regularly in order to be consistent with the direction of the organization.

1.4.2 The Board of Directors will understand the scope of their duties and delegate the Company's management authority to the management by making a written record. However, such assignment does not relieve the Board of Directors of their duties and responsibilities. The Board of Directors must supervise the management in performing duties as assigned. In this regard, the scope of duties of the Board of Directors, the Chief Executive Officer and the Management may be divided into the following:

Matters that should be taken care

Refers to matters for which the Board of Directors is primarily responsible for taking appropriate action. The Board of Directors may assign the management to propose matters for consideration, which are the following:

A. Determination of objectives and main goals in business operations

B. Creating an organizational culture that adheres to ethics and behaves as a role model

C. Supervision of the board of directors' composition and behavior to ensure that they are appropriate for achieving the main aims and objectives of effective business operations.

D. Recruitment, development, remuneration determination and evaluation of the performance of the Chief Executive Officer

E. Determining a compensation structure that is an incentive for personnel to perform tasks in line with the main objectives of the organization.

Matters to be carried out with the management

Refers to matters that the Board of Directors, Chief Executive Officer, and Management will consider together. The management will propose the matter to the Board of Directors for approval, whereby the Board of Directors will supervise and ensure that the overall policy is in line with the main objectives and goals of the business and assign the implementation to the management. The Board of Directors will follow up and have the management report to the Board of Directors periodically as appropriate, which includes the following matters:

- A. Determination and reviewing strategies, goals, and annual plans
- B. Supervision for the adequacy of risk management and internal control systems
- C. Determination of authority to be suitable for the responsibilities of the management.
- D. Setting a framework for resource allocation, development, and budgeting, such as policies and plans for personnel management and information technology policies.
- E. Monitoring and evaluating work performance
- F. Monitoring to make sure that financial and non-financial data is clearly disclosed

Matters that the Board of Directors should not carried out

Refers to matters that the Board of Directors will supervise at the policy level by assigning the Chief Executive Officer and the management to be the main responsible for the implementation, which are the following matters:

- A. Execution in accordance with strategies, policies, and plans approved by the Board of Directors. The board should let management make decisions about what to buy, how to hire people based on the policies in place, and how to keep an eye on how things are going without getting in the way, unless there is a necessity.
- B. Prohibited matters, such as approval of transactions in which directors have interests, etc.

Practice 2: Determination of sustainable objectives and main goals of the Company

Practice 2.1

The Board of Directors will set or supervise the Company's main objectives and goals to be sustainable as long as the objectives and goals are in line with creating value for the Company, customers, stakeholders, and society as a whole.

2.1.1 The Board of Directors is responsible for overseeing that the Company has objectives or main goals that are clear, appropriate, can be used as the main concept in determining the business model and communicate to everyone in the organization to drive in the same direction by Formulated as vision and values of the organization or principles and purposes or others similar.

2.1.2 In achieving the objectives or main goals, the Board of Directors will determine a business model that can create value for both the Company and its shareholders, as well as for society as a whole, taking into account the following matters:

- 1) Environment and changing factors, and the appropriate use of technology
- 2) Requirement of customers and stakeholders
- 3) The readiness, expertise, and competitiveness of the Company
- 4) Objectives of establishing the Company
- 5) The main customer groups of the Company
- 6) Ability to profit or compete by creating value for the Company and customers (Value Proposition)
- 7) Long-term viability of the Company in the face of opportunities and risks that affect it and its stakeholders

2.1.3 The Board of Directors will promote the organization's values of good corporate governance, such as responsibility for the results of actions. Accountability, Integrity, Transparency, Due Consideration of Social and Environmental Responsibilities, etc.

2.1.4 As part of the corporate culture, the Board of Directors will foster communication and strengthen how the organization's objectives and goals are reflected in the actions and decisions of staff members at all levels.

Practice 2.2

The Board of Directors shall supervise the objectives and goals as well as the medium-term and/or annual strategy of the Company to be in line with the achievement of the objectives and main goals of the Company with appropriate and safe use of innovation and technology.

2.2.1 The Board of Directors shall supervise the formulation of annual strategies and plans that are consistent with the Company's main objectives and goals, taking into account the Company's environment at that time as well as opportunities and risk appetite, including supporting or reviewing the objectives, targets, and strategies for the medium term of 3-5 years to ensure that annual strategies and plans take into account the impact over longer periods of time and are reasonably predictable.

2.2.2 In formulating annual strategies and plans, the Board of Directors ensures that the environment, factors, and risks that may have an impact on stakeholders involved along the value chain are analyzed, including various factors that may affect the achievement of the Company's main goals with a mechanism to understand the needs of the stakeholders.

1) Ensure that methods, processes, and channels of participation or communication between stakeholders and the Company are clearly stated so that the Company is able to access and obtain information on the issues or needs of each group of stakeholders as accurately as possible.

2) Identify the relevant stakeholders of the Company, both internal and external, both individuals and groups of people, organizational units such as employees, investors, customers, partners, communities, society, the environment, government agencies, and regulators, etc.

3) Identify issues and expectations of stakeholders in order to analyze and rank those issues according to their importance and impact on both the Company and the stakeholders in order to select the important issues that will create value together with stakeholders to achieve satisfied results.

2.2.3 The Board of Directors is in charge of making sure that innovation is encouraged and that innovation and technology are used to make the Company more competitive and meet the needs of stakeholders while staying on a competitive basis and responding to stakeholder requirements based on social and environmental responsibility.

2.2.4 The Board of Directors will set goals that are suitable for the business environment and potential of the Company. The committee will consider both monetary and non-monetary goals. The Board of Directors also knows that targeting has risks that could lead to unethical or illegal behavior.

2.2.5 The Board of Directors is in charge of making sure that the organization's strategies and plans carry out its goals and objectives.

2.2.6 The Board of Directors must make sure that the right resources are being used and that operations are being controlled. They must also make sure that the annual strategy and plan are being carried out by assigning people to oversee and track performance.

Practice 3: Strengthen effective committees

Practice 3.1

The Board of Directors is in charge of setting and reviewing the Board's structure in terms of the size, composition, and proportion of independent directors that are appropriate and necessary to lead the organization towards its stated objectives and goals.

3.1.1 The Board of Directors is responsible for ensuring that the Board of Directors is comprised of members with diverse qualifications in terms of skills, experience, abilities, and specific characteristics to ensure that the Board of Directors as a whole is qualified and able to understand and meet the needs of the Board of Directors including at least one non-executive director who has experience in the main business or industry in which the Company operates.

3.1.2 The Board of Directors will consider the number of directors who are able to perform their duties effectively as at least 5 directors and not less than half of the total number of directors must reside in Thailand.

3.1.3 The right balance of power will be shown by the number of executive directors and non-executive directors on the Board of Directors as follows:

A. Most of the directors aren't in charge of running the Company, but they can still say what they think about the work of the management.

B. Independent directors have the number and qualifications of independent directors in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, including ensuring that independent directors can work effectively with all the Board of Directors and can express their opinions freely.

3.1.4 The Board of Directors will disclose the policy for defining the composition of the Board of Directors with diversity and director information such as age, gender, educational background, experience, shareholding percentage, number of years holding directorship, and directorship in other listed companies in Form 56-1 One Report and on the Company's website.

Practice 3.2

The Board of Directors will choose an appropriate individual to serve as chairman of the board to ensure that independent decision-making is supported by the composition and operation of the Board of Directors.

3.2.1 The Chairman of the Board is an independent director.

3.2.2 The Chairman of the Board and the Chief Executive Officer have different responsibilities. The Board of Directors shall clearly define the powers and duties of the Chairman of the Board and the Chief Executive Officer so that no one has unlimited power. The Company will separate the person holding the position of Chairman of the Board from the person holding the position of Chief Executive Officer.

3.2.3 The Chairman of the Board exercises leadership on the Board. The duties of the Chairman of the Board will cover the following matters:

- 1) Supervision, monitoring, and oversight to guarantee that the Board's performance of its responsibilities is efficient and accomplishes the organization's main objectives.
- 2) Ensuring that all directors participate in fostering a corporate culture of ethics and good corporate governance.
- 3) Determining the agenda of the Board of Directors' meetings in consultation with the Chief Executive Officer and having measures to ensure that important matters are included in the meeting agenda.
- 4) Sufficient time is allocated for the management to present matters and enough for directors to carefully discuss important issues. Encouraging directors to exercise prudent discretion and freely express opinions.
- 5) Fostering good relationships between executive and non-executive directors and between the Board of Directors and the management.

3.2.4 The Board of Directors will promote a balance of power between the board and the management in cases where the chairman and the chief executive officer are not clearly separated based on the following:

- 1) The composition of the Board of Directors consists of more than half of independent directors or
- 2) Appoint an independent director to participate in determining the agenda of the Board of Directors' meeting.

3.2.5 To ensure that crucial issues are carefully and thoroughly considered. The Board of Directors will think about creating subcommittees to investigate particular issues, screen information, and come up with guidelines before bringing them up for approval.

3.2.6 The Board of Directors shall ensure that the roles and responsibilities of the Board and subcommittees are disclosed, along with the total number of meetings held and the total number of meetings attended by each director during the immediately preceding year, and reports on the effectiveness of all subcommittees.

Practice 3.3

The Board of Directors shall supervise the recruitment and selection of directors with a transparent and clear process in order to obtain a Board of Directors with qualifications consistent with the specified composition.

3.3.1 The Board of Directors shall establish a Nomination and Remuneration Committee in which the majority of members and the chairman are independent directors.

3.3.2 The Nomination and Remuneration Committee will hold a meeting to talk about criteria and ways to find candidates in order to get qualified directors who will bring the Board of Directors the right knowledge and skills. They will also look at the profiles of the people mentioned above and submit their opinions to the Board of Directors before proposing at the shareholders' meeting the appointment of directors. In addition, the Company will inform the shareholders of sufficient information about the nominated people for decision-making.

3.3.3 The Nomination and Remuneration Committee will review the criteria and methods for the nomination of directors and make recommendations to the Board of Directors prior to the nomination of directors who retire by rotation. In the case of the nomination of a former director, the performance of the said director should also be considered.

3.3.4 In the event that the Board of Directors has appointed any person to be an advisor to the Nomination and Remuneration Committee, information of that advisor must be disclosed in Form 56-1 One Report, including independence or no conflict of interest.

Practice 3.4

When proposing remuneration for the Board of Directors for approval by the shareholders, the Board of Directors will make sure that the structure and rate of pay are in line with their responsibilities and will encourage the Board to lead the organization to reach both short-term and long-term goals.

3.4.1 The Board of Directors will set up a Nomination and Remuneration Committee where most members and the chairman are independent directors, to consider policies and criteria for determining remuneration.

3.4.2 Remuneration of directors must be consistent with the Company's strategy and long-term goals, experience, responsibilities, and accountability and responsibility, including benefits expected from each director in a manner comparable to the level practiced in the industry.

3.4.3 Shareholders must approve the structure and rate of directors' remuneration, encompassing monetary compensation as well as other forms of compensation or benefits. The Board of Directors will consider each form of remuneration to be appropriate, both at a fixed rate (for example, fixed remuneration, meeting allowance) and performance remuneration of the Company in connection with the value the Company generates for shareholders, but not at a level that is too high to cause a focus on short-term performance.

3.4.4 The Board of Directors will The board will disclose policies and criteria for determining directors' remuneration that reflect the duties and responsibilities of each director. In this regard, the amount of compensation disclosed shall include the compensation each director receives from serving as a director of the subsidiary (if any).

3.4.5 In the event that the Board of Directors has appointed any person to be an advisor to the Nomination and Remuneration Committee, information about that advisor must be disclosed in Form 56-1 One Report, including independence or no conflict of interest.

Practice 3.5

The Board of Directors has the responsibility to ensure that every director has the responsibility to perform their duties and allocate sufficient time for their responsibilities.

3.5.1 The Board of Directors ensures that there is a mechanism to help directors understand their roles.

3.5.2 The Board of Directors shall establish criteria for directors' tenure in other companies by considering the performance of directors serving in multiple companies and to ensure that directors are able to devote sufficient time to perform their duties in the Company. The Board of Directors will determine the number of listed companies in which each director will hold positions in accordance with the nature or business conditions of the Company.

3.5.3 The Board of Directors will establish a reporting system for directors holding other positions and disclose it for acknowledgement.

3.5.4 In the event that a director holds a position of director or executive, has direct or indirect interest in other businesses that have conflicts, or is able to use the opportunity or information of the Company for his or her own benefit, the Board of Directors must ensure that the Company has adequate preventative measures and that appropriate notification is made to the shareholders.

3.5.5 Each director shall attend at least half of the total number of Board of Directors meetings held during the year, except in cases of necessity.

Practice 3.6

The Board of Directors is responsible for ensuring that there is a framework and mechanism for supervising policies and operations of subsidiaries (if any) and other businesses that the Company makes significant investments in at an appropriate level for each business, including its subsidiaries and other businesses in which the Company has invested, in order to have the same understanding as well.

3.6.1 The Board of Directors will consider setting up a policy for the supervision of subsidiaries (if any), which includes the following:

1) The level of appointment of people to be directors, executives, or controlling people in subsidiaries. Appointments shall be made by the Board of Directors unless such Company is a small Company that is the Company's operating arms. The Board of Directors may assign the Chief Executive Officer to consider the appointment.

2) Determine the scope of duties and responsibilities of the person representing the Company as stated in clause 1 and let the Company's representative supervise the operation in accordance with the policy of the subsidiary and in the event that the subsidiary has other joint ventures. The Board of Directors will set a policy for agents to do their best for the interests of the subsidiaries and in accordance with the policies of the parent Company.

3) The internal control system of the subsidiaries is appropriate and concise enough, and all transactions are in accordance with the law and related regulations.

4) Disclosure of financial status and results of transactions with connected people, acquisition or disposition of assets, other significant transactions, capital increase, or reduction, dissolution of subsidiaries, etc.

3.6.2 If the investment in another business represents a significant stake, such as a shareholding proportion with voting rights of more than 20% but not exceeding 50%, and if the investment or additional investment required is substantial for the company,

The board of directors will ensure that contracts, such as shareholders' agreements, are prepared among shareholders to achieve clarity regarding management authority and participation in decision-making on important matters. Additionally, the board will oversee the follow-up on results and conduct work in a manner that allows it to be utilized as information in preparing the company's financial statements, ensuring compliance with standards and deadlines.

Practice 3.7

The Board of Directors will arrange an annual performance evaluation of the entire Board of Directors, including evaluating the performance of sub-committees and individual members, to review performance, problems, and obstacles each year so that the evaluation results can be used to develop and improve performance in various areas.

3.7.1 The Board of Directors will assess the performance at least once a year for the Board of Directors to jointly consider the performance and problems for further improvement by setting a standard to be used in comparison with the performance.

3.7.2 In evaluating performance, both collective and individual assessments will be provided, at least by self-assessment, or the Board of Directors will consider using a cross-assessment method as well, including disclosure of criteria, procedure, and overall evaluation results in Form 56-1 One Report.

3.7.3 The Board of Directors may consider appointing outside consultants to assist in setting guidelines and recommending issues for the Board's performance evaluation at least every three years and disclose such actions in Form 56-1 One Report.

3.7.4 The evaluation results of the Board of Directors must be used in determining the suitability of its composition.

Practice 3.8

The Board of Directors shall supervise the Board and each director to ensure they have knowledge and understanding of their roles and responsibilities, the nature of business operations, and laws related to business operations, as well as encourage all directors to acquire skills and knowledge enhancements for regularly performing their duties as directors.

3.8.1 The Board of Directors shall ensure that new Board members are advised and have information that is useful in carrying out their duties, including understanding their objectives, main goals, visions, missions, and corporate values, as well as the business characteristics and practices of the Company.

3.8.2 The Board of Directors shall ensure that directors receive training and develop the necessary knowledge on a continuous basis.

3.8.3 The Board of Directors shall understand the laws, regulations, standards, risks, and environments involved in doing business and is always informed of the latest information.

3.8.4 The Board of Directors will disclose information on training and the continuous knowledge development of the Board in Form 56-1 One Report.

Practice 3.9

The Board of Directors will ensure the smooth functioning of its operations. This encompasses ensuring access to necessary information and appointing a company secretary with the requisite knowledge and experience appropriate to support the board's activities.

3.9.1 The Board of Directors shall arrange meeting schedules and agendas in advance so that directors can manage their time and attend the meetings.

3.9.2 The number of meetings of the Board of Directors will be considered to suit the duties and responsibilities of the Board of Directors and the nature of the business operations of the Company but not less than four (4) times per year. In the event that the Board of Directors does not have a monthly meeting, the Board of Directors will require the management to report the operating results to the Board of Directors in the month that the meeting is not held so that the Board of Directors can supervise and monitor the operations of the management department in a timely manner.

3.9.3 The Board of Directors shall ensure that there is a mechanism for each director, including the management, to be free to propose matters that are beneficial to the Company on the meeting agenda.

3.9.4 The meeting documents shall be sent to the directors at least three (3) days in advance of the meeting date, except in an urgent case to preserve the rights or benefits of the Company, the meeting can be called by other methods and the date of the meeting will be notified sooner than that.

3.9.5 The Board of Directors will encourage the Chief Executive Officer to invite senior executives to board meetings to provide more detailed information directly relevant to the issue and to provide an opportunity to get to know senior executives for consideration of the position succession plan.

3.9.6 The Board of Directors will have access to additional necessary information from the Chief Executive Officer, Company Secretary or other designated executive within the scope of the established policy, and, where necessary, the Board may seek independent opinions from consultants or practitioners outside at the Company's expense.

3.9.7 The Board of Directors may think about making a rule that allows non-executive directors to meet among themselves as needed to talk about management-related issues of interest without the management's involvement. The result of the meeting would be reported to the Chief Executive Officer.

3.9.8 The Board of Directors will determine the qualifications and experience of the Company Secretary appropriate to perform duties in providing advice on legal and regulatory matters that the Board must be aware of, handling board meeting documents, important documents, and activities of the Board of Directors, including coordinating the implementation of the Board's resolutions. In addition, the Board of Directors will disclose the qualifications and experience of the Company Secretary in Form 56-1 One Report and on the Company's website.

3.9.9 The Company secretary will keep training and learning things that will help them do their jobs better, and in the event that there is a certified program, the Company secretary will attend the training course as well.

Practice 4: Recruitment and development of senior executives and personnel management

Practice 4.1

The Board of Directors shall ensure that the Chief Executive Officer and senior management are recruited and developed with the knowledge, skills, experience, and characteristics necessary to drive the organization towards its goals.

4.1.1 The Board of Directors will consider or assign the Nomination and Remuneration Committee to consider criteria and methods for recruiting qualified people for the position of Chief Executive Officer.

4.1.2 The Board of Directors shall monitor and ensure that the Chief Executive Officer ensures that there are appropriate senior executives, whereby at least the Board of Directors or the Nomination and Remuneration Committee will work with the Chief Executive Officer in considering criteria and methods for nomination and appoint a person to approve a person nominated by the Chief Executive Officer as a senior executive.

4.1.3 In order to ensure business continuity, the Board of Directors shall supervise the establishment of a succession plan to prepare for the succession of the Chief Executive Officer and senior executives; and the Chief Executive Officer shall report the results of the succession plan to the Board of Directors for acknowledgment periodically, at least once a year.

4.1.4 The Board of Directors will encourage and help the CEO and other top executives to get training and development so they can learn more and gain experience that will help the business.

4.1.5 The Board of Directors will set clear policies and procedures for the Chief Executive Officer and other senior executives to follow when taking directorships in other companies, both in terms of the type of directorship and the number of companies that can be occupied.

Practice 4.2

The Board of Directors, with the recommendation of the Nomination and Remuneration Committee, shall supervise the establishment of an appropriate remuneration structure and evaluation.

4.2.1 The Board of Directors will determine a remuneration structure that will motivate senior executives to perform their duties in accordance with the objectives and main goals of the organization and in line with the long-term benefits of the Company.

4.2.2 The Board of Directors will consider approving the criteria and factors for performance evaluation as well as the remuneration structure of senior executives and monitoring the Chief Executive Officer to assess senior executives in accordance with such evaluation principles.

Practice 4.3

The Board of Directors will understand the structure and relationships among shareholders that may affect the management and operations of the Company.

4.3.1 The Board of Directors shall understand the structure and relationship of shareholders, which may be in the form of a shareholder agreement or the policy of the parent group, which affects the power to control the Company's management.

4.3.2 The Board of Directors shall ensure that clause 4.3.1 of this agreement will not impede the performance of the Board of Directors, such as by having a suitable person succeed the position.

4.3.3 The Board of Directors shall ensure that information is disclosed in accordance with agreements that affect the control of the Company.

Practice 4.4

The Board of Directors shall monitor the management and develop personnel to have knowledge, skills, experience, and appropriate motivation.

4.4.1 The Board of Directors shall ensure that human resource management is in line with the direction and strategy of the organization, that employees at all levels are knowledgeable, competent, properly motivated, and treated fairly to retain talented personnel in the organization.

4.4.2 The Board of Directors shall supervise the establishment of a provident fund or other mechanisms to ensure that employees have sufficient savings for retirement, as well as encourage employees to have knowledge and understanding of money management and the selection of retirement policies, invest according to their age range and risk level, or maintain a Life Path investment policy.

Practice 5: Promote innovation and responsible business practices**Practice 5.1**

The Board of Directors places great importance on fostering and supporting innovation that adds value to the business and generates benefits for customers, stakeholders, while also ensuring responsibility towards society and the environment.

5.1.1 The Board of Directors will focus on building an organizational culture that fosters innovation and ensures management incorporates it into strategic reviews, operational improvement planning, and performance monitoring.

5.1.2 The Board of Directors will promote operations to add value to the Company according to the constantly changing environment, which may cover business model determination, perspectives on designing and developing products and services, research, improving work processes, and cooperation with partners.

In this regard, the above actions should be for the mutual benefit of the Company, customers, business partners, society, and environment, and shall not encourage inappropriate behavior, illegal or unethical activities.

Practice 5.2

The Board of Directors will monitor the management's efforts to operate the business with social and environmental responsibility, as reflected in the Operational Plan, to ensure that all departments of the organization operate in accordance with the objectives, main goals, and strategic plans of the Company.

5.2.1 The Board of Directors shall ensure that mechanisms are in place to ensure that the Company operates in an ethical, socially, and environmentally responsible manner. Do not violate the rights of stakeholders as a guideline for all parts of the organization, and be able to achieve the objectives and main goals that are sustainable by creating a business ethics policy to cover the following matters:

1) Responsibility to employees and workers by complying with relevant laws and standards and treating employees and workers fairly and respecting human rights, including fair compensation and other benefits, welfare arrangements that are not less than what is required by law or more as appropriate, health care and safety at work, training to educate, develop potential, and promote advancement, and giving employees the opportunity to develop work skills in other areas.

2) Responsibility to customers by complying with relevant laws and standards and taking into account health, safety, fairness, customer data retention, after-sales service throughout the lifetime of products and services and monitoring of customer satisfaction. customer satisfaction for the improvement of products and services including advertising and promotions must be done responsibly, not by misleading or taking advantage of misleading customers.

3) Responsibility to partners by using fair procurement processes and contract terms or agreements, providing knowledge, developing potential, and upgrading the ability to provide standardized services; clarifying and supervising suppliers to respect human rights and treat their labor fairly in a socially and environmentally responsible manner; and monitoring and evaluating business partners to develop sustainable business operations between each other.

4) Responsibility to community by applying knowledge and business experience to develop projects that can benefit the community in a tangible way, with tracking and measuring progress and long-term success.

5) Responsibility to the environment by preventing, minimizing, managing, and ensuring that the Company does not create or cause negative impacts on the environment, including energy consumption (for work processes, transportation, or offices), water use, renewable resource use, greenhouse gas emissions (for transportation or in the office), and handling waste generated from business operations, etc.

6) Fair competition by conducting business openly and transparently without creating unfair competitive advantages.

7) Anti-corruption by complying with relevant laws and standards and requiring the Company to have and announce its anti-corruption policy to the public. The Company may consider joining the anti-fraud and corruption network, including supporting other companies and business partners to have and announce the anti-fraud and corruption policy, including joining as a network partner.

Practice 5.3

The Board of Directors will monitor the management's efforts to allocate and manage resources efficiently and effectively, taking into account the impact and development of resources along the value chain in order to achieve the objectives and main goals sustainably.

5.3.1 The Board of Directors will be aware of the necessity of the resources to be used and recognize that the use of each type of resource affects the others.

5.3.2 The Board of Directors will understand that different business models affect resources in different ways. Therefore, when deciding on a business model, consider the impact and value on resources while remaining true to ethics, being responsible, and creating value for the Company in a sustainable way.

5.3.3 The Board of Directors will ensure that the business achieves its main objectives and goals. The management will review, develop, and supervise the use of resources to be efficient and effective, always considering changes in internal and external factors.

In this regard, there are at least 6 types of resources that the Company considers, including Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital, Social and Relationship Capital, and Natural Capital.

Practice 5.4

The Board of Directors shall provide a framework for governance and management of information technology at the enterprise level that is in line with the needs of the Company as well as ensuring that information technology is used to increase business opportunities, develop operations, and manage risk so that the Company can achieve the objectives and main goals of the Company.

5.4.1 The Board of Directors shall set up a policy on the allocation and management of information technology resources that covers the allocation of sufficient resources for business operations and sets guidelines to accommodate if the allocation of resources is not as specified.

5.4.2 The Board of Directors shall ensure that the organization's risk management includes information technology risk management and management.

5.4.3 The Board of Directors shall provide policies and measures to maintain the security of information technology systems. In this regard, the governance and management framework for information technology at the corporate level is as follows:

1) The Company has complied with laws, rules, regulations and standards related to the use of information technology.

2) The Company has a data security system to maintain confidentiality, integrity and availability of information, as well as preventing the misuse of information or unauthorized alteration of information.

3) The Company has considered information technology risks and has taken measures to manage such risks in various areas such as business continuity management, incident management, asset management), etc.

4) The Company has considered the allocation and management of information technology resources. There are criteria and factors for determining the priorities of the information technology work plan, such as suitability in accordance with the strategic plan, the impact on business operations, the urgency of use, budget and human resources in information technology, and accordance with the business model, etc.

Practice 6: Ensure that there is an appropriate risk management and internal control system

Practice 6.1

The Board of Directors shall ensure that the Company has risk management and internal control systems in place to effectively achieve its objectives and that it complies with relevant laws and standards.

6.1.1 The Board of Directors will understand the Company's significant risks and approve its Risk Appetite.

6.1.2 The Board of Directors will consider and approve the risk management policy that is consistent with the objectives, main goal, strategy, and acceptable tolerance of the Company to be used as a framework for the risk management process of everyone in the organization to be moving in the same direction. In this case, the Board of Directors will focus on early warning signs and make sure that the risk management policy is reviewed regularly, such as once a year.

6.1.3 The Board of Directors shall ensure that the Company has identified risks by considering both internal and external factors that may affect the Company's ability to achieve the specified objectives. The main risks that the Board of Directors will focus on can be divided into strategic risks, operational risks, financial risks, compliance risks, etc.

6.1.4 The Board of Directors shall ensure that the Company assesses the impact and likelihood of identified risks in order to prioritize them and have appropriate risk management measures in place.

6.1.5 The Board of Directors may assign the audit committee to it, or the Risk Management Committee will review clauses 6.1.1 – 6.1.4 before proposing to the Board of Directors for consideration.

6.1.6 The Board of Directors shall regularly monitor and evaluate the effectiveness of risk management.

6.1.7 The Board of Directors is responsible for ensuring that the Company conducts business in accordance with the law and related standards, both domestically and internationally.

6.1.8 In the event that the Company has subsidiaries or other businesses in which the Company invests significantly (for example, holding shares with voting rights of 20% but not more than 50%). The Board of Directors will also take the assessment results of the internal control system and risk management into consideration, according to clauses 6.1.1 – 6.1.7

Practice 6.2

The Board of Directors will establish an audit committee that is capable of fulfilling its responsibilities effectively and independently.

6.2.1 The Board of Directors will arrange for an audit committee consisting of at least 3 directors, all of whom must be independent directors and have qualifications and duties in accordance with the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand.

6.2.2 The Board of Directors shall prescribe the duties of the Audit Committee in writing, with duties at least as specified in the Audit Committee Charter.

6.2.3 The Board of Directors shall ensure that the Company provides mechanisms or tools that enable the audit committee to access information necessary to perform assigned duties, such as facilitating the audit committee's ability to summon relevant people to provide information, discuss with the auditor, or seek independent opinions from any other professional advisors to support its consideration.

6.2.4 The Board of Directors shall assign an independent person or internal audit unit to be responsible for developing and reviewing the efficiency of the risk management and internal control systems and reporting to the Audit Committee to examine and disclose the review report in Form 56-1 One Report.

6.2.5 The Audit Committee shall comment on the sufficiency of the risk management and internal control systems and disclose them in Form 56-1 One Report.

Practice 6.3

The Board of Directors shall monitor and manage conflicts of interest that may arise between the Company and the Management, Board of Directors or shareholders, including the prevention of inappropriate use of assets, information, and opportunities of the Company and conducting transactions with people connected with the Company in an inappropriate manner.

6.3.1 The Board shall supervise the establishment of a data security system, which includes the formulation of policies and procedures for confidentiality, integrity, and availability, including the management of information that may affect Market Sensitive Information. In addition, the Board of Directors will ensure that directors, senior executives, and employees, as well as relevant third parties such as legal and financial advisors, comply with the information security system.

6.3.2 The Board of Directors shall supervise the management and monitoring of transactions that may have conflicts of interest, including ensuring that there are guidelines and procedures for conducting such transactions in accordance with the procedures and disclosures prescribed by the Board of Directors as stipulated by law and mainly for the benefit of the Company and the shareholders as a whole without stakeholders should not be involved in decision-making.

6.3.3 The Board of Directors should make it a rule that directors have to report their interests at least before the meeting agenda is discussed. This information should be written down in the meeting minutes. As a result, the aforementioned director was unable to express his/her opinion freely, refraining from participating in the meeting for consideration of that agenda.

Practice 6.4

6.4.1 The Board of Directors shall ensure that a clear Anti-Corruption Policy and Guidelines are established and communicated at all levels of the organization and to outsiders in order to achieve practicality and support. It is an activity that encourages and instills in all employees the need to comply with relevant laws and regulations.

6.4.2 The Board of Directors will provide programs or guidelines against corruption, corruption, including supporting activities that encourage and instill all employees to comply with relevant laws and regulations.

Practice 6.5

The Board of Directors will supervise the Company to have a mechanism for receiving complaints and acting in case of whistle blowing.

6.5.1 The Board of Directors shall supervise the establishment of a mechanism and process for handling complaints from stakeholders and ensure that more than one convenient grievance channel is established, including disclosure of the grievance channels to file a complaint on the website or form 56-1 One Report.

6.5.2 The Board of Directors will ensure that there are clear policies and guidelines in case of a clue by setting up a channel for reporting clues via the Company's email or through the Company's independent directors or audit committee, including a process for reviewing operational data and reporting to the Board of Directors.

6.5.3 The Board of Directors will ensure that appropriate protection measures are in place for whistleblowers who report clues with good faith intentions.

Practice 7: Maintain financial credibility and disclosure

Practice 7.1

The Board of Directors is responsible for ensuring that the financial reporting system and the disclosure of important information are correct, sufficient, timely, in accordance with relevant rules, standards, and guidelines.

7.1.1 The Board of Directors must make sure that the people who help prepare and share information have the right knowledge, skills, and experience for their jobs and are available enough to do so. The said personnel must include the Chief Financial Officer, Accountant, Internal Auditor, Company Secretary, and Investor Relations.

7.1.2 In approving the disclosure of information, the Board of Directors shall take into account the relevant factors, and in the case of financial reports, at least the following factors shall be taken into account:

- 1) The findings of the assessment of the internal control system's suitability
- 2) The auditor's assessment of the financial report and observations of the internal control system, including those made through other channels of communication by the auditor (if any).
- 3) Opinion of the Audit Committee
- 4) Consistency with the Company's objectives, main goals, strategies, and policies.

7.1.3 The Board of Directors shall ensure that the disclosure of information, including the financial statements and Form 56-1 One Report, adequately reflects the financial position and operating results, as well as encourage the Company to prepare Management Discussion and Analysis (MD&A) to support the disclosure of quarterly financial statements. This is for investors to be informed of and understand the changes that occur to the financial position and operating results of the Company each quarter better than the numbers in the financial statements alone.

7.1.4 In the event that disclosure of information about any specific director is required, that director will ensure that the disclosures on his part are complete and accurate as well, such as information on the group's shareholders and disclosures related to the Shareholders' Agreement of their group.

Practice 7.2

The Board of Directors will monitor the adequacy of financial liquidity and debt serviceability.

7.2.1 The Board of Directors shall supervise the management to monitor and assess the Company's financial status and regularly report to the Board of Directors. The Board of Directors and the management must work together to find a solution as soon as there are signs indicating problems with financial liquidity and the ability to pay debts.

7.2.2 In approving any transaction or proposing an opinion to the shareholders' meeting for approval, the Board of Directors will ensure that such transactions will not affect the continuity of business operations, financial liquidity or ability to pay debts.

Practice 7.3

In the event that the Company faces financial problems or is likely to encounter problems, the Board of Directors will ensure that the Company has a plan to solve the problem or other mechanisms to solve the financial problem, taking into account the rights of stakeholders.

7.3.1 In the event that the Company tends to be unable to pay debts or has financial problems, the Board of Directors will closely monitor and ensure that the Company conducts business with caution and comply with disclosure requirements.

7.3.2 The Board of Directors will ensure that the Company formulates a plan to resolve financial problems by taking into account fairness to stakeholders, including creditors, and following up on solving problems by having the management regularly report the status.

7.3.3 The Board of Directors will ensure that any decisions made to solve the Company's financial problems by any means must be done reasonably.

Samples of indicators

- 1) Continual loss
- 2) Low cash flow
- 3) Incomplete financial information
- 4) Lack of a proper accounting system
- 5) Lack of cash flow assessments and budgets.
- 6) No business plan
- 7) Liabilities have increased more than assets have.
- 8) Difficulty in selling inventory and debt collection

Practice 7.4

The Board of Directors will consider making a sustainability report as appropriate.

7.4.1 The Board of Directors will consider the appropriateness of disclosing information on compliance with laws, compliance with ethics, anti-corruption policies, and the treatment of employees and stakeholders, including fair treatment and respect for human rights, including social and environmental responsibility, taking into account nationally or internationally accepted reporting frameworks. The said information may be disclosed in Form 56-1 One Report or may be prepared in a separate book as appropriate for the Company.

7.4.2 The Board of Directors will ensure that the information that has been disclosed is important and reflects actions that will lead to sustainable value creation for the Company.

Practice 7.5

The Board of Directors shall supervise the management to establish a unit or person responsible for investor relations responsible for communicating with shareholders and other stakeholders, such as investors and analysts, in an appropriate, equitable, and timely manner.

7.5.1 The Board of Directors formulates Communication Policy and Disclosure Policy to ensure that the communication and disclosure of information to third parties is appropriate, equitable, timely, using appropriate channels, protecting confidential information, and information that affects the price of securities, as well as communicating the same understanding throughout the organization in complying with the said policies.

7.5.2 The Board of Directors shall appoint a person who is qualified for the job to be in charge of providing information to third parties who understand the business of the Company including its objectives, main goals, and values, and who can communicate well with the capital market.

7.5.3 The Board of Directors will oversee the management team in setting direction and supporting the investor relations function, such as establishing best practices for information disclosure, insider information policy, and policies that affect security prices, as well as defining clear roles and responsibilities for investor relations to ensure effective communication and disclosure of information.

Practice 7.6

The Board of Directors shall promote the use of information technology in the dissemination of information.

7.6.1 In addition to the dissemination of information according to the specified criteria and through the channels of the Stock Exchange of Thailand, the Board will consider the disclosure of information in both Thai and English through other channels, such as the Company's website, regularly along with presenting current information. In this regard, the Company will disclose at least the following information on the Company's website.

- 1) The Company's vision and value
- 2) The Company's mature of business
- 3) List of Board of Directors and Executives
- 4) Financial statements and reports on the financial position and operating results, both current and previous years
- 5) Form 56-1 One Report that can be downloaded
- 6) Any other information or documents that the Company presents to analysts, fund managers or the media.
- 7) Direct and indirect shareholding structure
- 8) The Company's group structure
- 9) Notice of the Annual General and Extraordinary General Meeting of Shareholders
- 10) Articles of Association of the Company and Memorandum of Association
- 11) The Company's Corporate Governance Policy Anti-Corruption Policy.
- 12) Information Technology Security Policy and risk management policy
- 13) Charter or responsibilities, qualifications, and terms of office of the Board of Directors, including matters subject to Board approval, charter, or responsibilities, and qualifications
- 14) Business Ethics
- 15) Contact information of the unit or complaint handling unit or person responsible for investor relations, Company secretary, such as name, telephone number, and email address of the person who can provide information

Practice 8: Encourage participation and communication with shareholders

Practice8.1

The Board of Directors shall ensure that shareholders are involved in decision-making on important matters of the Company.

8.1.1 The Board of Directors will ensure that important matters, both those required by law and issues that may affect the direction of the Company's operations, have been considered and/or approved by the shareholders. The aforementioned important matters shall be included in the agenda of the shareholders' meeting.

8.1.2 The Board of Directors will support the participation of shareholders such as

1) Establishing requirements so that minority shareholders may submit additional agenda suggestions in advance of the meeting date, with the Board of Directors then taking such suggestions into consideration for the meeting agenda. If the Board of Directors decides not to adopt the shareholders' suggested agenda, they must explain why before the shareholders' meeting.

2) Criteria for Minority Shareholders to Nominate People for Directorship. The Board of Directors will make sure that shareholders know about these criteria ahead of time.

8.1.3 The Board of Directors must make sure that the notice of the shareholders' meeting has correct, complete, and enough information for shareholders to exercise their rights.

8.1.4 The Board of Directors shall ensure that the notice of the shareholders' meeting, together with relevant documents, is sent and published on the Company's website at least fourteen (14) days prior to the meeting date.

8.1.5 The Board of Directors will allow shareholders to submit questions in advance of the meeting date by setting the criteria for submitting questions in advance and disseminating the criteria on the Company's website as well.

8.1.6 The notice of the shareholders' meeting and related documents will be prepared in English and distributed together with the Thai version.

In this regard, the notice of the shareholders' meeting must contain the following statements:

1) Date, time and venue of the shareholders' meeting

2) Agenda of the meeting, specifying whether it is an agenda for acknowledgement or for approval, and clearly dividing the matters, for example, in the agenda related to directors, the election of directors, and the approval of directors' remuneration for each agenda.

3) Objectives and reasons and opinions of the Board of Directors on each proposed agenda, including the following:

A. Agenda for dividend payment approval - dividend payment policy, proposed dividend rate, together with reasons and supporting information. In the event that no dividend payment is proposed, the reasons and supporting information must be presented.

B. Agenda for Director Appointment - specify name, age, education, and work history, number of listed companies and general companies holding director positions criteria, nomination methods, and type of director proposed. In the case of nominating the former director to be re-elected, please specify the meeting attendance of the previous year and the date of appointment as the Company's director.

C. Agenda for approval of director's remuneration - policy and criteria for determining the remuneration of each position of director and all forms of remuneration for directors, both in cash and other benefits.

D. Agenda for the appointment of the auditor - name of the auditor, Company affiliation, work experience, independent auditor, audit fee, and other service fees

4) Proxy form as prescribed by the Ministry of Commerce

5) Other supporting information such as voting procedures, counting and notifying the vote results, the rights of each type of share to vote, information about independent directors that the Company proposed to be a proxy from shareholders, documents that shareholders must present before attending the meeting, supporting documents for a proxy, a map of the meeting venue, etc.

Practice 8.2

The Board of Directors will supervise the conduct of the meeting on the day of the shareholders' meeting to ensure that it is orderly, transparent, and efficient, and facilitates shareholders exercising their rights.

8.2.1 The Board of Directors will determine the date, time, and venue of the meeting by considering the convenience of shareholders attending the meeting, such as an appropriate and sufficient meeting time for discussion, a convenient meeting venue, etc.

8.2.2 The Board of Directors must make sure that nothing is done to make it harder for shareholders to attend the meeting or to put too much stress on them. For example, shareholders or proxies shouldn't have to bring more documents or proof of identity than is required by the rules of the relevant regulatory bodies.

8.2.3 The Board of Directors will promote the use of technology in the shareholders' meeting, including shareholder registration, vote counting, and display results so that the meeting can be conducted quickly, accurately, and precisely.

8.2.4 The Chairman of the Board of Directors acts as the chairman of the shareholders' meeting and is responsible for ensuring that the meeting proceeds in accordance with the related law and regulations and the Articles of Association of the Company appropriately allocating time for each agenda specified in the meeting notice and allowing shareholders to express their opinions and raise questions at the meeting on matters related to the Company.

8.2.5 The directors do not support superfluous additions to the meeting agenda without prior notification for the shareholders to be able to participate in decision-making on significant issues. This is especially true for the significant agenda that the shareholders have requested. It takes time to study the information before making a decision.

8.2.6 In order to allow shareholders to ask questions about various linked topics, all directors and pertinent executives are encouraged to attend the meeting.

8.2.7 Before starting the meeting, the Company shall inform the shareholders of the number and proportion of shareholders attending the meeting in person and by proxy, the meeting methods, and voting and vote counting.

8.2.8 In the event that there are many items on an agenda, the chairman of the meeting must have a separate vote for each item. For example, shareholders may exercise their rights to appoint directors individually on the agenda of appointing directors.

8.2.9 The Board of Directors encourages the use of ballot papers for important agenda items and encourages independent people to count or check the votes in the meeting and disclose the results of agreeing, disagreeing, and abstaining votes. vote on each item on the agenda for the meeting's acknowledgement, which is recorded in the minutes of the meeting.

Practice 8.3

The Board of Directors will ensure that the minutes of meetings and reports of shareholder meetings are accurate and complete.

8.3.1 The Board of Directors shall ensure that the Company discloses the resolutions of the shareholders' meeting along with the voting results within the next business day through the news system of the Stock Exchange of Thailand and on the Company's website.

8.3.2 The Board of Directors must send the Stock Exchange of Thailand a copy of the minutes from the shareholders' meeting within fourteen (14) days of the shareholders' meeting.

- 1) List of the directors and executives who attended the meeting, as well as the number of directors who did not attend.
- 2) Voting and vote counting methods, meeting resolutions, and voting results of agreeing, disapproving, or abstaining for each agenda
- 3) Questions and answers at the meeting, including the name and surname of the questioner and the respondent.

6.2 Business Ethics

In order to sustain the business, safeguard the interests of stakeholders, and assume responsibility for society and the general public, the firm is committed to conducting business in accordance with ethics, morality, honesty, transparency, and sound corporate governance principles. As a result, it has established the following criteria of ethical conduct in the Company operations to be recognized as principles and guidelines in order to become a legitimate corporate governance organization:

6.2.1 Code of conduct for directors, executives, and employees

Personnel of the Company, namely, directors, executives, and employees, as well as consultants and people acting on behalf of or authorized to act on behalf of the Company or on behalf of the people mentioned above, shall adhere to the code of conduct and business ethics as follows:

Conduct and behavior

Personnel of the Company should perform their duties in accordance with the laws related to business operations, objectives, and regulations of the Company. Principles of corporate governance and study to gain knowledge in order to work effectively. In addition, they should adhere to virtue and not seek any wrongful benefits from superiors or from any other person, and not take any action in the manner of managing or managing any other Company that has the effect of undermining the interests of the Company or helping any person or juristic person, whether for the benefit of oneself or of others.

How to treat co-workers

The Company's personnel should strengthen teamwork by cooperating and helping each other, respecting others, treating supervisors with respect, as well as being polite to employees and co-workers at all levels for the benefit of the Company as a whole, and avoid revealing or criticizing information or stories of other employees, both in terms of work and personal matters, in a manner that will cause damage to employees or their image without the Company's total approval, including not taking any action that is immoral or threatening to other employees.

How to treat the Company

The Company's personnel should perform their duties with responsibility, honesty, dedication, and devotion of physical and mental energy to work as well as comply with the rules and policies of the Company, values and good traditions based on the Company's benefits. In addition, the confidentiality of customers, business partners, and the Company should be kept strictly confidential by taking care not to allow confidential documents or news about the Company to be disclosed, leaked or fall to irrelevant people, which may cause damage to the Company and not participating in any action or concealing any action that may conflict with the Company's interests or participating in covering up any illegal acts.

How to create customers, partners or competitors

The Company's personnel should treat customers, business partners, or competitors with good understanding and cooperation by offering quality services to customers and giving any advice to customers, taking into account the suitability of customers.

6.2.2 Principles of business ethics

The Company has a standard for doing business that must comply with the law. Regulations and business ethics to the utmost. All employees of the Company must strictly comply with the established standards as follows:

"Completely free from bribery " The Company has a policy to run a business that is free from bribery, corruption, extortion, or all other forms of fraud and will never tolerate this. Company employees must not offer, promise, or authorize anyone, directly or indirectly, to pay bribes or anything else (whether tangible or intangible) that can be valued to a customer, prospective customer, or government official, including the dependents, family members, representatives, or entities of the people mentioned above, to act or omit an action that will cause inappropriate benefits to the Company or its subsidiaries or partners.

"No advantage taking in business operation" The Company operates its business on the basis of fairness. The Company will not take advantage of competitors or customers by inciting or presenting distorted information, improperly using confidential information, or using personal privileges, or other similar actions for the benefit of the Company.

"No conflict of interest" Employees of the Company or their family members must protect the interests of the Company and business partners to the utmost and not have conflicts of interest with the Company. A conflict of interest is a situation where employees or family members have any business or activities that overlap with the business operations of the Company or may use any relationship with the Company for the benefit of oneself or their associates, or the companies they are involved with.

6.2.3 Principles for correct accounting records

The Company's accounting records are in accordance with accounting standards that are accurate, transparent, and verifiable, reflecting the actual payment of the activity. Accounting of the Company, it must be a legitimate expense, including meals provided to customers or government officials. During the meeting, travel expenses for education, training, marketing, or to visit the actual site (Site Visit). Such expenses must have sufficient documentary evidence that is clear, verifiable, and sufficient.

6.2.4 Customer relationship

Employees of the Company must have a constructive and honest relationship with customers and prospects, which is considered essential for employees of the Company to have and will enable the Company's employees to present products and services professionally in every interaction with customers and prospects. The Company's employees must ensure that their actions adhere to the highest ethical standards in the conduct of the Company's business and strictly comply with applicable laws and regulations. Business meetings, meetings or discussions with customers or prospects must be (a) relevant to the goals of the ongoing business; (b) subject to applicable laws, regulations, and business ethics; and (c) have no undue influence on the decisions of customers or prospects.

6.3 Significant changes and developments in policies, practices, and corporate governance systems in the past year

6.3.1 Significant changes and developments related to the review of policies, guidelines, and corporate governance systems, or the Board of Directors' charter, occurred in the past year.

In 2023, the Company developed and improved its corporate governance policy and related policies as follows:

1) Approved the appointment of the Board of Directors and sub-committees and reviewed the charter of the Board of Directors and sub-committees in accordance with the organizational structure, organizational context, and business environment.

2) Approved the appointment of the Chief Executive Officer. Determined the scope of duties and responsibilities of the Chief Executive Officer and approved his performance evaluation.

3) Approved the appointment of the Company secretary and determined the scope of duties and responsibilities of the Company Secretary.

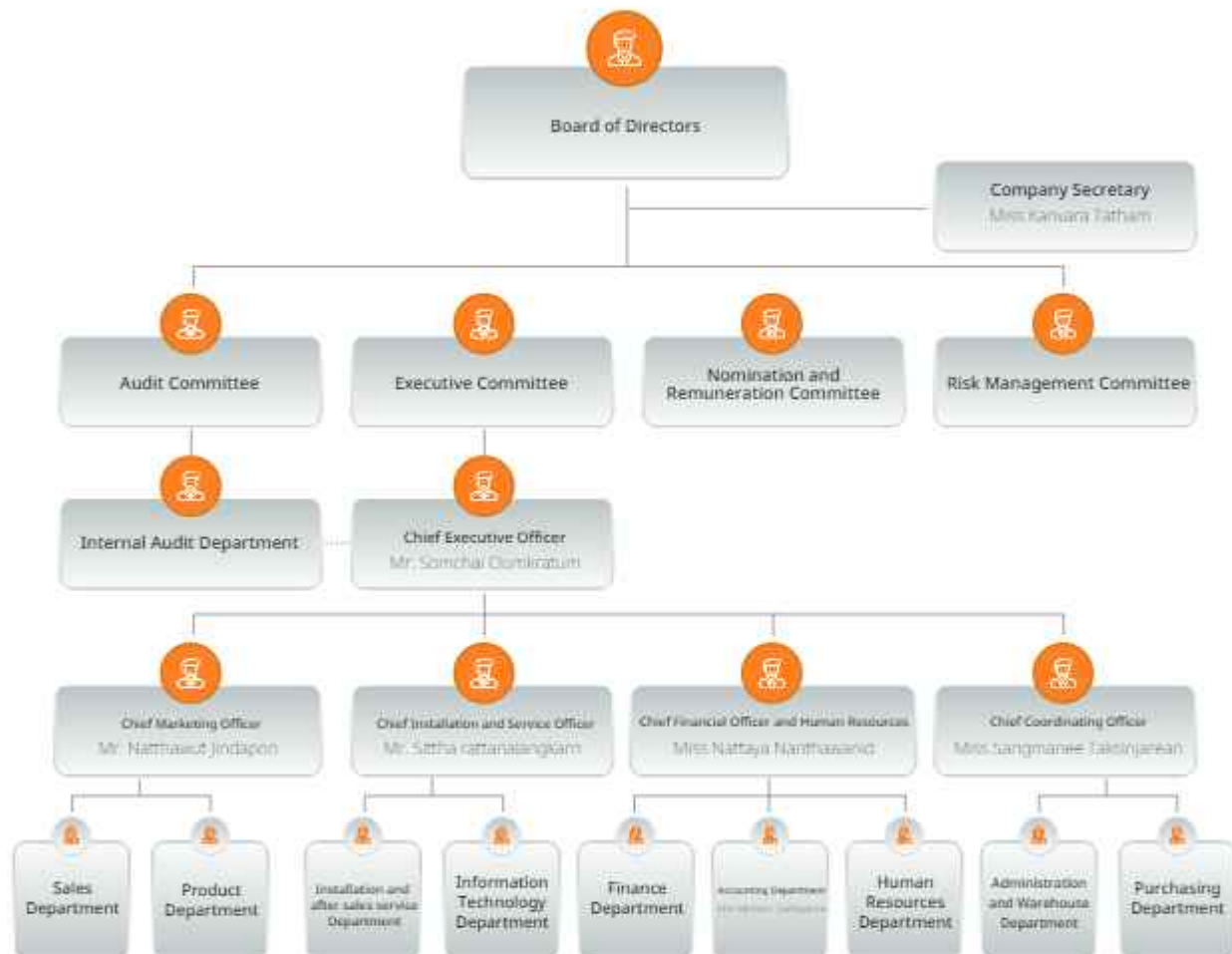
4) Approved in principle about trade agreements with general trading conditions in transactions between the Company and its directors, executives, or related people.

Approved the following policies:

1. Business Ethics
2. Good Corporate Governance Policy
3. Anti-Corruption Policy
4. Use of Internal Information Policy
5. Company and Customer Confidentiality Policy
6. Internal Control and Internal Audit Policy
7. Conflict of Interest Policy
8. Nomination and Remuneration Policy
9. Corporate Risk Management Policy
10. Succession Management Recruitment Policy
11. Computer and Information Technology Policy
12. Investments in Subsidiaries and Associated Companies Policy
13. Company's Dividend Payment Policy
14. Related Parties Transaction Policy
15. Directors, Executives and Employees Development Policy
16. Social and Environmental Responsibility Policy
17. Whistle Blowing and Complaints Policy
18. Property Preservation and Use Policy
19. Personal Data Protection Policy (PDPA)
20. Accounting Policies and Procedures

7. Corporate governance structure and important information about the Board of Directors, sub-committees, executives, employees and others.

7.1 Organization Structure



Note : 1. Currently, the company has hired Resourceful Co., Ltd. as an external independent internal auditor who has been employed since June 2021. Internal audit reports will be made and reported to the Audit Committee at least once a quarter.

2. Miss Patcharin Tipphayachai is an accountant who makes financial statements for businesses in the public interest that follow standards for financial reporting.

7.2 Information about the Board of Directors

The company's organizational structure as of December 31st, 2023 consists of the Board of Directors and 4 subcommittees, namely the Audit Committee, Board of Directors Nomination and Remuneration Committee and the Risk Management Committee. The structure of the Board of Directors consists of at least 3 independent directors and not less than one-third (1/3) of the total number of directors of the company, with all independent directors and audit committee members fully qualified in accordance with Section 68 of Public Limited Companies Act B.E. 2535 and following the rules of the Capital Market Supervisory Board Notification No. Thor.Jor. 39/2559 Regarding requests for permission and authorization to offer newly issued shares. (and with additional amendments) in all respects.

7.2.1 Composition of the Board of Directors

The company has determined the composition and term of office of the Board of Directors as follows:

Composition

The Board of Directors consists of at least 5 directors, and not less than half (1/2) of the total number of directors must reside in the Kingdom of Thailand, with at least one-third (1/3) of the total number of independent directors being independent directors, but not less than 3 people.

- 1) The Board of Directors and Chief Executive Officer must not be the same person, Duties and responsibilities are clearly defined and separated.
- 2) In case the chairman is not an independent director, the Board of Directors will choose an independent director to help set the agenda for the Board of Directors meeting. This is to follow the rules for good corporate governance for companies that are on the stock market.
- 3) The Board of Directors shall appoint the company Secretary as the Secretary of the Board of Directors to perform duties in supervising the activities of the Board of Directors, coordinating with the Board of Directors regarding meeting appointments, preparing meeting agendas, delivering meeting documents, recording minutes of meetings, coordinating the implementation of the resolutions of the Board of Directors, and other assignments, and encouraging the company Secretary to continuously receive training and knowledge development on legal, accounting, or any other duties of the company Secretary.
- 4) The structure of the Board of Directors must be diverse in terms of gender, age, experience, professional skills, and specific expertise necessary for the performance of their duties, which will help the company's business operations achieve its goals and create sustainable growth in the long term, including accounting and financial knowledge, organizational and human resource management, risk management, crisis management, and knowledge of the company's business, defining visions and strategies and other specific expertise necessary for the company in the next 3 - 5 years.

Term of office

At every annual general meeting of shareholders, one-third (1/3) of the directors shall retire from office. If the total number of directors cannot be divided into 3 equal parts, the number of retired directors shall be closest to one-third (1/3) of the total number of directors. In this regard, the retired directors may be re-elected to take office again. In addition to vacating office at the expiration of the term, a director vacates office upon:

1) Death

2) Resignation (effective from the date the company receives the letter of resignation)

3) Lack of qualifications or prohibited characteristics according to laws, rules, and regulations issued under the provisions of the law, the company's Articles of Association and/or have characteristics that indicate a lack of suitability to be entrusted with the management of a publicly held business as required by the Securities and Exchange Commission.

4) Removal by a resolution of the shareholders' meeting with a vote of not less than three-fourths (3/4) of the number of shareholders attending the meeting, having the right to vote, and holding a total of not less than one-half of the number of shares held by shareholders attending the meeting and having the right to vote.

5) The court issued a dismissal order.

7.2.2 Information about individual directors and controlling people.

As of December 31st, 2023, the Board of Directors members as follows:

Name	The Board of Directors	Sub-Committees			
		Audit Committee	Nomination and Remuneration Committee	Risk Committee	Executive Committee
1.Mr.Woodtipong Moleechad	Chairman / Independent Director	Chairman / Independent Director	-	-	-
2.Mr.Udom Thanuratpong	Independent Director	Independent Director	Independent Director	-	-
3.Mr. Adisorn Thavornthanasam	Independent Director	Independent Director	Chairman / Independent Director	Independent Director	-
4.Mr. Saran Supaksaran	Director is not be Executive	-	Director is not be Executive	Director is not be Executive	-
5.Mr. Somchai Oumkratum	Director is be Executive	-	-	Chairman / Director is be Executive	Chairman / Director is be Executive
6.Miss Nattaya Nanthawanid	Director is be Executive	-	-	-	Director is be Executive
7.Mr. Sittha Rattanalangkarn	-	-	-	Director is be Executive	Director is be Executive

Name	The Board of Directors	Sub-Committees			
		Audit Committee	Nomination and Remuneration Committee	Risk Committee	Executive Committee
8.Miss Sangmanee Taksinjaroen	-	-	-	-	Director is be Executive
9.Mr. Natthawut Jindapon	-	-	-	-	Director is be Executive

In this regard, Miss Kanvara Tatham acts as the company Secretary, Secretary to the Board of Directors and Secretary all Sub-committee.

Authorized Directors of the company

The authorized directors who can sign to bind the company are Mr. Somchai Oumkratum and Miss Nattaya Nanthawanid jointly sign with the company's seal affixed.

7.2.3 Roles and responsibilities of the Board of Directors

The Board of Directors holds authority duties, and responsibilities in managing the company to comply with the laws, objectives, and regulations of the company, as well as legitimate resolutions of shareholders' meetings. In summary, authority and important responsibilities are as follows:

- 1) Perform duties in accordance with the law, the company's objectives and regulations, as well as the resolutions of the shareholders' meeting, with honesty and caution in protecting the company's interests.
- 2) Set policies, goals, plans, business strategies, and an annual budget.
- 3) Control, supervise, and ensure that the management performs in accordance with the established policies and budgets efficiently.
- 4) Review and approve policies, guidelines, and operational plans for the company's large investment projects as proposed by sub-committees or the management.
- 5) Appoint, assign or suggest sub-committees or working groups to consider or perform any matters that the Board of Directors deems appropriate.
- 6) Proceed to ensure that the company has effective internal control and internal audit systems, including risk management and reliability of financial reports, by assigning the internal audit department to monitor and jointly operate and coordinate with the Audit Committee.
- 7) Hold at least one board meeting per quarter where every board member has a duty to attend board meetings and may have additional meetings if necessary.
- 8) Prepare the annual report of the Board of Directors and be responsible for the preparation and disclosure of financial statements to reflect the financial position and performance of the past year to be presented to the shareholders' meeting.

9) Organize an annual general meeting of shareholders within 4 months from the end of the company's fiscal year.

10) Supervise the company to comply with the Securities and Exchange Act and the Stock Exchange of Thailand's regulations, such as connected transactions and the purchase or sale of important assets in accordance with the rules of the Capital Market Supervisory Board or the Stock Exchange of Thailand or other business-related laws of the company, etc.

11) Responsible to shareholders and operates in the best interests of shareholders, as well as disclose information to investors with accuracy, completeness, standards, and transparency.

12) Consider the management structure, including monitoring the results of operations to ensure that they are consistent with the plans and budgets, as well as regularly monitoring the operations and performance of subcommittees and/or the management to ensure that the operations of the company are effective.

13) A director must not operate a business of the same nature and in competition with the business of the company or become a partner in an ordinary partnership or a partner with unlimited liability in a limited partnership, or be a director of a private company or other company operating a business of the same nature and in competition with the business of the company whether it is done for one's own benefit or for the benefit of others, unless the shareholders' meeting has been informed prior to the appointment resolution.

14) Directors must notify the company without delay if they have directly or indirectly interest in the contract that the company makes or holds more or less shares or debentures in the company.

15) Directors may consider and approve any matters that are necessary and relevant to the company or as deemed appropriate for the company's benefit.

16) Appoint one or more directors or other people to act on behalf of the Board of Directors. However, in such a delegation, the authorized person must not have the power to approve the transaction because such a person or people may have conflicts of interest. "Person who may have conflicts" shall have the meaning defined in the announcement of the Securities and Exchange Commission. Except for the following matters, they can be done only after obtaining approval from the shareholders' meeting first.

A. Matters required by law to be approved by the shareholders' meeting

B. Transactions where directors have interests and are within the scope of the law or the regulations of the Stock Exchange of Thailand require approval from the shareholders' meeting.

C. In addition, the following cases must be approved by the Board of Directors' meeting and the shareholders' meeting with a vote of not less than three-fourths (3/4) of the total number of votes of the shareholders attending the meeting and having the right to vote:

- Sale or transfer of the company's business, wholly or partly, to another person.
- Acquisition or acceptance of the transfer of the business of other companies to the company.
- Making, amending, or terminating the contract relating to the lease of all or important parts of the company's business.
- Assigning other people to manage the business of the company or consolidating business with other people for the purpose of sharing profit and loss.
- Issuing new shares to pay creditors of the company according to the debt-to-equity conversion scheme.
- Reduction of the company's registered capital by reducing the number of shares or reducing the par value.
- Capital increase, capital reduction, issuance of debentures, merger, or dissolution of the company.
- Any other matters as required by law.

In any matter in which a director has an interest or has a conflict of interest with the company, a director who has such an interest or conflict of interest has no right to vote on that matter.

In addition, the Board of Directors also has the scope of duties to supervise the company to comply with the Securities and Exchange Act, regulations of the Stock Exchange of Thailand such as Related Parties transactions, acquiring or disposing of assets in accordance with the regulations of the Stock Exchange of Thailand or the announcements of the Securities and Exchange Commission, the Capital Market Supervisory Board or the laws related to the company's business.

7.3 Information about subcommittees

7.3.1 Structure of the Board of Directors

The company consists of a Board of Directors as detailed in 7.2 and has established four subcommittees, namely Audit Committee, Executive Committee, Nomination and Remuneration Committee and Risk Management Committee. The details are as follows:

7.3.2 List of each subcommittee and its scope of authority

7.3.2.1 Audit Committee

The Board of Directors has appointed the Audit Committee to assist the Board of Directors in carrying out their responsibilities in reviewing the quality and reliability of the accounting system, audit system, internal control system, and financial reporting process. As of December 31st, 2023, the Audit Committee consists of 3 members as follows:

Name	Position
Mr. Woodtipong Moleechad	Chairman of the Audit Committee
Mr. Udom ¹ Thanuratpong	Member of the Audit Committee
Mr. Adisorn Thavornthanasarn	Member of the Audit Committee

Note :

1.Mr. Udom Thanuratpong is a member of the Audit Committee who has knowledge and experience in accounting and finance. (Details in Attachment 1)

In this regard, Miss Kanvara Tatham acts as the Secretary of the Audit Committee and Miss Pasuwadee Bubpha of Resourceful Co., Ltd. is the company's head of internal audit. (Details in Attachment 2)

Composition and Term of Office of the Audit Committee

The company has determined the composition and term of office of the Audit Committee as follows:

Composition

1) The Audit Committee consists of at least 3 independent directors with skills and expertise appropriate to the assigned mission, and at least 1 member of the Audit Committee must have knowledge, understanding, or experience in accounting or finance, as well as continuous knowledge of reasons for changes in financial reports.

2) Each member of the Audit Committee must have qualifications and duties in the same manner as specified in the Notification of the Stock Exchange of Thailand regarding the qualifications and scope of work of the Audit Committee, including the relevant notifications of the Capital Market Supervisory Board.

Term of Office

1) The Audit Committee has a term of office of 3 years. The Audit Committee is appointed by the board of directors or the meeting of shareholders. The audit committee must be fully qualified according to the announcement of the Capital Market Supervisory Board No. Tor Jor. 39/2559 RE: Application for permission and permission to offer for sale of newly issued shares, as well as the scope of authority Duties and Responsibilities According to the Notification of the Stock Exchange of Thailand RE: Qualifications and Scope of Work of the Audit Committee

Vacate the Office

1) An Audit Committee member may vacate office due to the termination of the position as a director of the Company or the expiration of the term of office as specified by the Audit Committee, or due to death, resignation, or being removed or disqualified as an Audit Committee member according to this charter in accordance with relevant laws, especially the law on public limited companies and the law on securities and exchange, or the rules of the Stock Exchange of Thailand.

2) In the event that an audit committee member wishes to resign before the end of his term as an audit committee member, he or she should notify the Company in advance, for example, at least 1 month in advance, together with reasons so that the Board of Directors or the shareholders' meeting (depending on the case, as detailed in the topic "Appointment") will consider appointing other fully qualified directors to replace those who have resigned. In this regard, the company must notify the resignation and send a copy of the letter of resignation to the Stock Exchange of Thailand as well. The resignation of the audit committee may also explain the reason to the Stock Exchange of Thailand in another way.

3) In the event that an Audit Committee member is removed before the end of their term of office, the Company must notify the Stock Exchange of Thailand of removal together with the reasons for such removal. The removed audit committee member may also have the right to explain the cause to the Stock Exchange of Thailand as well. In the event that an audit committee member resigns or is removed before the end of their term, the company must submit information to the SEC Office in order to update the database in the director and executive database system to be accurate and truthful.

Scope of duties and responsibilities of the Audit Committee

1) Review the company's financial reporting to be accurate and sufficient.

2) Review the company's internal control system and internal audit system to ensure that they are suitable and effective, and consider the independence of the internal audit unit, as well as approve the appointment, transfer, or dismissal of the head of the internal audit department or any other department responsible for internal auditing.

3) Review the company's compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, and the laws related to the company's business.

4) Review and discuss with management the company's significant risks and the measures that management has taken to monitor and control such risks.

5) To consider, select and nominate an independent person to be the Company's auditor and to propose such person's remuneration, as well as to attend a meeting with an auditor without the management attending at least once a year.

6) Consider related transactions or transactions that may have conflicts of interest to ensure that they are in compliance with the laws and regulations of the Stock Exchange of Thailand and that such transactions are reasonable and for the utmost benefit of the Company.

7) Prepare a report of the Audit Committee to be disclosed in the Company's annual report, which must be signed by the Chairman of the Audit Committee and contain at least the following information:

- a. Opinions on the accuracy, completeness, and credibility of the Company's financial reports.
- b. Opinions on the sufficiency of the company's internal control system.
- c. Opinions on compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, or the laws related to the company's business.
- d. Opinions on the suitability of an auditor.
- e. Opinions on transactions that may have conflicts of interest.
- f. Number of Audit Committee Meetings and the attendance of each member of the Audit Committee
- g. Opinions or overall remarks received by the Audit Committee from performing their duties in accordance with the Charter.
- h. Other items that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors.

8) The Audit Committee may seek independent opinions from any other professional advisors when deemed necessary at the expense of the company.

9) Perform any other act as assigned by the Board of Directors with the approval of the Audit Committee.

In the performance of its duties, the Audit Committee is directly responsible to the Board of Directors, while the Board of Directors remains responsible for the company's operations with third parties.

In the event of a change in the duties of the Audit Committee The company shall notify the Stock Exchange of Thailand of the resolution to change the duty and prepare the name list and scope of work of the audit committee that has been changed in accordance with the form prescribed by the Stock Exchange of Thailand and submit them to the SET within 3 business days from the date of such change using the method according to the regulations of the Stock Exchange of Thailand regarding reporting via electronic media.

If the Audit Committee discovers or suspects that any of the following items or actions have a significant impact on the Company's financial position and operating results, the Audit Committee shall report to the Board of Directors for rectification within the time period that the Audit Committee deems appropriate.

- 1) Items that cause conflicts of interest
- 2) Fraud or abnormality or significant deficiencies in the internal control system

3) Violation of securities and exchange laws, regulations of the Stock Exchange of Thailand, or laws related to the Company's business.

If the Board of Directors or executives fail to make a rectification within the period under the first paragraph, any member of the Audit Committee may report the transaction or action under the first paragraph to the SEC Office or the Stock Exchange of Thailand.

7.3.2.2 Executive Committee

As of December 31st, 2023, the Executive Committee consists of 5 members as follows:

Name	Position
1. Mr. Somchai Oumkratum	Chairman of the Executive Committee
2. Miss Nattaya Nanthawanid	Member of the Executive Committee
3. Mr. Sittha Rattanalangkarn	Member of the Executive Committee
4. Miss Sangmanee Taksinjarean	Member of the Executive Committee
5. Mr. Natthawut Jindapon	Member of the Executive Committee

Miss Kanvara Tatham acts as the secretary of the Executive Committee

Composition and Term of Office of the Executive Committee

The Company has determined the composition and term of office of the Executive Committee as follows:

Composition

1) The Executive Committee is appointed by the Board of Directors and consists of at least three members from the Company's board of directors and executives.

2) The Executive Committee consists of people with appropriate qualifications and experience and who have good judgment in working for the benefit of the company's business operations.

Term of Office

The holding of office by the Executive Committee does not require resignation by rotation. However, when the company's directors and/or executives cease from being directors and/or executives of the company for any reason, it shall be deemed that such director and/or executive of the company was immediately terminated from being an executive director. The company appoints new members to fill the vacant positions without delay.

Scope, duties and responsibilities of the Executive Committee

1) The Executive Committee has the authority and responsibility to carry out activities as specified in order to manage the company to achieve its goals, including followings:

1.1) Establish and review the strategic objectives, financial plans, and important policies of the company and present them to the Board of Directors for approval.

1.2) Consider screening annual business plans, spending budgets, and performance goals, as well as any key initiatives to reach them; and presenting them to the Board of Directors for approval.

1.3) Consider screening projects with costs that go over the limit set by the Board of Directors and bring them to the Board for approval.

1.4) Consider and approve matters as specified in the approval authority or delegated by the Board of Directors.

1.5) Review the approval authority in various matters and propose it to the Board of Directors for approval.

1.6) Manage and balance short-term and long-term objectives.

1.7) Develop and manage human resources in line with the human resource strategies approved by the Nomination and Remuneration Committee.

1.8) Follow up and report to the Board of Directors on the company's operating results and progress in achieving its objectives.

2) Consider the annual budget allocation before proposing it to the Board of Directors for consideration and approval. This includes considering and approving changes and additions to the annual expenditure budget during the absence of the Board of Directors' meeting in urgent cases and presenting them to the Board of Directors, to be informed at the next meeting.

3) To approve the purchase of goods as normal business of the company in an amount not exceeding Baht 15 Million as specified in the approval authority.

4) To approve the hiring of consultants and other services related to the company's business operations as specified in the approval authority.

5) Approve expenses for the purchase of assets in the nature of investments (including equipment repair) other than those specified in the annual budget in an amount not exceeding Baht 15 Million as specified in the approval authority.

6) Approve major investment expenditures specified in the annual expenditure budget as assigned by the Board of Directors or as approved in principle by the Board of Directors.

7) Appoint or assign any person or people to act on behalf of the Executive Board as it deems appropriate; and the Executive Committee can terminate, revoke, change, or modify such authority.

However, the approval of the Executive Committee will not include the approval of the Executive Committee or people who may have conflicts, have a stake in or may have a conflict of interest in any other manner with the company Including items that require approval from shareholders for Related transactions and the acquisition or disposal of important assets of the company in order to comply with the regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission, or laws related to the company's business.

7.3.2.3 The Nomination and Remuneration Committee

As of December 31st, 2023, the Nomination and Remuneration Committee consisted of 3 members, as follows:

Name	Position
1. Mr. Adisorn Thavornthanasarn	Chairman of Nomination and Remuneration Committee
2. Mr. Saran Supaksaran	Member of Nomination and Remuneration Committee
3. Mr. Udom Thanuratpong	Member of Nomination and Remuneration Committee

Miss Kanvara Tatham acts as the secretary of the Nomination and Remuneration Committee

Composition and Term of Office of the Nomination and Remuneration Committee

The company has determined the composition and term of office of the Nomination and Remuneration Committee as follows:

Composition

The Nomination and Remuneration Committee is appointed by the Board of Directors and comprises at least 3 members, more than half of whom are independent directors. The Chairman of the Nomination and Remuneration Committee is appointed by the Board of Directors, and the Secretary of the Nomination and Remuneration Committee is appointed by the Chairman of the Nomination and Remuneration Committee. In this regard, the Nomination and Remuneration Committee must be composed of a person with the following qualifications:

- 1) Fully qualified and do not have prohibited characteristics according to relevant laws such as the Public Company Limited Act, the Securities and Exchange Act, the company's regulations, and good corporate governance.
- 2) Be a qualified person with knowledge, ability, skill, and experience that is beneficial to the operation of the Company.
- 3) Be independent, perform directorship duties with caution, be honest, have business ethics, be healthy, have enough time to dedicate their knowledge and abilities, and be able to dedicate their work to the company with integrity.
- 4) Not being a person operating a business of the same nature and in competition with the business of the Company, or being a partner or director in other juristic people operating a business of the same nature and in competition with the business of the company, whether for the benefit of himself or others, unless notified to the Board of Directors' meeting prior to the appointment resolution, as well as complying with relevant laws.

Term of Office

- 1) The term of office of a member of the Nomination and Remuneration Committee is 3 years, which is in accordance with the term of office of the company's director (in the case that the Nomination and Remuneration Committee is also a member of the Company). However, members of the Nomination and Remuneration Committee who retire by rotation may be re-appointed by the Board of Directors for another term.

2) In the event that the position of the Nomination and Remuneration Committee is vacant for reasons other than retirement by rotation, the Board of Directors shall appoint a fully qualified person as a new Nomination and Remuneration Committee member immediately, or at least within 3 months from the date that the number of members of the Nomination and Remuneration Committee is insufficient, the number of members of the Nomination and Remuneration Committee must be in full, as determined by the Board of Directors. The new member of the Nomination and Remuneration Committee will only serve for the rest of the term of the person he or she replaces.

Scope of duties and responsibilities of the Nomination and Remuneration Committee

1) Determine qualifications, criteria, and policies for recruiting company directors, sub-committees, and high-ranking executives by considering the appropriateness of the number, structure, and composition of the Board of Directors in accordance with relevant rules and/or laws; to propose to the Board of Directors and/or to propose to the shareholders' meeting for approval, as the case may be.

2) Consider recruiting, selecting, and nominating suitable people to serve as directors who retire by rotation and/or have vacancies and/or appoint additional candidates to the Board of Directors for approval and propose to the shareholders' meeting for appointment, being a director

3) Responsible in proposing opinions to the Board of Directors regarding the remuneration rates of the Chairman of the Board of Directors, Directors, Chairman of the Audit Committee, Audit Committee members, and sub-committees (if any) (with approval from the shareholders' meeting later).

4) It is responsible for considering the qualifications and suitability of personnel as well as formulating a remuneration policy, and stipulate conditions for hiring executives at the level of Chief Executive Officer or higher.

5) Consider criteria for the performance assessment of the Chief Executive Officer and present them to the Board of Directors for approval.

6) Consider and give opinions to the Board of Directors and monitor the operations, vision, and strategies of the company's human resources, including the Company's executive development plan.

7) Disclose the policy on compensation in various forms, including the amount of remuneration of directors, in the company's Form 56-1 One Report.

8) Execute any additional remuneration-related tasks that the Board of Directors assigns. Management and other departments must report or submit relevant information and documents to the Nomination and Remuneration Committee in order to support the Nomination and Remuneration Committee's performance in achieving its assigned duties.

7.3.2.4 Risk Management Committee

As of December 31st, 2023, the Risk Management Committee consists of 4 members as follows:

Name	Position
1. Mr. Somchai Oumkratum	Chairman of the Risk Management Committee
2. Mr. Saran Supaksaran	Member of the Risk Management Committee
3. Mr. Adisorn Thavornthanasarn	Member of the Risk Management Committee
4. Mr. Sittha Rattanalangkarn	Member of the Risk Management Committee

Miss Kanvara Tatham acts as secretary of the Risk Management Committee

Composition and Term of Office of the Risk Management Committee

The company has determined the composition and tenure of the Risk Management Committee as follows:

Composition

The Board of Directors appoints the Risk Management Committee which consists of Company Directors and Executives from various business lines. The Board of Directors will appoint the Chairman of the Risk Management Committee. The Chairman of the Risk Management Committee will appoint the secretary of the Risk Management Committee. In this regard, the Risk Management Committee must be a person with the following qualifications:

- 1) Fully qualified and do not have characteristics prohibited by relevant laws such as the Public Company Limited Law, Securities and Exchange Law, Company regulations, and good corporate governance.
- 2) Be a qualified person with knowledge, ability, skill, experience which is beneficial to the operation of the Company.
- 3) Be independent, perform director's duties with care, be honest, have business ethics, be in good health, have enough time to dedicate knowledge, and be able to work fully for the Company.
- 4) Not being a person operating a business of the same nature and in competition with the business of the Company, or being a partner or director in other juristic people operating a business of the same nature and in competition with the business of the Company, whether for the benefit of himself or others, unless notified to the Board of Directors' meeting prior to the resolution of the appointment as well as in compliance with relevant laws.

Term of Office

The Risk Management Committee has a term of office of 3 years each. Directors who retire from office will be in accordance with their term of office as directors of the Company. (In case the member of the Risk Management Committee is also a director of the Company) However, a member of the Risk Management Committee who retires by rotation may be reappointed by the Board of Directors to remain in office.

Scope, duties, and responsibilities of the Risk Management Committee

1) Formulate a risk management policy and propose it to the Board of Directors for consideration on overall risk management, such as strategic risk, liquidity risk, credit risk, market risk, operational risk, or other significant risks to the Company, etc.

2) Determine strategies, structures, and resources used in risk management to be in line with the risk management policy of industrial business groups related to the company in order to be able to analyze, evaluate, measure, and monitor risk management processes effectively.

3) Determine the maximum limit according to the specified risks (Risk Limit) in various dimensions that are important and propose it to the Board of Directors for consideration.

4) Supervise, review, and make recommendations to the Board of Directors on risk management policies, standard practices, strategies, and overall risk measurements to ensure that risk management strategies are properly implemented.

5) Establish policies and criteria for sales and services and supervise and review sales and service policies annually.

6) The Risk Management Committee can invite other people to the meeting if they are needed. These people must have something to do with or be responsible for what is on the agenda for the meeting.

7.4 Information about the executives

7.4.1 Name list and positions of executives

As of December 31st, 2023, the Company's executives consisted of 5 people as follows:

Name	Position
1.Mr. Somchai Oumkratum	Chief Executive Officer
2.Miss Nattaya Nanthawanid	Chief Financial Officer and Human Resources
3.Mr. Natthawut Jindapon	Chief Marketing Officer
4.Mr. Sittha Rattanalangkarn	Chief Installation and Service Officer
5.Miss Sangmanee Taksinjarean	Chief Coordinating Officer

Board of Directors meeting schedule and subcommittees for the year 2023

Name-Surname	จำนวนครั้งที่เข้าประชุม / จำนวนการประชุมทั้งหมด					
	Board of Directors	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee	Executive Committee	Annual General Meeting of Shareholders Year 2023
1.Mr. Woodtipong Moleechad	5/5	4/4	-	-	-	1/1
2. Mr. Udom Thanuratpong	5/5	4/4	1/1	-	-	1/1
3. Mr. Adisorn Thavornthanasarn	5/5	4/4	1/1	2/2	-	1/1
4. Mr. Saran Supaksaran	5/5	-	1/1	2/2	-	1/1
5. Mr. Somchai Oumkratum	5/5	-	-	2/2	13/13	1/1
6. Miss Nattaya Nanthawanid	5/5	-	-	-	13/13	1/1
7. Mr. Sittha Rattanalangkarn	-	-	-	2/2	13/13	1/1
8.Miss Sangmanee Taksinjarcan	-	-	-	-	13/13	1/1
9. Mr. Natthawut Jindapon	-	-	-	-	13/13	1/1

7.4.2 Remuneration Policy for Executive Directors and Executives

The Company has a policy to pay remuneration to directors and executives at an appropriate level, taking into account the nature of the business, the Company's performance, which is in line with Market Norm and the same industry group, and the suitability of the duties and responsibilities of each director and executive. The remuneration for the Board of Directors and its subcommittees will be proposed to the Nomination and Remuneration Committee, the Board of Directors, and the Annual General Meeting of Shareholders for approval every year.

7.4.2.1 Board of Directors

The Board of Directors' Meeting No. 1/2023 held on February 22nd, 2023 and the Annual General Meeting of Shareholders of the Company for the year 2023 held on April 26th, 2023 resolved to approve the remuneration for the Board of Directors and subcommittees as follows:

Monetary remuneration

Directors' remuneration Monthly payment will be paid only to the Board of Directors who are not executives of the Company as follows:

- | | |
|---|--------------------|
| • Chairman (who is not an executive of the Company) | Baht 20,000 /month |
| • Director (who is not an executive of the Company) | Baht 15,000 /month |

Meeting allowance is paid once (when attending the meeting) as follows:

Board of Directors

- | | |
|------------|----------------------|
| • Chairman | Baht 15,000 /meeting |
| • Member | Baht 10,000 /meeting |

Audit Committee

- | | |
|------------|----------------------|
| • Chairman | Baht 15,000 /meeting |
| • Member | Baht 10,000 /meeting |

Nomination and Remuneration Committee

- | | |
|------------|----------------------|
| • Chairman | Baht 15,000 /meeting |
| • Member | Baht 10,000 /meeting |

Risk Management Committee

- | | |
|---|----------------------|
| • Chairman (who is not an executive of the Company) | Baht 15,000 /meeting |
| • Member (who is not an executive of the Company) | Baht 10,000 /meeting |

7.4.3 Amount of remuneration for executive directors and executives

Remuneration for the Board of Directors and subcommittees for the year 2023 are as follows:

Name	2023					
	Monthly remuneration (Baht)	Meeting Allowance (Baht)				Total Remuneration (Baht)
		Director	Member of Audit Committee	Member of Risk Management Committee	Member of the Nomination and Remuneration Committee	
1.Mr. Woodtipong Moleochiad	240,000	75,000	60,000	-	-	375,000
2.Mr. Saran Supaksaran	180,000	50,000	-	20,000	10,000	260,000
3.Mr. Udom Thanuratpong	180,000	50,000	40,000	-	10,000	280,000
4.Mr. Adisorn Thavornthanasam	180,000	50,000	40,000	20,000	15,000	305,000
5.Mr. Somchai Oumkratum	-	50,000	-	-	-	50,000
6.Miss Nattaya Nanthawanid	-	50,000	-	-	-	50,000
7.Mr. Sittha Rattanalangkarn	-	-	-	-	-	-
Total	780,000	325,000	140,000	40,000	35,000	1,320,000

As of December 31st, 2023, the Company has no remuneration or benefits payable to the Company's directors. In this regard, the remuneration of directors and audit committee members may change depending on the resolution of the shareholders' meeting of the company each year.

7.4.3.1 Executives of the Company**Monetary remuneration**

Description	2021		2022		2023	
	Number of people (person)	Remuneration (Million Baht)	Number of people (person)	Remuneration (Million Baht)	Number of people (person)	Remuneration (Million Baht)
Salary	5	4.49	5	4.48	5	5.03
Bonus	5	1.16	5	1.32	5	1.36
Commission	5	0.49	5	1.53	5	0.93
Other ¹	5	0.92	5	1.00	5	1.11
Total	5	7.06	5	8.33	5	8.43

Note :

1. Others consist of professional fees, telephone charges, and contributions to the provident fund.
2. Mr. Natthawut Jindapon has been appointed as Chief Marketing Officer since May 11th, 2023.

7.5 Information about the employees

The total number of employees of the company (excluding executives) as of December 31st, 2023, with the details of the number of personnel divided into departments as follows:

Department	As of December 31 st , 2021	As of December 31 st , 2022	As of December 31 st , 2023
Accounting	4	4	4
Administration	2	2	2
Business Development	2	3	3

Department	As of December 31 st , 2021	As of December 31 st , 2022	As of December 31 st , 2023
Installation and service	13	11	11
Sales and Marketing	3	9	5
Management (Company Secretary)	0	1	1
Management (Financial reporting manager)	0	0	1
Total employees	24	30	27

7.5.1 Employee's remuneration

Remuneration Type	2021 (Million Baht)	2022 (Million Baht)	2023 (Million Baht)
Number of employees	24	30	27
Salary	10.76	13.10	14.48
Bonus	3.17	2.89	3.05
Commission	4.16	2.30	4.23
Other ¹	6.30	7.73	9.06
Total	24.39	26.03	30.83

Note:

1. Others: Telephone expenses, professional fees, social security contributions, Provident fund money contributed by the company, welfare (Training fees, health insurance premiums, allowances, etc.) and the numbers have been updated in 2022, leaving only items remaining, related to expenses paid in monetary terms to employees only

2. The compensation shown is expenses in 2023 that includes the expenses of resigning employees.

7.5.2 Provident fund

The Company has established a provident fund under the management of AIA Company Limited, which is a fund management company in accordance with the Provident Fund Act, B.E. 2530 (as amended). The fund has been effective since June 1st, 2016. Employees who join the provident fund can choose to contribute to the fund at the rate of 5%, 10%, or 15% of their salary. The company will contribute to employees at the same rate as the member's monthly contribution rate for each person, and the establishment of the fund is intended to motivate employees to work with the company. In the long term and to create stability for employees as well. As of December 31st, 2023, there are 32 employees of the company participating in the provident fund, 5 of whom are executives and 27 employees.

7.5.3 Personnel Development Policy

The Company places great importance on the development of knowledge and competency of personnel by having a policy to promote and facilitate training and knowledge for those involved in the Company's corporate governance system, including directors, the audit committee, sub-committees, executives, and the company secretary, to have up-to-date knowledge of current situations and to continuously improve operations through training and knowledge that may be done internally or using the services of external institutions. In addition, the company also attaches importance to the development of employees' knowledge and abilities by providing opportunities thoroughly and regularly through the training and development policy of the company's personnel at all levels, including both academic knowledge, personality development as well as developing a positive attitude so that employees have the ability to meet job requirements, prepare to work in the job position and have higher responsibilities in the future, and progress along the career path. The company will support training and seminars both inside and outside the organization with specific expertise.

7.5.4 Labor dispute

During the past 3 years, the Company has not had any labor disputes.

7.6 Other significant information

7.6.1 List of people assigned for each responsibility

7.6.1.1 Company Secretary

Name	Miss Kanvara Tatham
Position	Company secretary
Education	Master of Science in Life Insurance/Risk Management, Chulalongkorn University Bachelor of Science in Mathematics, Chiang Mai University Company Secretary Program (CSP), Class 125/2022 IR in Action for C-Suite by MAI Listed Companies Association Company Secretary Professional Project Course 2023 by the Thai Listed Companies Association

7.6.1.2 The person assigned to be directly responsible for supervising the accounting

Name	Miss Patcharin Tiphayachai
Position	Account manager
Education	Bachelor's degree in Accounting, Ramkhamhaeng University

7.6.1.3 Internal auditor

The Company uses the services of an external agency (Outsource), namely, Resourceful Co., Ltd. as the Company's internal auditors, which has assigned the following people to be the Company's internal audit supervisors.

Company name	Resourceful Co., Ltd.
Name of designated person	Miss Pasuwadee Bubpha
Education	Bachelor's degree in accounting, Burapha University

7.6.2 Investor Relations

Name	Miss Kanvara Tatham
Position	Company secretary
Education	Master of Science in Life Insurance/Risk Management, Chulalongkorn University Bachelor of Science in Mathematics, Chiang Mai University Company Secretary Program (CSP), Class 125/2022 IR in Action for C-Suite by MAI Listed Companies Association Company Secretary Professional Project Course 2023 by the Thai Listed Companies Association
Contact	Tel 02-513-7637 ext. 895 email: ir@itns.co.th

7.6.3 Auditor remuneration

The Annual General Meeting of Shareholders of the Company for the year 2023 held on April 26th, 2023, approved the appointment of EY Office Limited as the auditor the company's financial statements and joint ventures for the year 2023 with remuneration from the audit. account in the amount of Baht 1,700,000.

For the year 2023 ended December 31st, 2023, the Company paid quarterly audit fees to EY Office Limited in the total amount of Baht 1,650,000 and other expenses (non-audit fee) to the auditor, such as travel expenses and allowances, etc., in the total amount of Baht 1,581.

The Company's auditor is not a shareholder or stakeholder and has no relationship with the Company, directors, executives, major shareholders, controlling people of the Company, or any person related to such a person.

8. Report on key corporate governance performance

8.1 Summary of performance of the Board of Directors in the past year

8.1.1 Recruiting, developing, and evaluating the performance of the Board of Directors.

8.1.1.1 Independent Director

The Board of Directors will jointly consider the qualifications of people to be appointed as independent directors. In addition, the Board of Directors will consider selecting independent directors based on expertise, work experience, and suitability in other fields. After that, it will be presented to the shareholders' meeting for consideration and appointment as a director of the Company. The Company has a policy of appointing independent directors for at least one-third of the total number of directors, and there must be no less than 3 people. As of December 31st, 2023, the Board of Directors consists of 3 independent directors out of a total of 6 directors, which is not less than one-third of the total number of directors. Moreover, the qualifications of independent directors are as follows:

(1) Hold shares not exceeding 1 per cent of the total number of shares with voting rights of the Company, parent Company, subsidiary, associated Company, major shareholder, or controlling person of the Company. This includes shares held by that director's relatives as well. ❌

(2) Not be or used to be an executive director, employee, staff, or advisor who receives a regular salary or a controlling person of the Company, parent Company, subsidiary Company, associated Company, same-level subsidiary Company, minority shareholder major, or those with controlling power of the Company, unless he or she has

retired from such a position for not less than 2 years before the date of being appointed as an independent director. However, such prohibited characteristics do not include the case where independent directors used to be government officials or consultants to government agencies who are major shareholders or controlling people of the Company.

(3) Not be a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouses of children of other directors, executives, major shareholders, controller, or a person who will be nominated as a director, executive, or controlling person of the Company or its subsidiaries.

(4) Not have or have had a business relationship with the Company, parent Company, subsidiaries, associated companies, major shareholders, or controlling people in a manner that may obstruct his independent judgment, including not being or using to be a significant shareholder or controlling person of a person having a business relationship with the Company, parent Company, subsidiaries, associated companies, major shareholders, or controlling people of the Company, unless he or she has acquired such characteristics for not less than 2 years prior to the date of appointment as an independent director.

The said business relationships include commercial transactions that are normally done for the business of renting or leasing real estate, transactions involving assets or services, or providing or receiving financial assistance by accepting or lending guarantees, the use of assets as collateral for liabilities, and other similar acts that result in the Company or the counterparty having an obligation to pay to the other party from 3 percent of the net tangible assets of the Company or from Baht 20 Million or more, whichever is lower. The amount of this debt will be figured out using the method for figuring out the value of connected transactions outlined in the Notification of the Capital Market Supervisory Board on Rules for Connected Transactions. This method will be used in the same way for all connected transactions. However, in considering such indebtedness, it shall include the indebtedness incurred during the 1 year prior to the date of the business relationship with the same person.

(5) Not be or have been an auditor of the Company, parent Company, subsidiary Company, associated Company, major shareholder, or controlling person of the Company and not be a significant shareholder, controlling person, or partner of the audit firm having auditors of the Company, parent Company, subsidiary, associated Company, major shareholder, or controlling person of the Company unless he or she has acquired such characteristics for not less than 2 years prior to the date of appointment as an independent director.

(6) Not be or have been a professional service provider, including a legal advisor or financial advisor, who receives service fees of more than 2 Million Baht per year from the Company, parent Company, subsidiary Company, associated Company, major shareholder, or controlling person of the Company and not be a significant shareholder, controlling person, or partner of such a professional service provider unless he or she has acquired such characteristics for not less than 2 years prior to the date of appointment as an independent director.

(7) Not be a director who has been appointed as a representative of the Company's directors, a major shareholder, or shareholders who are related to major shareholders.

(8) Does not operating any business that has the same nature and is in significant competition with the business of the Company or its subsidiaries, or not being a significant partner in a partnership, or being an executive director, employee, staff, or consultant who receives a regular salary or holds more than 1% of the total number of shares with voting rights of any other Company that operates a business that has the same nature and is in significant competition with the business of the Company or its subsidiaries.

(9) Does not have any other characteristics that make him unable to express independent opinions on the Company's operations.

After being appointed as an independent director with qualifications in accordance with (1) to (9) above, the independent director may be assigned by the Board of Directors to make decisions on the business of the Company, of the same order, major shareholders, or controlling people of the Company. The decision will be made in the form of a collective decision.

8.1.1.2 Nomination and Appointment of Directors and Senior Executives

As of December 31st, 2023, the Company has a total of 6 directors, including 3 independent directors, with the Chief Executive Officer serving as the highest executive. The Nomination and Remuneration Committee will select the Company's directors and Chief Executive Officer according to the nomination and remuneration process, as well as propose to the Board of Directors for approval for the appointment of the Chief Executive Officer or present the opinions to the Board of Directors for consideration before proposing to the shareholders for approval for the appointment of the Company's directors.

In this regard, the shareholders' meeting shall elect the Company's directors in accordance with the following criteria and methods:

(A) One shareholder has a vote equal to one (1) share per one (1) vote.

(B) Each shareholder may use all the votes he has under (1) to elect one or more people to be directors. In the event that several people are elected as directors, the votes cannot be divided among them.

(C) People receiving the highest number of votes in descending order will be elected as directors in an equal number to the number of directors to be elected at that time. In the event that the people elected in descending order have equal votes, which would otherwise exceed the number of directors required to be elected at that time. The chairman of the meeting shall have a casting vote.

In addition, the Nomination and Remuneration Committee Charter, which specifies the scope of authority, duties, and responsibilities of the committee as follows:

(1) Set up qualifications, criteria, and policies for recruiting Company directors, sub-committees, and high-ranking executives, by considering the appropriateness of the number, structure, and composition of the Board of Directors in accordance with relevant rules and/or laws, to propose to the Board of Directors and/or to propose to the shareholders' meeting for approval, as the case may be.

(2) Consider recruiting, selecting, and nominating suitable people to serve as directors who retire by rotation and/or have vacancies, and/or appoint additional candidates to the Board of Directors for consideration and approval and propose to the shareholders' meeting for appointment as directors.

(3) Propose opinions to the Board of Directors regarding the remuneration rates for the Chairman of the Board, Director, Chairman of the Audit Committee, members of the Audit Committee, and subcommittees (if any) (with approval from the shareholders' meeting later).

(4) Consider the qualifications and suitability of personnel, as well as formulate a remuneration policy and set conditions for hiring executives at the level of Chief Executive Officer and higher.

(5) Considered the performance evaluation criteria of the Chief Executive Officer and presented them to the Board of Directors for approval.

(6) Consider and give opinions to the Board of Directors and monitor the operations, vision, and strategies of the Company's human resources, including the Company's executive development plan.

(7) Disclose the policy on compensation in various forms, including the amount of remuneration of directors, in the Company's Form 56-1 One Report.

(8) Perform any other tasks related to remuneration as assigned by the Board of Directors. The management and other departments must report or present relevant information and documents to the Nomination and Remuneration Committee in order to support the Nomination and Remuneration Committee's performance in achieving its assigned duties.

8.1.2 Meeting attendance and remuneration for individual directors

8.1.2.1 Meeting attendance

Board of Directors Meeting

The meeting attendance at the Board of Directors' meeting for the year 2022-2023 is as follows:

Name	Number of meetings attended/total number of meetings (times)			
	2022		2023	
	Board of Directors Meeting	Shareholder Meeting	Board of Directors Meeting	Shareholder Meeting
1.Mr. Woodtipong Moleechad	7/7	1/1	5/5	1/1
2.Mr. Udom Thanuratpong	7/7	0/1	5/5	1/1
3.Mr. Adsorn Thavornthanasarn	7/7	0/1	5/5	1/1
4.Mr. Saran Supaksaran	7/7	1/1	5/5	1/1
5.Mr. Somchai Oumkratum	7/7	1/1	5/5	1/1
6.Miss Nattaya Nanthawanid	7/7	1/1	5/5	1/1

8.1.2.2 Payment of remuneration

The Board of Directors' Meeting No. 1/2023 held on February 22nd, 2023, and the 2023 Annual General Meeting of Shareholders, held on April 26th, 2023, resolved to approve the remuneration for the Board of Directors as follows:

Remuneration for the directors Monthly will be paid only for the main committee who are not executives of the Company:

- Chairman Baht 20,000 /month
- Directors Baht 15,000 /month

Board of Directors meeting allowance paid once (when attending the meeting)

- Chairman Baht 15,000 /meeting
- Directors Baht 10,000 /meeting

The remuneration of the Board of Directors for the year 2022-2023 is as follows:

Name	2022		2023	
	Monthly Remuneration (Baht)	Meeting Allowance (Baht)	Monthly Remuneration (Baht)	Meeting Allowance (Baht)
1.Mr. Woodtipong Moleechad	240,000	105,000	240,000	75,000
2.Mr. Udom Thanuratpong	180,000	70,000	180,000	50,000
3.Mr. Adisom Thavornthanasam	180,000	70,000	180,000	50,000
4.Mr. Saran Supaksaran	180,000	70,000	180,000	50,000
5.Mr. Somchai Oumkratum	-	70,000	-	50,000
6.Miss Nattaya Nanthawanid	-	70,000	-	50,000

8.1.3 Supervision of operations of subsidiaries, associates and joint ventures

The Company has a policy to invest in other businesses that are related to its core business that have the potential to generate profits and growth opportunities to increase the profitability of the Company or businesses that benefit the Company by realizing the return that will be received from the investment through the control and supervision of the management of subsidiaries, associates, and/or joint ventures as if it were a unit of the Company, as well as following up on management to maintain the benefits of the investment of the Company continuously and sustainably as well as creating added value and confidence for the Company's stakeholders. Therefore, the Company has established a policy to control and supervise subsidiaries, associated companies, and/or joint ventures in which the Company to invest, with the following details:

1) The Company has established the management structure of subsidiaries, associates, and/or joint ventures in order to supervise the management and be responsible for the operations of subsidiaries, associates, and/or joint ventures as follows:

1.1) The Company will send people approved by the Board of Directors' meeting to join as directors and executives in subsidiaries, associates, and/or joint ventures in proportion to their shareholding in order to supervise and formulate management policies as if it were a department of the Company. However, the submission of the Company's representatives as directors in each subsidiary, associated Company, and/or joint venture must be considered and approved by the Board of Directors, taking into account the suitability of each subsidiary, associated Company, and/or joint venture.

1.2) Scope of duties and responsibilities of directors and executives in subsidiaries, associates, and/or joint ventures

- Closely monitor the operations of subsidiaries, associates, and/or joint ventures in order to achieve the goals set by the Company.

- Perform duties as assigned by the Board of Directors of subsidiaries, associates, and/or joint ventures and/or the shareholders' meeting of the subsidiaries, associates, and/or joint ventures.

- Consider and vote in the Board of Directors' meetings of subsidiaries, associates, and/or joint ventures on matters relating to general operations in the normal course of business as directors and executives of subsidiaries, associates, and/or joint ventures will deem fit for maximum benefit.

- Consider and vote on the following matters must be approved by the Board of Directors and/or the shareholders' meeting of the Company (as the case may be) before proceeding.

- Transactions of subsidiaries according to the related transaction notifications and announcements of the acquisition and disposition

- The transactions that may have a significant impact on the financial position and performance of the subsidiaries are as follows:

- Sale or transfer of all or part of the business of a subsidiary to other people

- Purchasing or transferring the business of other companies to the subsidiaries

- Dissolution of Subsidiaries

- Transfer or waiver of benefits, claims that are material to the subsidiary's damages

- Borrowing money, lending, guaranteeing, creating encumbrances, or giving financial assistance to the Company other matters that significantly affect the financial position of the subsidiaries.

- Amendment to the Articles of Association of Subsidiaries

- Capital increase, share allocation for capital increase, and the reduction of the registered capital of a subsidiary as well as any other actions that result in the Company's direct and indirect shareholding in subsidiaries regardless of which level.

2) Directors and executives of subsidiaries, associates and/or joint ventures, including related people of such directors and executives, will have significant scope of duties and responsibilities in accordance with relevant laws, such as disclosure of information about financial status and operating results to the Company by applying the relevant announcements of the Capital Market Supervisory Board and the announcements of the Board of Governors of the Stock Exchange of Thailand mutatis mutandis. In addition, it is their duty to notify the Board of Directors of subsidiaries, associates, and/or joint ventures about relationships and transactions that may cause conflicts of interest and to avoid transactions that may cause conflicts of interest with such subsidiaries, associates, and/or joint ventures and the board of directors of subsidiaries, associates, and/or joint ventures has a duty to notify the Company of such matters. Directors and executives of subsidiaries, associates, and/or joint ventures must not participate in approving matters in which they have interests or conflicts of interest.

3) Subsidiaries are required to report business plans, investment projects, and joint ventures with other entrepreneurs to the Company through their monthly performance reports. In addition, subsidiaries must submit information or documents related to the operation to the Company upon request, as appropriate. In the event that the Company detects any significant issues, it may notify the subsidiaries to clarify and/or submit documents for the Company's consideration. In addition, if entering into a transaction or the occurrence of certain events by any subsidiary causes the Company to disclose information in accordance with the specified rules, the representative director of such subsidiary has a duty to notify the management of the Company as soon as it is known that the subsidiary plans to enter into the transaction or that such an event occurs.

4) The Company will determine the necessary plans and actions to ensure that its subsidiaries, associates, and/or joint ventures disclose information about their results of operations and financial position and that the Company will take appropriate action as necessary and follow up for subsidiaries, associates, and/or joint ventures to have information disclosure systems and internal control systems that are sufficient and appropriate for business operations as follows:

- Submit monthly operating results and quarterly financial statements reviewed by a certified public accountant, as well as information supporting the preparation of such financial statements of subsidiaries, associates, and/or joint ventures, to the Company to support the preparation of the consolidated financial statements or report the Company's quarterly or annual performance, as the case may be.
- Prepare performance estimates and summarize quarterly comparisons of planned performance with actual operations, as well as follow up on performance in accordance with the plan set out for reporting to the Company.
- Report financial issues that are material to the Company when they are discovered or requested by the Company to investigate and report on.

8.1.4 Monitoring to ensure compliance with corporate governance policies and guidelines

The Company places importance on compliance with local, national, and regional laws and regulations related to the environment, occupational health, and safety, as well as compliance with international business ethics. The Company requires all directors, executives, and employees to conduct themselves within the framework of laws, rules, and regulations and must not be involved in, assist with, or do anything that violates other relevant laws and regulations. The Company has the operating criteria to comply with the laws, rules, and regulations as follows:

- Directors, executives, and employees of the Company must study and understand the laws and regulations involved both inside and outside the Company.
- Directors, executives, and employees of the Company must comply with the laws and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission.
- Directors, executives, and employees of the Company must not engage in illegal behavior such as embezzlement, fraud, giving or accepting bribes, etc.
- In the event that directors, executives, and employees of the Company know about any operation or action that is believed to be an illegal act or immoral, such people must report such behavior to the supervisor as appropriate.
- The Company has a policy against all forms of corruption and should encourage directors, executives, and employees to adhere to and comply with the law, including raising awareness to fight against all forms of corruption.

8.1.4.1 Conflicts of interest prevention

The Company places great importance on the consideration of various transactions with transparency that are beneficial to the Company. Therefore, it is important to prevent transactions that may cause conflicts of interest, be connected transactions, or be related transactions in order for Company directors, executives, and employees to have guidelines for performing their duties honestly and not seeking personal gain. Therefore, guidelines for dealing with conflicts of interest have been established. The main principles are as follows:

- Directors, executives, and employees of the Company do not do anything that competes with the business of the Company.
- Directors, executives, and employees of the company make decisions about business operations in the best interest of the Company without influence from personal needs or those of related people, whether by blood or otherwise, and using reasonable prices, fair, appropriate, as if making a transaction with a third party. If a transaction could cause a conflict of interest, the employee must send a written report to the person in charge so that the procedures can be thought over before the Company goes through with the transaction.
- Directors, executives, and employees of the Company who have doubts or are not sure whether their operations have conflicts of interest or not, should immediately notify the matter by disclosing the list of conflicts of interest of the Company along with attaching the details to hand over to the authorized person, and sending a copy to the Company Secretary to proceed with the consideration process.
- Directors, executives, and employees of the Company, including their family members, must avoid financial involvement and/or relationships with other third parties that may cause the Company to lose benefits or create conflicts of interest.
- Directors, executives, and employees of the Company must avoid accepting entertainment, gifts, or gratuities from people involved in the business because such actions may lead to unfair trade decisions.
- Any inappropriate gifts must be returned immediately. If it cannot be returned, the employee must give it to the Company to be the property of the Company in order to use it for its greatest benefit in the future.
- Directors, executives, and employees of the Company must comply with the rules, procedures, and disclosure of information on connected transactions pursuant to the rules of the Stock Exchange of Thailand Securities and Exchange Commission and the Public Limited Companies Act.

8.1.4.2 Use of internal information for profit

The Company attaches importance to the prevention of the use of inside information about the Company. The Company has a policy prohibiting directors, executives, employees, and workers of the Company from using information that has not yet been disclosed to the public that may affect the Company's changes in the price or value of its securities ("Internal Information") to disclose to any person or to benefit oneself or others, whether directly or indirectly, and whether or not to receive a return, including not trading securities or entering into derivatives contracts related to the securities of the Company by using inside information. The Company has set guidelines to prevent the use of inside information as follows:

1. The Company will educate the directors and executives of the Company about the duty to report changes in securities and futures holdings of themselves, their spouses or cohabiting people, and their minor children sui juris includes juristic people in which directors and executives, their spouses or cohabiting people, and the minor children of such directors and executives holding more than 30 per cent of the total voting rights of such juristic person to the Office of the Securities and Exchange Commission ("SEC") under Section 59 and penalty provisions under Section 275 of the Securities and Exchange Act B.E. 2535 (including any additional amendments) ("Securities Act"), and reporting the acquisition or disposition of securities by oneself, spouse, and minor children to the SEC Office under Section 246 and penalty provisions under Section 298 of the Securities and Exchange Act.

2. The Company requires its directors and executives to prepare and disclose reports on changes in the holdings of the Company's securities to the SEC within the period specified in Section 59 of the Securities Act and relevant notifications, including submitting a copy of such a report to the Company Secretary on the same day that the report is submitted to the SEC.

3. The Company requires directors, executives, employees, and workers of the Company and its subsidiaries who are aware of internal information to refrain from trading the Company's securities in the period of 1 month before the financial statements or such inside information are disclosed to the public and within 24 hours after such information has been disclosed to the public by the Company. In addition, those involved with such information must not disclose it to others until it has been notified to the Stock Exchange of Thailand. However, if there is an action that violates such regulations, the Company will be considered a disciplinary offence according to the work regulations of the Company. It will consider penalties as appropriate to the case, ranging from verbal warning, written warning, wage deduction, work suspension without pay, as well as dismissal from employment.

8.1.4.3 Anti-corruption

The Company places great importance on conducting business with caution in regard to corruption by adhering to the principles of good corporate governance for the best interests of shareholders, stakeholders, and related parties. Therefore, the Anti-Corruption Policy is set for use as a guideline as follows:

1) Directors, executives, and employees must not commit corruption, whether directly or indirectly, such as by offering, promising, requesting, demanding, calling for or receiving benefits, giving benefits, soliciting illegal acts or the destruction of trust, or any other acts that are fraudulent, corrupt, etc., for the benefit of themselves or others.

2) Directors, executives, and employees must comply with the anti-corruption policy and measures and comply with the anti-corruption laws of Thailand. However, if violating or not complying with this policy, the person must be subject to disciplinary action and prosecuted according to the law, as the case may be.

3) Directors, executives, and employees are responsible for monitoring and preventing corruption within the Company. However, if anyone witnesses any acts of corruption or acts that may lead to corruption, he or she must report the incident or report it to a supervisor immediately or report it through the whistleblowing channels set by the Company.

4) The Company will keep the details of the informant confidential. People who provide information with good intentions towards the Company and with sincerity, including those who refuse to commit corruption, will be protected by the Company and will not be affected by such actions.

5) The Company sets up policies and guidelines to prevent corruption in various forms and provides for supervision and follow-up on such matters to be transparent and not contrary to relevant laws or improperly beneficial.

6) The Company has provided an adequate and appropriate internal control system to prevent corruption and non-compliance with good corporate governance principles.

7) The Company arranges a fraud risk assessment and appropriate anti-corruption measures.

8) The Company provides a communication channel for employees and stakeholders to be aware of the anti-corruption policy and can report clues, complaints, or suggestions to the Company in order to investigate the facts according to the process and make improvements.

9) The Company provides personnel management system development, values and anti-corruption culture by communicating and disseminating knowledge to personnel to acknowledge and understand the anti-corruption policy and ethical practices.

10) Procurement must be carried out transparently, not against the law, work regulations, or procedures set by the Company, including regular auditing of procurement operations.

8.1.4.4 Whistleblowing and complaints

Scope of Whistle blowing and complaints

The Company has a policy to listen to opinions, suggestions, questions, or complaints related to corporate governance or the operation from all stakeholders, whether from internal personnel or from external personnel, through the opinion box set up in front of the Company's office and email on the Company's website, so that the Company's operations will be efficient and consistent with good corporate governance and efficient operational supervision and to pay attention to receiving complaints from both internal and external parties and third parties as well as preventing risks and increasing the efficiency of the early warning system mechanism, which will lead to the prevention of damage that may occur to stakeholders and improve the efficiency of the Company's operations. The details are as follows:

Protection

- The Company will keep the information and details of the whistleblower or complainant confidential and may disclose them only to those involved in the investigation or related people in a limited area. The Company will carefully consider the disclosure of any information, taking into account the safety and damage of the whistleblower or complainant, the source of the information, or any related people.
- The Company will consider clues and complaints with prudence, caution, and fairness to all parties.
- If the people who filed complaints or helped with the fact-finding investigation feel unsafe or like they might have trouble or be hurt, they can ask the management to put in place the right safety measures.

Fact-finding

The Company has assigned the Chief Executive Officer to collect evidence and take any action necessary in investigating the facts of clues or complaints, including suggesting guidelines for handling such complaints to the Audit Committee through the investigation process, which must be transparent and fair.

Channels for receiving complaints

1. Report via postal address or send directly to
 - 1.1 Chairman of the Audit Committee
 - 1.2 Chief Executive Officer
 - 1.3 Company Secretary

Address: International Network System Public Company Limited No. 3300/106-107, Elephant Tower, Building B, 20th Floor, Phaholyothin Road Chomphon Sub-district, Chatuchak District, Bangkok Thailand 10900

2. Send information via Email of the Audit Committee at E-mail: complaint@itns.co.th or Company Secretary at E-mail: kanvara.t@itns.co.th.

In addition, for whistleblowing and complaints, the Company Secretary will be responsible for coordinating matters, following up on investigation results, and collecting relevant matters.

Procedure

- 1) In the event of an employee's grievance, the work regulations on grievances must be followed.
- 2) In the event of whistleblowing and complaints
 - 2.1) Whistleblowing and complaints that are insignificant or have a small value of damage
 - The Company Secretary will refer the complaint to the Chief Financial Officer and Human Resources to consider instructing the Human Resources Department to conduct a fact-finding investigation and prepare a summary of the investigation results and opinions or suggestions to be presented to the Chief Financial Officer and Human Resources for consideration and further instruction, and summarizing the results to the Company Secretary to report the results to the Audit Committee.

2.2) Whistleblowing and complaints that are significant or have a high value of damage

- The Company Secretary will immediately report to the Chief Executive Officer to consider and investigate the facts and report the results to the Audit Committee.

3) Investigation results of whistleblowing and complaints

3.1) If the complainant is not guilty or the matter is the result of a misunderstanding, or if the Chief Executive Officer has given advice to the complainant or a related person, he has acted or has acted appropriately and without punishment, the Chief Executive Officer shall report the results to the Company Secretary and the Audit Committee.

3.2) If the accused is guilty and disciplinary action and/or legal action (if any) has been taken, the Chief Executive Officer shall summarize the investigation results and notify the Company Secretary and the Audit Committee.

3.3) In the case of a complaint from an anonymous source for which it is not possible to obtain sufficient information, it shall be reported to the Chief Executive Officer for consideration and further instruction.

4) Notification of the results to complainants and improvements, the responsible person shall notify the complainants of the results and summarize the solutions to the Chief Executive Officer.

Dishonest complaints

According to the Company's work rules and regulations, employees who make false complaints will be punished. Anyhow, in the event that an action by a third party or an employee of the Company has caused damage to the Company, the Chief Executive Officer will consider taking legal action on a case-by-case basis.

8.2 Report on performance of the Audit Committee

8.2.1 Meeting attendance

Attendance of Audit Committee meetings for the year 2022-2023 are as follows:

Name	Number of meetings attended /total number of meetings (time)	
	2022	2023
1.Mr. Woodtipong Moleechad	4/4	4/4
2.Mr. Udom Thanuratpong	4/4	4/4
3.Mr. Adisorn Thavornthanasarn	4/4	4/4

8.2.2 Remuneration

The Board of Directors' Meeting No. 1/2023 held on February 22nd, 2023 and the 2023 Annual General Meeting of Shareholders held on April 26th, 2023 resolved to approve the remuneration of the Audit Committee with the following details:

Audit Committee meeting allowance paid once (when attending the meeting)

- Chairman Baht 15,000 /meeting
- Director Baht 10,000 /meeting

Remuneration of the Audit Committee for the year 2022-2023 is as follows:

Name	Meeting Allowance (Baht)	
	2022	2022
1.Mr. Woodtipong Moleechad	60,000	60,000
2.Mr. Udom Thanuratpong	40,000	40,000
3.Mr. Adisorn Thavornthanasarn	40,000	40,000

8.2.3 Result of performance of the Audit Committee

Performance of the Audit Committee in 2023 can be summarized as follows:

1) The Audit Committee has reviewed the 2023 annual financial statements and the 1st-3rd quarter financial statements of the year 2023 together with the management and auditors to ensure that the Company's financial reports have been prepared in accordance with generally accepted accounting standards and that information is disclosed sufficiently, completely, and reliably.

2) Consider the disclosure of related party transactions and connected transactions of the Company and people who may have conflicts of interest, whereby the Audit Committee was of the view that the disclosure of information on related party transactions and connected transactions of the Company was correct, complete, and adequate and was in compliance with normal business practices.

3) Supervise the internal audit work to operate independently by appointing Resourceful Co., Ltd., a Company that provides internal audit services from outside, as the Company's internal auditor. The Audit Committee will consider the annual internal audit plan, report internal audit results, follow up on internal audit results with the management continuously, as well as give advice to the internal auditors to ensure that the operation according to the internal audit plan is efficient and effective. The results of the internal audit showed that there were no signs of fraud or major problems with internal controls.

4) Assess internal control systems according to the guidelines set by the Securities and Exchange Commission which cover internal control, risk management, operational controls, information systems, and communications and tracking systems. The audit committee concluded that the Company had sufficient and effective internal control.

5) The Audit Committee has considered the independence, knowledge and understanding of the business, work quality, and qualifications of the auditors as well as the appropriateness of the audit fee by agreeing that the auditors from EY Office Limited as the Company's auditor for the year 2023, namely Mr. Piya Chaipruckmalakarn License No. 7544 and/or Mr. Samran Taengcham License No. 8021 and/or Miss Natteera Pongpinitpinyo License No. 7362 and/or Mrs. Sarinda Hirunprasurtwutti License No. 4799 is an auditor for the year 2023 and is an auditor who signs the audit report of the Company's financial statements with qualifications. According to the regulations and has been approved by the Office of the Securities and Exchange Commission to present to the shareholders' meeting for approval.

8.3 Report on the performance of the Nomination and Remuneration Committee

8.3.1 Meeting attendance

Attendance of the Nomination and Remuneration Committee meetings for the year 2022-2023 are as follows:

Name	Number of meetings attended/ total number of meetings (time)	
	2022	2023
1.Mr. Adisorn Thavornthanasarn	1/1	1/1
2.Mr. Saran Supaksaran	1/1	1/1
3.Mr. Udom Thanuratpong	1/1	1/1

8.3.2 Remuneration

The Board of Directors' Meeting No. 1/2023 held on February 22nd, 2023 and the 2023 Annual General Meeting of Shareholders on April 26th, 2023 resolved to approve the remuneration for the Nomination and Remuneration Committee with details as follows:

Nomination and Remuneration Committee meeting allowance is paid once (when attending the meeting)

- Chairman Baht 15,000 /meeting
- Director Baht 10,000 /meeting

Remuneration of the Nomination and Remuneration Committee for the year 2022-2023 is as follows:

Name	Meeting Allowance (Baht)	
	2022	2023
1.Mr. Adisorn Thavornthanasarn	15,000	15,000
2.Mr. Saran Supaksaran	10,000	10,000
3.Mr. Udom Thanuratpong	10,000	10,000

8.3.3 Result of performance of the Nomination and Remuneration Committee

The performance of the Nomination and Remuneration Committee in 2023 can be summarized as follows:

- 1) Consider and give opinions on the determination of remuneration for Company directors and subcommittees, taking into account the suitability of the business organization, environment, and assigned duties and responsibilities, before proposing it to the Board of Directors and the shareholders' meeting for approval.
- 2) Consider proposing the recruitment and nomination of directors to replace those retiring by rotation before presenting it to the Board of Directors and the shareholders' meeting for approval.
- 3) Evaluate the performance of the Chief Executive Officer before proposing it to the Board of Directors for approval.

8.4 Report on the performance of the Risk Management Committee

8.4.1 Meeting attendance

Attendance of the Risk Management Committee meetings for the year 2022-2023 are as follows:

Name	Number of meetings attended/ total number of meetings (time)	
	2022	2023
1.Mr. Somchai Oumkratum	1/1	1/1
2.Mr. Saran Supaksaran	1/1	1/1
3.Mr. Adisorn Thavornthanasarn	1/1	1/1
4.Mr. Sittha Rattanalangkarn	1/1	1/1

8.4.2 Remuneration

The Board of Directors' Meeting No. 1/2023 held on February 22nd, 2023 and the 2023 Annual General Meeting of Shareholders on April 26th, 2023 resolved to approve the remuneration for the Risk Management Committee with details as follows:

Risk Management Committee meeting allowance is paid once (when attending the meeting)

- Chairman (who is not a Company executive) Baht 15,000 /meeting
- Director (who is not a Company executive) Baht 10,000 /meeting

Remuneration of the Risk Management Committee for the year 2022-2023 is as follows:

Name	Meeting Allowance (Baht)	
	2022	2023
1.Mr. Somchai Oumkratum	-	-
2.Mr. Saran Supaksaran	10,000	10,000
3.Mr. Adisorn Thavornthanasarn	10,000	10,000
4.Mr. Sittha Rattanalangkarn	-	-

8.4.3 The results of the performance of the Risk Management Committee

The performance of the Risk Management Committee in 2023 can be summarized as follows:

- 1) Consider and review risk management policies to ensure they are appropriate and consistent with the Company's directions, strategies, goals, and business plans.
- 2) Consider the risk assessment form, as well as follow up and review the implementation of the risk management plan under the specified risk management policy and framework, to ensure that the Company has systematic and effective risk management according to the objectives that have been set.

8.5 Report on the performance of the Executive Committee

8.5.1 Meeting Attendance

Attendance of the Executive Committee meetings for the year 2022-2023 are as follows:

Name	Number of meetings attended/ total number of meetings (time)	
	2022	2023
1.Mr. Somchai Oumkratum	12/12	13/13
2.Miss Nattaya Nanthawanid	12/12	13/13
3.Mr. Sittha Rattanalangkarn	12/12	13/13
4.Miss Sangmanee Taksinjarean	12/12	13/13
5.Mr. Natthawut Jindapon ¹	5/5	13/13

Note:

1. Mr. Natthawut Jindapon has been appointed to the Executive Committee since August 11th, 2022.

8.5.2 Remuneration

The Company has no remuneration for the Executive Committee as they are the Company's personnel and receive remuneration in the form of salary, bonus, and other benefits.

8.5.3 The results of the performance of the Executive Committee

The performance of the Executive Committee in 2023 can be summarized as follows:

1) Collaborate with management in formulating policies, business strategies, goals and plans, financial targets, and budgets of the Company, taking into account industry and economic conditions, including social and technological changes that may affect the business of the Company for proposing and seeking approval from the Board of Directors.

2) Supervise and advise the Company's business operations in accordance with the policies, goals, and operational plans, as well as monitor the management of various budgets of the Company that have been approved by the Board of Directors to be efficient and effective by monitoring the overall operation of the Company on a monthly basis in order to drive the Company's business to meet the goals that have been set.

3) Acknowledge the results of the customer satisfaction assessment for further consideration and improvement of the relevant departments' work.

9. Internal Control and Related Transactions

9.1 Internal Control

The Company realizes the importance of managing a good internal control system to help the Company's business operations be efficient and effective, transparent, and verifiable, as well as having a check and balance mechanism in accordance with Good Corporate Governance. The Board of Directors recognizes and regards it as an important duty to ensure that the Company has an adequate and appropriate internal control system by assigning the Audit Committee the duty to review the Company's internal control system and internal audit to be efficient and in line with the guidelines of the Stock Exchange of Thailand and the SEC Office to enable the Company to strengthen good corporate governance in the long run.

In addition, the Company is aware of various risks that may arise; therefore, the risk policy has been established as part of the Company's business operations, and the risk committee is responsible for assessing risks in various areas according to the Company's risk policy.

9.1.1 Adequacy and Appropriateness of the Internal Control System

According to the Board of Directors' Meeting No. 1/2024 held on February 22nd, 2024, which consisted of all 6 members of the Audit Committee attended the meeting in order to assess and consider the adequacy of the Company's internal control system, according to the assessment form of the internal control system's adequacy developed by the Securities and Exchange Commission (COSO) by asking for information from the management in the 5 following areas:

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

In this regard, the Board of Directors is of the opinion that the Company's management and internal control systems are adequate and suitable for the nature of business. The 5 areas of internal control systems are effective and comprehensive to prevent transactions with major shareholders, directors, executives, or related persons of such persons; they have a work environment that balances power and an assessment and protection of risks, including a communication system and keeping the Company's information sufficiently up to date. In addition, the Company has provided sufficient personnel to implement the internal control system and monitor the operation to prevent the Company's assets from being exploited by directors or executives for wrongful or inappropriate use of authority or action without authority, whereby the Company has clearly defined the scope of authority for each level of the organization.

9.1.2 Defect Correction about the Internal Control System

Based on the quarterly internal audit report for the year 2023, Resourceful has provided observations and suggestions on the internal control system that should be considered for improvement in order to be consistent with the operations as follows: 

Summary of observations from the internal audit for the year 2023

Systems	Number of observations and importance															
	The 1 st Internal audit report for the year 2023				The 2 nd Internal audit report for the year 2023				The 3 rd Internal audit report for the year 2023				The 4 th Internal audit report for the year 2023			
	High	Medium	Low	Total	High	Medium	Low	Total	High	Medium	Low	Total	High	Medium	Low	Total
1.Control and governance environment																
2.Human resource management system	0	0	0	0												
3.Financial accounting system	0	0	0	0												
4.Fixed assets system					0	0	0	0								
5.Purchasing system									0	0	0	0				
6.Sales system													0	0	1	1
7.Information technology work system									0	0	3	3				
8.Project management system					0	0	0	0								
Total	0	0	0	0	0	0	0	0	0	0	3	3	0	0	1	1

Based on the summary table of observations from the internal audit for the year 2023, it was found that there were 3 observations about the information technology work system and 1 observation about the sales system, as follows:

1. Information technology work system

1.1. Determination of the access right to significant programs

Information Technology Department has randomly checked using of the All-in-one program and the ITNS Smart Center program at least once a year as prescribed, by random one of all user and the user correctly access according to the rights specified. However number of All in one program 8 users and ITNS Smart Center 16 users, Therefore the random user is not enough for backup the result, Internal Auditor suggested random process should be more than one exempling, that will be acknowledged missing and take action faster. The auditing agency and Information Technology executives have been acknowledged the audit results.

1.2. Notification of request for use and deletion of E-mail

Based on the investigation, it was found that the Information Technology Department had not notified Outsource to delete the e-mail of one employee who resigned after the employee had resigned for 1 month. After it was discovered The Information Technology Department immediately corrected the issue. However, the auditor has suggestions for the Information Technology Department. Increase internal control regarding notification of additions and deletions of the Company's use of e-mail by reporting to supervisors monthly. In order to verify and prevent delayed email deletion. And there should be a check that the e-mail has actually been deleted. The inspection agency and agency executives have already been informed of the inspection results.

1.3. Data backup

According to reviewing the backup report from October 1, 2022 - July 31, 2023, it was found that the Company's internal backup results showed an "Error" status in the case of daily backups 238 times and in the case of weekly backups 12 times. Based on the inquiry to the Information Technology Manager depicts that the automatic backup system has not been set to notify when the backup is unsuccessful and did not regularly check the backup results on a regular basis. However, the Company provides full weekly backups. And from the data backup report, last backed up on August 21st, 2023, it was found that the backup showed a status of "Success". The auditor has a recommendation that the Information Technology Department should set up an automatic data backup system. Notification to the responsible person's e-mail when the backup is unsuccessful and should check the backup results daily.

2. Sales system

Specifying details in the quotation control register

from a random inspection of the quotation control register, all 52 items, it was found that the quotation control register creator specified incorrect details in the quotation control register as follows:

The sales staff specified quotation numbers in the control register that did not match the quotation documents for 2 items. In the quotation control register, there was a duplicate quotation number listed for 1 item and the sales staff specified the amount. 1 item in the quotation does not match the quotation control register.

In this case, there is a risk that the Company cannot make use of the quotation control register to check receipt of orders and follow up on receipt of orders from customers effectively. Therefore, the auditor has suggestions for the sales department. There should be a person responsible for reviewing the accuracy of the preparation of the quotation register and a clear review period.

9.1.3 The person holding the position of head of internal audit of the company

The Company has used the service of an external agency (Outsource) as an internal auditor of the Company by hiring Resourceful Co., Ltd. ("Resourceful") as an internal control auditor since June 2021 and the meeting of the Audit Committee Audit No. 1/2023 on February 22nd, 2023 approved hiring Resourceful to perform the duties of the Company's internal auditor for the year 2023. Resourceful has assigned Miss Pasuwadee Bubpha to be the main person responsible for the performance of internal auditors for the Company.

The audit committee has considered the qualifications of Resourceful and Miss Pasuwadee Bubpha and is of the opinion that they are appropriate due to their independence, qualifications, educational background, work experiences in internal auditing, and training in course dealing with the proper practice of internal auditing. However, the consideration and approval of the appointment, removal, and transfer of the head of internal audit of the Company must be approved by the audit committee. The qualifications of the head of the internal audit are shown in Attachment 2. In this regard, the internal control auditors will conduct risk assessments, prepare annual internal audit plans, conduct audits of the Company, as well as follow up and give advice to the Company for improvements. There is also a report to the audit committee every time. In addition, the internal control auditor has conducted an audit to give confidence to the internal control system, covering the assessment of the components of the internal control system according to the internal control system sufficiency assessment form issued by the SEC Office (set COSO) in 2023.

9.1.4 . Guidelines for appointing a person to be the head of internal audit for the company

The Charter of the Audit Committee, stated about the duties and responsibilities of the audit committee: "There must be a review to ensure that the Company and its subsidiaries have appropriate and effective internal control and internal audit systems, considering the independence of the internal audit department as well as giving approval in considering the appointment, transfer, or termination of the head of internal audit, or any other department responsible for internal audit."

9.2 Related Transaction

9.2.1 Nature of relationship

The Company has entered into related transactions with persons who may have conflicts of interest, such as directors, shareholders, executives, and related companies, which means companies with persons who may have conflicts with the Company and have a relationship with the directors. Executives and shareholders of the said company, which can be summarized as follows:

Nature of relationship

Individuals / juristic persons that may have conflicts	Nature of relationship
Business Alignment Public Company Limited ("BIZ")	- operates as a distributor and installer of medical equipment. - There is a common director with the Company, namely Mr. Woodtipong Moleechad, who is the Chairman of the Board and Independent Director of BIZ and also the Chairman of the Board, Independent Director and Chairman of the Audit Committee of the Company.
SPIT Joint Venture ("SPIT")	- The Company is a joint venture. - Established by contract between International Network System Public Company Limited and Superb Com and Service Company Limited on January 4th, 2022. - The objective is to accept a project for renting a security monitoring system service for a period of 5 years to Kaeng Khoi Industrial Estate and Metropolitan Industrial Estate.

Related transactions with BIZ

Transaction	2023	Necessity and reasonableness of the transaction	Opinion of the Audit Committee
	Million Baht		
Revenue from sales and services	4.33	Before Mr. Woodtipong Moleechad took a position as a director of the Company on July 21 st , 2021, BIZ was a customer of the Company since 2016. Later in the year 2021, the Company has two network maintenance and repair contracts with BIZ, total contract value of 5.20 million baht, with contract periods from October 2020 to September 2021 and has renewed the contract since October 2021.	The said transaction is reasonable and appropriate even though it occurs according to the conditions specified in the past orders and will benefit the Company's business operations in the future, but such transactions are in accordance with normal business practices. The Company has determined the selling price to BIZ according to the Business Unit Process (BUP) and estimated gross profit of the Company.
Trade accounts receivable	0.04		
Expenses for purchasing medical equipment	0.01		
Advance guarantee revenue	0.02		

Transaction	2023	Necessity and reasonableness of the transaction	Opinion of the Audit Committee
	Million Baht		
		October 2021 – September 2022, The Company recognized revenue under the said contract in the amount of Baht 2.57 Million during July – December 2021 (which was the period when Mr. Woodtipong Moleechad was the director of the Company). Moreover, the Company also sold 7 items of goods and services to BIZ, totaling Baht 9.56 Million, which were sales of network equipment and computer security equipment. In 2022 and 2023, the Company has new trading transactions that are sales of equipment, advance guarantee revenue, and the purchase of ATK test kits.	Furthermore, Mr. Woodtipong Moleechad, who is the Chairman of the Board of Directors, Independent Director, Chairman of the Audit Committee, and a stakeholder, did not attend the meeting and consider the said agenda.

Related transactions with SPIT

Transaction	2023	Necessity and reasonableness of the transaction	Opinion of the Audit Committee
	Million Baht		
Interest revenue:	1.33	- The Company granted a loan to SPIT by entering into a loan agreement and charging interest at the rate of 5% per annum for a period of 5 years, payable once a quarter. - The Company has pledged savings deposits to guarantee loans to SPIT in the amount of Baht 28.84 million and charged a guarantee fee of 1% per annum of the remaining guarantees.	The said transaction is reasonable as normal business operations.
Other revenue-guarantee fee	0.29		
Loans to related parties:	23.66		

9.2.2 Measures or procedures for approval of related transactions

Before October 2022, the Company has not yet been listed as a listed company on the stock exchange; therefore, the Company has not complied with the law on securities or regulations, announcements, orders, or requirements of the Capital Market Supervisory Board and the Stock Exchange of Thailand. However, the Board of Directors has assigned the Audit Committee to supervise related transactions and the disclosure of information about related transactions to persons who may have conflicts of interest or related transactions of the Company to investigate that it is appropriate and in accordance with the rules prescribed by the Capital Market Supervisory Board Securities and Exchange Laws and Regulations, announcements, orders, or requirements of the Stock Exchange of Thailand that have been prescribed, as well as compliance with the disclosure requirements, information on related transactions and acquisition or disposition of assets of the Company including following the accounting standards set by the Federation of Accounting Professions.

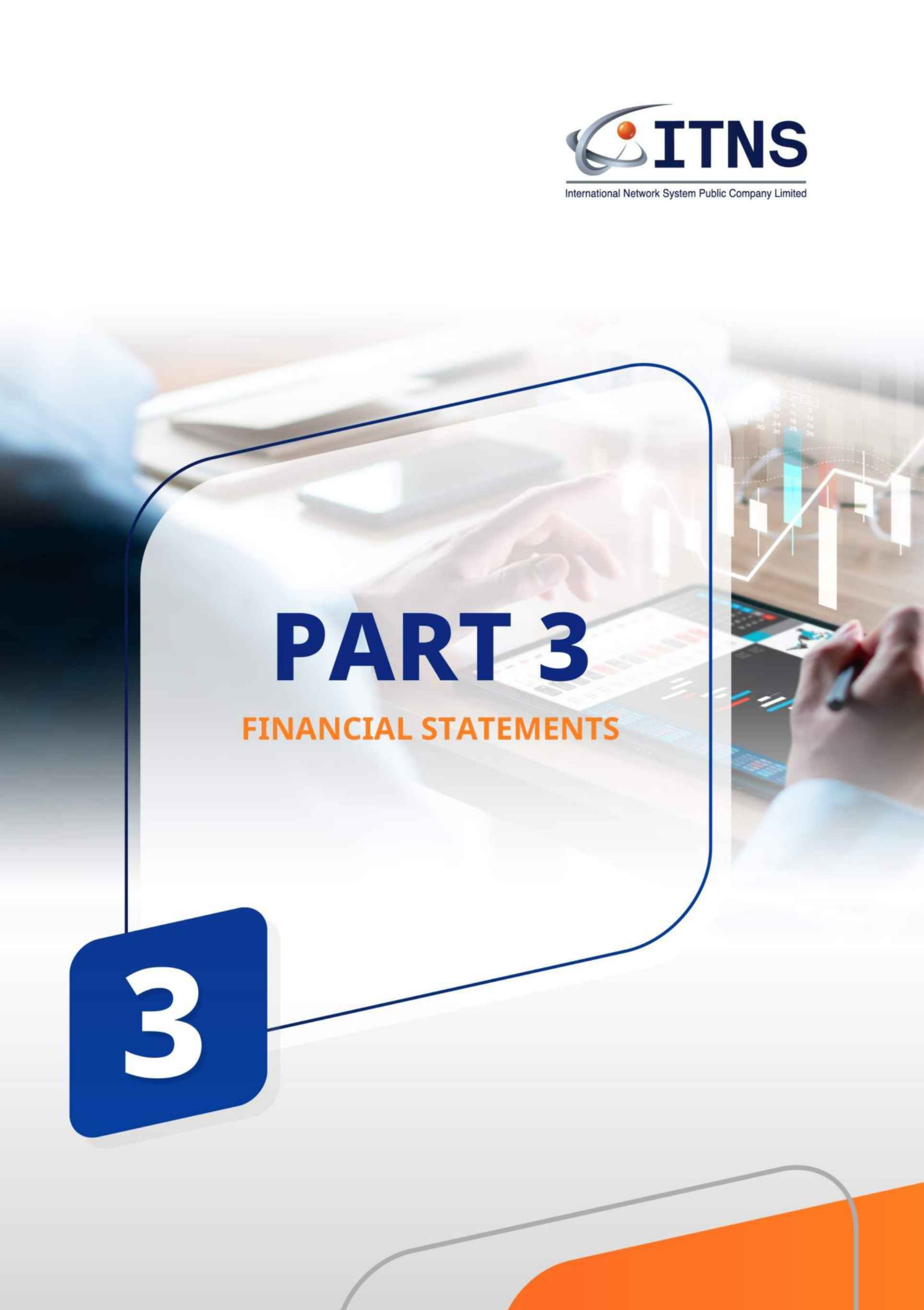
The Company's policy on related transactions can be categorized by type of transactions as follows:

- The Company has established a policy for conducting related party transactions that are normal business transactions and normal business supporting transactions with general commercial conditions such as income from sales and services from BIZ, medical equipment purchase expenses from BIZ etc., to be subject to various conditions in accordance with normal commercial operations at market prices that can be compared to the prices incurred with third parties and strictly comply with the agreed contracts, as well as setting the prices and conditions of various transactions to be clear, fair, and not cause a transfer of benefits. In this case, the Internal Audit Department or the Financial Accounting Department will look over the information and make a report for the Audit Committee to look at and comment on every three months about whether the price is fair and the transaction makes sense.
- The Company has a policy for the Audit Committee to consider normal business transactions and normal business supporting transactions without general commercial conditions and other related transactions and give opinions on the reasonableness and necessity of the transaction before entering into it. The Company must comply with the law on securities and exchange and the regulations, notifications, orders, or requirements of the Securities and Exchange Commission, the Stock Exchange of Thailand, including complying with the regulations on disclosure of information on connected transactions and the acquisition or disposal of important assets of the Company. Receiving or giving financial help, such as credit limits for loans from banks or other financial institutions, are also related transactions. In the event that the Audit Committee does not have expertise in considering any related transactions, the Company will employ an independent expert to give opinions on such related party transactions to be used in the decision-making of Audit Committees, Board of Directors or shareholders, as the case may be.

9.2.3 Policy or trends for future related transactions

If the Company has a necessity to enter into a related party transaction with a person who may have a conflict of interest in the future, the Company will determine the conditions of the transaction to be according to normal operation, and it must be at the market price, which can be referenced and compared with the conditions or prices incurred in the same type of business that the Company deals with third parties. In this regard, the Company will allow the Audit Committee to give opinions on the price and remuneration rate, including the necessity and suitability of such related transactions. In the event that the Audit Committee does not have expertise in considering any related transactions, the Company will employ an independent expert to give opinions on such related party transactions to be used in the decision-making of Audit Committees, Board of Directors or shareholders, as the case may be. The Company will disclose related transactions in the notes to the financial statements that have been audited or reviewed by the Company's auditor. After being listed on the Stock Exchange of Thailand, the Company will disclose such connected transactions in Form 56-1 One Report in accordance with the rules and laws governing securities and the stock exchange and regulations, notifications, orders, or regulations of the Stock Exchange of Thailand.

In making related transactions that may occur in the future, the directors must comply with various regulations that have been established, and the directors must not approve any transaction that he or a person who may have a conflict of interest in any other manner with the Company makes and must disclose such transactions to the Board of Directors for consideration. The Company must comply with the Securities and Exchange Act and regulations, announcements, orders, or requirements of the Stock Exchange of Thailand including the requirements relating to the disclosure of related transactions and the acquisition or disposal of the Company's assets, and in accordance with the accounting standards set by the Association of Accountants strictly. In addition, the Company will not enter into any related transactions with related companies that are not normal business operations of the Company.



PART 3

FINANCIAL STATEMENTS

3

International Network System Public Company Limited

Report and financial statements

31 December 2023

Independent Auditor's Report

To the Shareholders of International Network System Public Company Limited

Opinion

I have audited the accompanying financial statements of International Network System Public Company Limited, which comprise the statement of financial position as at 31 December 2023, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Network System Public Company Limited as at 31 December 2023, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matter

Key audit matter is the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This 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.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond to this matter are described below.

Revenue recognition

The Company has disclosed its policies regarding revenue recognition in Note 4.1 and Note 5 to the financial statement. Sales of goods and service income are material accounting transactions and directly affect profit or loss of the Company. The Company has entered into agreements with a large number of customers and there are a variety of conditions in the agreements. As a result, conditions relevant to the recognition of revenue from sales and service differ. There are therefore risks with respect to the amount and occurrence of revenue recognition.

In examining the revenue recognition of the Company, I applied significant audit procedures as follows:

- Assessing and testing the Company's key internal controls related to accounting for the revenue cycle, gaining an understanding of the controls in place by making enquiry of responsible personnel, and selecting representative samples to test the operation of the designed controls.
- Reading and gaining an understanding of the sample agreements to assess that the revenue recognition method for sales and service transactions is based on the Thai Financial Reporting Standards.
- On a sampling basis, testing the revenue recognition of agreements by examining the revenue recognition during the year and near the end of the accounting period.
- Performing analytical procedures of the gross margin of the sample agreements to detect possible irregularities in sales and service transactions throughout the period, particularly for accounting entries made through journal vouchers.

Other Matter

The financial statements of International Network System Public Company Limited for the year ended 31 December 2022, presented herein as comparative information, were audited by another auditor who, under his report dated 22 February 2023, expressed an unmodified opinion on those financial statements.

Other Information

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

I am responsible for the audit resulting in this independent auditor's report.



Piya Chaipruckmalakarn

Certified Public Accountant (Thailand) No. 7544

EY Office Limited

Bangkok: 22 February 2024

International Network System Public Company Limited
Statement of financial position
As at 31 December 2023

(Unit: Baht)

	Note	2023	2022
Assets			
Current assets			
Cash and cash equivalents	7	175,547,448	252,210,427
Trade and other receivables	8	130,230,337	94,455,561
Contract assets	9.1	12,892,383	28,878,571
Current portion of finance lease receivables	17.2	6,140,214	1,694,275
Current portion of long-term loan to related party	6	5,743,921	5,464,362
Inventories	10	16,326,883	75,047,305
Prepaid expenses for service costs and others - current portion	11	58,370,277	43,420,062
Other current assets		146,496	6,426,204
Total current assets		405,397,959	507,596,767
Non-current assets			
Restricted bank deposits	12	58,494,330	51,949,702
Investment in joint venture accounted for using equity method	13	1,445,227	749,431
Finance lease receivables, net of current portion	17.2	14,009,162	3,746,430
Long-term loan to related party, net of current portion	6	17,920,704	23,664,625
Buildings and equipment	14	36,904,199	32,745,543
Right-of-use assets	17.1	1,061,704	1,254,458
Intangible assets	15	180,293	234,935
Deferred tax assets	25	138,906	520,790
Prepaid expenses for service costs and others - non-current portion	11	40,522,909	44,026,306
Total non-current assets		170,677,434	158,892,220
Total assets		576,075,393	666,488,987

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

International Network System Public Company Limited
Statement of financial position (continued)
As at 31 December 2023

(Unit: Baht)

	Note	2023	2022
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	16	85,376,517	178,587,411
Contract liabilities - current portion	9.1	20,093,619	15,917,674
Current portion of lease liabilities	17.1	249,071	361,970
Income tax payable		5,599,194	5,309,937
Other current liabilities		2,151,000	1,357,042
Total current liabilities		113,469,401	201,534,034
Non-current liabilities			
Contract liabilities - non-current portion	9.1	9,842,338	11,274,785
Lease liabilities, net of current portion	17.1	-	249,071
Provision for long-term employee benefits	18	4,672,393	3,981,078
Total non-current liabilities		14,514,731	15,504,934
Total liabilities		127,984,132	217,038,968
Shareholders' equity			
Share capital	19		
Registered			
220,000,000 ordinary shares of Baht 1 each		220,000,000	220,000,000
Issued and fully paid-up			
220,000,000 ordinary shares of Baht 1 each		220,000,000	220,000,000
Share premium	19, 20	188,148,778	188,148,778
Retained earnings			
Appropriated - statutory reserve	21	13,105,482	9,963,541
Reserve for treasury stocks	22	38,122,085	-
Unappropriated		26,837,001	31,337,700
Treasury stocks	22	(38,122,085)	-
Total shareholders' equity		448,091,261	449,450,019
Total liabilities and shareholders' equity		576,075,393	666,488,987

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

International Network System Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2023

(Unit: Baht)

	Note	2023	2022
Profit or loss:			
Revenues			
Sales and service income	23	686,574,432	548,394,137
Other income		2,956,252	3,008,985
Total revenues		689,530,684	551,403,122
Expenses			
Cost of sales and services		573,680,200	448,428,549
Distribution costs		21,319,292	15,889,296
Administrative expenses		20,786,000	19,127,760
Total expenses		615,785,492	483,445,605
Operating profit		73,745,192	67,957,517
Share of profit from investment in joint venture	13	1,445,227	749,431
Finance income		3,028,605	555,129
Finance cost		(16,731)	(30,662)
Profit before income tax expenses		78,202,293	69,231,415
Income tax expenses	25	(15,363,462)	(13,960,604)
Profit for the year		62,838,831	55,270,811
Other comprehensive income:			
Item not to be reclassified to profit or loss in subsequent periods			
Actuarial gain - net of income tax		324,496	205,339
Item not to be reclassified			
to profit or loss in subsequent periods - net of income tax		324,496	205,339
Other comprehensive income for the year		324,496	205,339
Total comprehensive income for the year		63,163,327	55,476,150
Earnings per share	26		
Basic earnings per share		0.29	0.34
Weighted average number of ordinary shares (Shares)		214,891,056	164,191,781

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

International Network System Public Company Limited
Statement of changes in shareholders' equity
For the year ended 31 December 2023

(Unit: Baht)

	Retained earnings						
	Issued and paid-up share capital	Share premium	Appropriated - statutory reserve	Reserve for treasury stocks	Unappropriated	Treasury stocks	Total shareholders equity
Balance as at 1 January 2022	150,000,000	-	5,500,000	-	32,825,091	-	188,325,091
Profit for the year	-	-	-	-	55,270,811	-	55,270,811
Other comprehensive income for the year	-	-	-	-	205,339	-	205,339
Total comprehensive income for the year	-	-	-	-	55,476,150	-	55,476,150
Increase share capital (Note 19)	70,000,000	202,300,000	-	-	-	-	272,300,000
Transaction costs - net of income tax (Note 19)	-	(14,151,222)	-	-	-	-	(14,151,222)
Transfer to statutory reserve (Note 21)	-	-	4,463,541	-	(4,463,541)	-	-
Dividend paid (Note 29)	-	-	-	-	(52,500,000)	-	(52,500,000)
Balance as at 31 December 2022	220,000,000	188,148,778	9,963,541	-	31,337,700	-	449,450,019
Balance as at 1 January 2023	220,000,000	188,148,778	9,963,541	-	31,337,700	-	449,450,019
Profit for the year	-	-	-	-	62,838,831	-	62,838,831
Other comprehensive income for the year	-	-	-	-	324,496	-	324,496
Total comprehensive income for the year	-	-	-	-	63,163,327	-	63,163,327
Treasury stocks (Note 22)	-	-	-	38,122,085	(38,122,085)	(38,122,085)	(38,122,085)
Transfer to statutory reserve (Note 21)	-	-	3,141,941	-	(3,141,941)	-	-
Dividend paid (Note 29)	-	-	-	-	(26,400,000)	-	(26,400,000)
Balance as at 31 December 2023	220,000,000	188,148,778	13,105,482	38,122,085	26,837,001	(38,122,085)	448,091,261

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

International Network System Public Company Limited
Statement of cash flows
For the year ended 31 December 2023

(Unit: Baht)

	Note	2023	2022
Cash flows from operating activities			
Profit before tax		78,202,293	69,231,415
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:			
Depreciation and amortisation		5,976,991	3,965,556
Unrealised loss on exchange		648	-
Gain on disposals of assets		(2,546,168)	-
Gain on disposals of equipment		-	(2,500,468)
Share of profit from investment in joint venture	13	(1,445,227)	(749,431)
Provision for long-term employee benefits		1,096,935	793,305
Finance income		(3,028,605)	(555,129)
Finance expense		16,731	30,662
Operating profit before changes in operating assets and liabilities		78,273,598	70,215,910
Operating assets (increase) decrease:			
Trade and other receivables		(33,152,997)	(18,253,642)
Contract assets		15,986,188	(11,418,800)
Finance lease receivables		(14,179,621)	(5,410,608)
Inventories		58,720,422	(58,635,708)
Prepaid expenses for service costs and others		(11,446,818)	(17,762,976)
Other current assets		6,279,649	(6,426,145)
Operating liabilities increase (decrease):			
Trade and other payables		(93,216,966)	134,262,024
Contract liabilities		2,743,498	4,851,360
Other current liabilities		793,958	(936,195)
Cash flows from operating activities		10,800,911	90,485,220
Cash paid for income tax		(14,773,447)	(7,662,413)
Net cash flows from (used in) operating activities		(3,972,536)	82,822,807

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

International Network System Public Company Limited
Statement of cash flows (continued)
For the year ended 31 December 2023

(Unit: Baht)

	Note	2023	2022
Cash flows from investing activities			
Increase in restricted bank deposits		(6,544,628)	(32,723,425)
Cash paid to provide long-term loan to related party		-	(30,013,500)
Cash received from repayment of long-term loan to related party	6	5,464,362	884,513
Cash received from share of profit from investment in joint venture		749,431	-
Cash paid for purchase of equipment		(9,892,024)	(4,865,020)
Proceeds from disposal of equipment		-	2,576,075
Interest received		2,427,127	628,726
Net cash flows used in investing activities		(7,795,732)	(63,512,631)
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(361,969)	(348,468)
Interest paid	17	(16,991)	(30,911)
Proceeds from increase in share capital	19	-	272,300,000
Cash paid for transaction cost of shares		-	(15,889,028)
Cash paid for treasury stocks	22	(38,122,085)	-
Dividend paid	29	(26,393,666)	(52,500,000)
Net cash flows from (used in) financing activities		(64,894,711)	203,531,593
Net increase (decrease) in cash and cash equivalents		(76,662,979)	222,841,769
Cash and cash equivalents at beginning of year		252,210,427	29,368,658
Cash and cash equivalents at end of year		175,547,448	252,210,427

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

International Network System Public Company Limited

Notes to financial statements

For the year ended 31 December 2023

1. General information

International Network System Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the sale (including design and installation), leasing, and repair and maintenance of equipment used in information technology and communication. The registered office of the Company is at 3300/106-107 Elephant Building, Building B, 20th Floor, Phahonyothin Road, Chomphon Sub-District, Chatuchak District, Bangkok.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 The financial statements present investment in joint venture under the equity method.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

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

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

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

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

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

4. Significant accounting policies

4.1 Revenue and expense recognition

Revenue from sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

Revenue from installation of equipment and design consultation

Revenue from installation of equipment and design consultation is recognised at a point in time upon completion of the service.

Revenue from repair and maintenance services

Revenue from repair and maintenance services is recognised over time when service have been rendered taking into account the stage of completion, measuring based on a straight-line basis over the contractual term.

Revenue from letting of equipment

Revenue from letting of equipment is recognised on a straight-line basis over the rental period because customers receive and consume the benefit from the asset throughout the contractual period.

Finance income

Finance income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

4.2 Balances of contracts with customers

Contract assets

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Contract asset" in the statement of financial position. The amounts recognised as contract assets are reclassified to trade receivables when the Company's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

Contract liabilities

The obligation to transfer goods or services to a customer for which the Company's has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Contract liability" in the statement of financial position. Contract liabilities are recognised as revenue when the Company performs under the contract.

4.3 Cash and cash equivalents

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

4.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined as follows:

Equipment and work in progress - Specific identification

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4.5 Investment in joint venture

Investment in joint venture is accounted for in the financial statements using the equity method.

4.6 Buildings and equipment and depreciation

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

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

Condominium	20 years
Tools, furniture, and office equipment	3 and 5 years
Vehicles	5 years
Equipment for letting	3 years

Depreciation is included in determining income.

No depreciation is provided on assets under installation.

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

4.7 Intangible assets

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on the straight-line basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3, 4, 5, 10 years

No amortisation is provided on intangible assets under installation.

4.8 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

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

Vehicles	5 years
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If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

The Company as a lessor

A lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee is classified as finance leases. As at the commencement date, an asset held under a finance lease is recognised as a receivable at an amount equal to the net investment in the lease or the present value of the lease payments receivable and any unguaranteed residual value. Subsequently, finance income is recognised over the lease term to reflect a constant periodic rate of return on the net investment in the lease.

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

4.9 Related party transactions

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

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

4.10 Foreign currencies

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

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the buildings and equipment, right-of-use assets, and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

4.13 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period. The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 Treasury stocks

Treasury stocks are stated at cost and presented as a deduction from shareholders' equity. If the selling price of treasury stocks is greater than the purchase price of treasury stocks, the Company recognises the difference under the caption of 'premium on treasury stocks'. If the selling price of treasury stocks is less than the purchase price of treasury stocks, the difference is initially deducted from premium on treasury stocks, with the remaining deducted against retained earnings.

4.16 Financial instruments

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component, are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset as credit impaired or default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers. For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

ECLs are calculated based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.17 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Revenue from contracts with customers

Identification of performance obligations

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

Determination of timing of revenue recognition

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

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

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

6. Related party transactions

During the years, the Company had significant business transactions with related party. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and its related party.

(Unit: Thousand Baht)

	2023	2022	Transfer Pricing Policy
Transaction with joint venture			
Interest income	1,332	269	5% per annum
Income from loan guarantee fees	288	3	1% per annum

The balances of the accounts between the Company and its related party were as follows:

Other receivable - related party (Note 8)

(Unit: Thousand Baht)

	2023	2022
Joint venture	-	3
Total other receivable - related party	-	3

Long-term loan to related party

(Unit: Thousand Baht)

	1 January 2023	Decrease	31 December 2023
Joint venture			
SPIT Joint venture	29,129	(5,464)	23,665
Total	29,129	(5,464)	23,665
Less: Current portion	(5,464)		(5,744)
Long-term loan to related party - net of current portion	23,665		17,921

Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Company had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	2023	2022
Short-term employee benefits	8,990	9,091
Post-employment benefits	1,007	810
Total	9,997	9,901

Guarantee obligations with related party

The Company has outstanding guarantee obligations with SPIT Joint venture, as described in Note 31.2 to the financial statements.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	2023	2022
Cash	5	9
Bank deposits	175,542	252,201
Total	175,547	252,210

As at 31 December 2023, bank deposits carried interests between 0.30 and 1.00 percent per annum (2022: between 0.10 and 0.55 percent per annum).

8. Trade and other receivables

(Unit: Thousand Baht)

	2023	2022
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	74,482	78,854
Past due		
Up to 3 months	52,638	13,888
3 - 6 months	-	336
Total trade receivables - unrelated parties	127,120	93,078
Other receivables		
Other receivables - related party (Note 6)	-	3
Other receivables - unrelated parties	3,110	1,375
Total other receivables	3,110	1,378
Total trade and other receivables	130,230	94,456

The normal credit term is 30 to 90 days.

9. Contract assets/ Contract liabilities**9.1 Contract balances**

(Unit: Thousand Baht)

	Sales of goods	Rendering of services	Total
Contract assets			
Balance as at 1 January 2023	14,371	14,508	28,879
Amounts at the beginning of the period transferred to trade receivables	(14,371)	(14,508)	(28,879)
Excess of revenue recognised over billing being recognised	-	12,892	12,892
Balance as at 31 December 2023	-	12,892	12,892

(Unit: Thousand Baht)

	2023	2022
Current	12,892	28,879
Total	12,892	28,879

The balance of contract assets as at 31 December 2023 and 2022, aged on the basis of period until they are expected to be billed to customers in the future, can be summarised as follows:

(Unit: Thousand Baht)

	2023	2022
Period to expected billing		
In up to 3 months	5,674	24,956
In over 3 and up to 12 months	7,218	3,923
Total contract assets	12,892	28,879

(Unit: Thousand Baht)

	Sales of goods	Rendering of services	Total
Contract liabilities			
Balance as at 1 January 2023	4,365	22,828	27,193
Amounts at the beginning of the period transferred to trade receivables	(4,365)	(11,553)	(15,918)
Excess of revenue recognised over billing being recognised	3,247	15,414	18,661
Balance as at 31 December 2023	3,247	26,689	29,936

(Unit: Thousand Baht)

	2023	2022
Current	20,094	15,918
Non-current	9,842	11,275
Total	29,936	27,193

9.2 Revenue to be recognised for the remaining performance obligations

As at 31 December 2023, the Company has revenue totaling Baht 210 million (2022: Baht 406 million) which is expected to be recognised in the future in respect of performance obligations under contracts with customers that are unsatisfied (or partially unsatisfied). The details are as follows:

(Unit: Thousand Baht)

	Within one year		Over one year		Total	
	2023	2022	2023	2022	2023	2022
Sales of goods	47,425	229,193	-	-	47,425	229,193
Rendering of services	96,538	94,766	66,302	82,276	162,840	177,042
Total	143,963	323,959	66,302	82,276	210,265	406,235

10. Inventories

(Unit: Thousand Baht)

	2023	2022
Equipment and work in progress	16,327	75,047
Total	16,327	75,047

11. Prepaid expenses for service costs and others

(Unit: Thousand Baht)

	2023	2022
Prepaid expenses for service costs (To be amortised to cost of services on the straight-line method over the period of rendering of services)	97,970	86,160
Other prepaid expenses	923	1,286
Total	98,893	87,446
Less: Current portion	(58,370)	(43,420)
Net	40,523	44,026

12. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure credit facilities.

(Unit: Thousand Baht)

	Interest rate (Percent per annum)			
	2023	2022	2023	2022
Collaterals for credit facilities of the Company				
Savings account	0.45 - 0.6	0.35	19,250	17,573
Time deposits	0.6 - 1.0	0.15 - 0.35	10,407	5,540
			29,657	23,113
Collaterals for long-term borrowing of joint venture				
Savings account	0.45	0.325	28,837	28,837
Total			58,494	51,950

13. Investment in joint venture

13.1 Details of joint venture

Investment in joint venture represent investment in entity which are jointly controlled by the Company and another company. Details of these investments are as follows:

(Unit: Thousand Baht)

Joint Venture	Nature of business	Country of incorporation	Shareholding percentage		Carrying amounts based on equity method	
			2023 (%)	2022 (%)	2023	2022
SPIT Joint Venture	Letting of security monitoring system	Thailand	51	51	1,445	749
Total					1,445	749

On 4 January 2022, the Company entered into an agreement with a local company (another Joint Venturer) to establish SPIT Joint Venture. The Joint Venture was incorporated to submit a bid to the Industrial Estate Authority of Thailand for a project involving the letting of a Security Monitoring System for a period of 60 months to Kang Koi Industrial Estate and Nakorn Luang Industrial Estate.

Under the terms of the agreement, the Company shares 51% of profit or loss of the Joint Venture, while another Joint Venturer shares 49% of profit or loss of the Joint Venture.

Subsequently, the Joint Venture secured the winning bid. On 25th February 2022, the Joint Venture signed the agreement with the Industrial Estate Authority of Thailand for the project, with a total contract value of Baht 78,300,000 (inclusive of value-added tax of Baht 5,122,430).

13.2 Share of profit

During the years, the Company has recognised its share of profit from investment in joint venture in the financial statements as follows:

(Unit: Thousand Baht)

Joint Venture	Share of profit from investments in joint venture during the year	
	2023	2022
SPIT Joint Venture	1,445	749
Total	1,445	749

13.3 Summarised financial information about joint venture

Summarised information about financial position

(Unit: Thousand Baht)

	2023	2022
Current assets	9,055	11,238
Non-current assets	54,017	62,326
Current liabilities	(12,293)	(13,614)
Non-current liabilities	(47,945)	(58,481)
Net assets	2,834	1,469
Shareholding percentage (%)	51%	51%
Share of net assets	1,445	749
Elimination entries	-	-
Carrying amounts of joint venture based on equity method	1,445	749

Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the year ended 31 December 2023	For the period as from 4 January 2022 to 31 December 2022
Revenue	14,650	7,318
Profit	2,834	1,469
Total comprehensive income	2,834	1,469
Carrying amounts of joint venture based on equity method	1,445	749

14. Buildings and equipment

(Unit: Thousand Baht)

	Condominium	Tools, furniture and office equipment	Vehicles	Equipment for letting	Total
Cost					
1 January 2022	30,611	3,218	1,427	52,351	87,607
Additions	-	269	-	4,572	4,841
Disposals	-	(220)	-	(26,664)	(26,884)
Transfers	-	-	-	(25,688)	(25,688)
31 December 2022	30,611	3,267	1,427	4,571	39,876
Additions	-	165	-	9,727	9,892
Disposals	-	(91)	-	-	(91)
31 December 2023	30,611	3,341	1,427	14,298	49,677
Accumulated depreciation					
1 January 2022	2,487	1,696	462	51,258	55,903
Depreciation for the year	1,346	556	96	1,725	3,723
Accumulated depreciation on disposals	-	(172)	-	(26,636)	(26,808)
Transfers	-	-	-	(25,688)	(25,688)
31 December 2022	3,833	2,080	558	659	7,130
Depreciation for the year	1,346	525	96	3,766	5,733
Accumulated depreciation on disposals	-	(90)	-	-	(90)
31 December 2023	5,179	2,515	654	4,425	12,773
Net book value					
31 December 2022	26,778	1,187	869	3,912	32,746
31 December 2023	25,432	826	773	9,873	36,904
Depreciation for the year					
2022 (Baht 2 million included in cost of sales and services, and the balance in distribution costs and administrative expenses)					3,723
2023 (Baht 4 million included in cost of sales and services, and the balance in distribution costs and administrative expenses)					5,733

As at 31 December 2023, certain items of tools, furniture and office equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 1 million (2022: Baht 1 million).

15. Intangible assets

The net book value of intangible assets, which is computer software, as at 31 December 2023 and 2022 is presented below.

(Unit: Thousand Baht)

	2023	2022
Cost	556	562
Less: Accumulated amortisation	(376)	(327)
Net book value	180	235

A reconciliation of the net book value of intangible assets for the years 2023 and 2022 is presented below.

(Unit: Thousand Baht)

	2023	2022
Net book value at beginning of year	235	260
Acquisition	-	25
Amortisation for the year	(51)	(50)
Net book value of written off	(4)	-
Net book value at end of year	180	235

As at 31 December 2023, certain items of computer software were fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to Baht 0.2 million (2022: Baht 0.2 million).

16. Trade and other payables

(Unit: Thousand Baht)

	2023	2022
Trade payables	76,785	155,214
Other payables	315	247
Accrued project costs	1,249	18,591
Accrued expenses	4,251	2,478
Other	2,777	2,057
Total trade and other payables	85,377	178,587

17. Leases**17.1 The Company as a lessee**

The Company has lease contracts for vehicles used in its operations. Leases generally have lease terms 4 years.

a) Right-of-use assets

Movements of right-of-use assets for the years ended 31 December 2023 and 2022 are summarised below:

(Unit: Thousand Baht)

	Vehicles
1 January 2022	1,447
Depreciation for the year	(193)
31 December 2022	1,254
Depreciation for the year	(193)
31 December 2023	1,061

b) Lease liabilities

(Unit: Thousand Baht)

	2023	2022
Lease payments	253	632
Less: Deferred interest expenses	(4)	(21)
Total	249	611
Less: Portion due within one year	(249)	(362)
Lease liabilities - net of current portion	-	249

Movements of the lease liability account during the years ended 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	2023	2022
Balance at beginning of year	611	960
Accretion of interest	17	30
Repayments	(379)	(379)
Balance at end of year	249	611

A maturity analysis of lease payments is disclosed in Note 32.1 under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	2023	2022
Depreciation expense of right-of-use assets	193	193
Interest expense on lease liabilities	17	30
Expense relating to leases of low-value assets	71	53

d) Others

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 0.5 million (2022: Baht 0.4 million), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

17.2 The Company as a lessor

Finance lease

The Company has entered into finance leases for its equipment of the lease terms are between 3 and 4 years.

(Unit: Thousand Baht)

	2023	2022
Undiscounted lease payments receivable under finance leases		
Within 1 year	6,686	2,006
Over 1 and up to 2 years	6,686	2,006
Over 2 and up to 3 years	4,680	2,006
Over 3 and up to 4 years	3,120	-
Total	21,172	6,018
Less: Deferred interest income	(1,023)	(578)
Net	20,149	5,440
Less: Portion due within one year	(6,140)	(1,694)
Finance lease receivables - net of current portion	14,009	3,746

Operating lease

The Company has entered into operating leases for its equipment for letting of the lease terms are 1 - 3 years.

The Company has future rentals receivable under non-cancellable operating leases as at 31 December 2023 and 2022 as follows:

(Unit: Thousand Baht)

	2023	2022
Within 1 year	2,710	2,710
Over 1 and up to 5 years	-	2,710
Total	2,710	5,420

18. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	2023	2022
Provision for long-term employee benefits at beginning of year	3,981	3,444
Included in profit or loss:		
Current service cost	960	695
Interest cost	137	98
Included in other comprehensive income:		
Actuarial (gain) loss arising from		
Demographic assumptions changes	(113)	57
Financial assumptions changes	60	(304)
Experience adjustments	(353)	(9)
Provision for long-term employee benefits at end of year	4,672	3,981

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 15 years (2022: 17 years).

Significant actuarial assumptions are summarised below.

(Unit: percent per annum)

	2023	2022
Discount rate	3.14	3.45
Salary increase rate	4.80	5.00
Turnover rate	0.00 - 21.00	0.00 - 23.00

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below.

(Unit: Thousand Baht)

	2023		2022	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(535)	630	(494)	588
Salary increase rate	637	(551)	593	(507)
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Turnover rate	(112)	122	(108)	116

19. Share capital

On 18 March 2023, an Annual General Meeting of the shareholders of the Company passed a special resolution approving a change in the par value of shares and an increase in the Company's registered share capital. The details were as follows:

- 1) The change in the par value of the Company's shares was made through a reduction in the par value of the shares from Baht 100 per share to Baht 1 per share, resulting in an increase in the number of shares of the Company from 1.5 million shares to 150 million shares. This change results in a total of 150 million common shares. The Company registered the change in the par value of share with the Ministry of Commerce on 22 April 2022.
- 2) The Company's registered share capital has been increased from Baht 150 million (150 million ordinary shares of Baht 1 each) to Baht 220 million (220 million ordinary shares of Baht 1 each), through the issuance of 70 million new ordinary shares with a par value of Baht 1, or a total of Baht 70 million. The Company registered the increase in its share capital with the Ministry of Commerce on 22 April 2022. The Company allocated the new ordinary shares to support the issuance and the initial public offering via the Market for Alternative Investment.

On 12 October 2022, the Company conducted an initial public offering of 70 million newly issued ordinary shares with a par value of Baht 1 each, at an offering price of Baht 3.89 per share, amounting to Baht 272.3 million. Subsequently, on 19 October 2022, the Company received full payment of the additional shares and then registered the increase in its issued and paid-up share capital from Baht 150 million (comprising 150 million ordinary shares with a par value of Baht 1 each) to Baht 220 million (comprising 220 million ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on 19 October 2022. The Stock Exchange of Thailand approved 220 million ordinary shares with a par value of Baht 1 each as listed securities, with trading permitted on 25 October 2022. For the offering of such newly issued ordinary shares, the Company incurred directly related expenses of Baht 14.2 million (net of income tax of Baht 3.5 million), which have been recorded net with its share premium. As a result, the Company had a share premium of Baht 188.1 million as at 31 December 2022.

20. Share premium

Share premium represents share subscription monies received in excess of the par value of the shares issued. Share premium is not available for dividend distribution.

21. Statutory reserve

(Unit: Thousand Baht)

	2023	2022
Balance at beginning of year	9,964	5,500
Appropriate during the year	3,141	4,464
Balance at end of year	<u>13,105</u>	<u>9,964</u>

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

22. Treasury stocks

On 10 May 2023, the meeting of the Company's Board of Directors approved the share repurchase program for financial management purpose in the maximum amount not exceeding Baht 38.5 million or approximately 11 million shares, which is approximately 5% of total issued shares at par value of Baht 1 per share by repurchasing in the Stock Exchange of Thailand, which the repurchase price shall not be exceeding 115 percent of the average closing stock price prior to 5 working days on the date of repurchase of treasury stocks. The repurchase period is from 15 May 2023 to 12 October 2023.

On 7 September 2023, the Company completed the repurchase of 11,000,000 shares, equivalent to 5% of the total issued shares. Therefore, the Company has declared the cessation of the share repurchase program for the purpose of financial management.

As at 31 December 2023, the Company had outstanding treasury stocks of 11,000,000 shares in the account with an average cost including fee of Baht 3.47 per share. The total cost including fee was Baht 38,122,085. The treasury stocks of 11,000,000 shares have a par value of Baht 1 per share. The Company set aside an amount from retained earnings equal to the cost of the treasury shares to a separate reserve account with such reserve to remain outstanding until either the shares are sold or paid-up capital is reduced by the cancellation of any remaining unsold shares. As at 31 December 2023, the Company has set aside approximately Baht 38,122,085 with the Company recording the reserve as "Retained earnings - reserve for treasury stocks" in the statement of financial position.

23. Revenue from contracts with customers

(Unit: Thousand Baht)

	For the years ended 31 December	
	2023	2022
Revenue recognised at a point in time		
Sales of goods	538,403	439,471
Installation of equipment and design consultation	14,898	11,672
Total	<u>553,301</u>	<u>451,143</u>
Revenue recognised over time		
Repair and maintenance	126,457	93,534
Letting of equipment	6,816	3,717
Total	<u>133,273</u>	<u>97,251</u>
Total sales and service income	<u>686,574</u>	<u>548,394</u>

24. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Cost of sales of goods	453,965	365,424
Costs of rendering of services	104,037	69,818
Employee expenses	25,448	22,055
Directors and management's benefits	9,997	9,901
Commission	5,157	3,828
Depreciation and amortisation	5,977	3,966
Rental expenses	71	68

25. Income tax

Income tax expenses for the years ended 31 December 2023 and 2022 were made up as follows:

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Current income tax:		
Current income tax charge	15,063	13,844
Deferred tax:		
Relating to origination and reversal of temporary differences	300	117
Income tax expense reported in profit or loss	<u>15,363</u>	<u>13,961</u>

The amount of income tax relating to each component of other comprehensive income for the years ended 31 December 2023 and 2022 was as follows:

(Unit: Thousand Baht)

	<u>2023</u>	<u>2022</u>
Deferred tax on actuarial gains	82	51
Total	<u>82</u>	<u>51</u>

The amount of current tax that recognised directly in shareholder's equity for the years ended 31 December 2023 and 2022 was as follows:

(Unit: Thousand Baht)

	2023	2022
Current income tax:		
Income tax of the transaction costs for issued share capital	-	3,538
Total	-	3,538

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	2023	2022
Accounting profit before tax	78,202	69,231
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	15,640	13,846
Effects of:		
Non-deductible expenses	92	360
Additional expense deductions allowed	(46)	(62)
Income not subject to tax	(289)	(183)
Others	(34)	-
Total	(277)	115
Income tax expense reported in profit or loss	15,363	13,961

The components of deferred tax assets and deferred tax liabilities were as follows:

(Unit: Thousand Baht)

	2023	2022
Deferred tax assets		
Provision for long-term employee benefits	935	796
Total	935	796
Deferred tax liabilities		
Lease	(796)	(275)
Total	(796)	(275)
Deferred tax assets - Net	139	521

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, net of treasury stocks held by the Company, as discussed in Note 22 to the financial statements. The number of ordinary shares for the year ended 31 December 2022 was adjusted proportionally to changes in the number of ordinary shares resulting from the change in par value from Baht 100 per share to Baht 1 per share, as per the resolution of the Company's shareholders' meeting on 18 March 2022 (as discussed in Note 19 to the financial statements). The calculation assumes that the share split took place at the beginning of the reporting period.

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company has only one main reportable operating segment, which is sale (including designed and installation), leasing, and repair and maintenance of equipment used in information technology and communication. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profit or loss and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers

For the year 2023, the Company has revenue from three major customers in amount of Baht 287 million (2022: Baht 349 million derived from three major customers).

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 - 15 percent of basic salary. The fund, which is managed by Registered AIA Master Pool Provident Fund, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2023 amounting to approximately Baht 3 million (2022: Baht 2 million) were recognised as expenses.

29. Dividends

2023

On 26 April 2023, the Annual General Meeting of the Company's shareholders approved the payment of dividends in respect of operating results for the year 2022 of Baht 0.27 per share, or a total of Baht 48.9 million as follows:

1. The Company paid an interim dividend of Baht 0.15 per share (150 million ordinary shares), or a total of Baht 22.5 million, in September 2022.
2. The Company paid cash dividend of Baht 0.12 per share (220 million ordinary shares), or a total of Baht 26.4 million, to its shareholders on 23 May 2023.

2022

On 18 March 2022, the Annual General Meeting of the Company's shareholders approved the payment of a dividend for the year 2021 of Baht 20 per share, or a total of Baht 30 million. The Company has already paid the dividend on 8 April 2022.

On 11 August 2022, the Board of Directors meeting of the Company approved the payment of an interim dividend from retained earnings as of 30 June 2022 amounting to Baht 0.15 per share, or a total of Baht 22.5 million, to its shareholders. The Company duly paid the dividend on 9 September 2022.

30. Credit facilities

As at 31 December 2023 and 2022, the Company had unused credit facilities as follows:

(Unit: Thousand Baht)

	2023	2022
Unused bank overdraft	7,000	7,000
Unused short-term borrowings	20,000	20,000
Unused letters of guarantee	62,228	4,376

Collaterals of credit facilities

- Land and construction thereon owned by a director of the Company (no guarantee fee)
- Savings account and time deposits of the Company (presented under restricted bank deposits)
- Guarantee provided by certain directors of the Company (no guarantee fee) and Thai Credit Guarantee Corporation (with guarantee fee)

31. Commitments and contingent liabilities**31.1 Service and other commitments**

As at 31 December 2023, the Company has outstanding commitments of Baht 0.2 million (2022: Baht 0.2 million) for the service agreements. The terms of the agreements are generally 4 years.

31.2 Bank guarantees

- 1) As at 31 December 2023, the Company has guaranteed bank credit facilities of SPIT Joint venture amounting to Baht 28.8 million (2022: Baht 28.8 million).
- 2) As at 31 December 2023, there were outstanding bank guarantees of approximately Baht 42.8 million (2022: Baht 50.6 million) issued by banks on behalf of the Company to guarantee bidding and contractual performance.

32. Financial instruments

32.1 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade accounts receivable. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade accounts receivable, contract assets, deposits with banks and financial institutions and other financial instruments. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables and contract assets

The Company manages the risk by adopting appropriate credit control policies and procedures and most customers are large enterprises. Thus, the Company does not have high concentrations of credit risk since it has a large customer base in various industries. Therefore, the management does not expect to incur material financial losses. Outstanding trade receivables and contract assets are regularly monitored.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by customer type and rating. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The credit risk on debt instruments and derivatives is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Market risk

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits with financial institutions. Most of the Company's financial assets and liabilities bear fixed interest rates which are close to the market rate.

As at 31 December 2023 and 2022, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

2023					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	With in 1 year	5-1 years			
Financial assets					
Cash and cash equivalent	-	-	175,547	-	175,547
Trade and other receivables	-	-	-	130,230	130,230
Contract assets	-	-	-	12,892	12,892
Restricted bank deposits	-	-	58,494	-	58,494
Long-term loan to related party	5,744	17,921	-	-	23,665
	5,744	17,921	234,041	143,122	400,828
Financial liabilities					
Trade and other payables	-	-	-	85,377	85,377
	-	-	-	85,377	85,377

(Unit: Thousand Baht)

2022					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total
	With in 1 year	5-1 years			
Financial assets					
Cash and cash equivalent	-	-	252,210	-	252,210
Trade and other receivables	-	-	-	94,456	94,456
Contract assets	-	-	-	28,879	28,879
Restricted bank deposits	-	-	51,950	-	51,950
Long-term loan to related party	5,464	23,665	-	-	29,129
	5,464	23,665	304,160	123,335	456,624
Financial liabilities					
Trade and other payables	-	-	-	178,587	178,587
	-	-	-	178,587	178,587

Liquidity risk

The Company monitors the risk of a shortage of liquidity through the use of lease contracts. The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 31 December 2023 and 2022 based on contractual undiscounted cash flows:

(Unit: Thousand Baht)

	As at 31 December 2023
	Less than 1 year
Non-derivatives	
Trade and other payables	85,377
Lease liabilities	253
Total non-derivatives	85,630

(Unit: Thousand Baht)

	As at 31 December 2022		
	Less than 1 year	1 to 5 years	Total
Non-derivatives			
Trade and other payables	178,587	-	178,587
Lease liabilities	379	253	632
Total non-derivatives	178,966	253	179,219

32.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

33. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2023, the Company's debt-to-equity ratio was 0.29:1 (2022: 0.48:1).

34. Event after the reporting period

On 22 February 2024, a meeting of the Company's Board of Directors passed a resolution to propose the payment of a dividend of Baht 0.124 per share or total of Baht 25,916,000 from the Company's 2023 operating result. This will be proposed to the 2024 Annual General Meeting of the Company's shareholders for approval.

35. Reclassification

Certain amounts in the statements of financial position and comprehensive income, presented herein as comparative information, have been reclassified to conform to the current period's classification. The reclassification are as follows:

(Unit: Thousand Baht)

	As at 31 December 2022		
	As previously reported	Reclassified	As Reclassified
Statement of financial position			
Trade and other payables	179,944	(1,357)	178,587
Other current liabilities	-	1,357	1,357

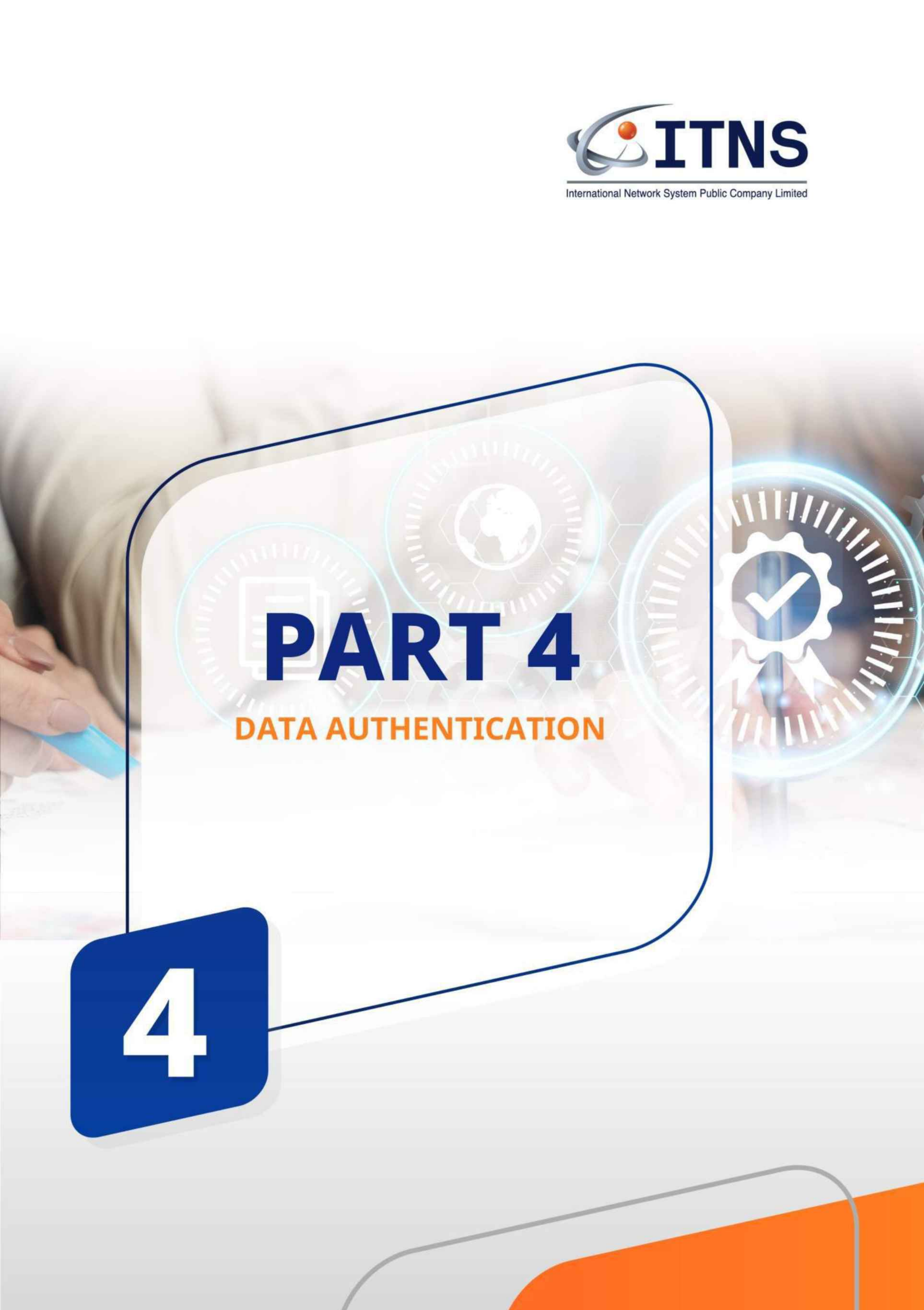
(Unit: Thousand Baht)

	For the year ended 31 December 2022		
	As previously reported	Reclassified	As Reclassified
Statement of comprehensive income			
Other income	3,564	(555)	3,009
Finance income	-	555	555

The reclassifications had no effect to previously reported profit or shareholders equity.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2024.



PART 4

DATA AUTHENTICATION

4

Data Authentication

The company has carefully reviewed the information in this annual registration statement ("Form 56-1 One Report"); therefore, the company hereby certifies that such information is correct, complete, not false, and not misleading others or a lack of information that should be informed in essence. In addition, the company hereby certifies as follows:

(1) The financial statements and financial information summarized in the annual information disclosure form show complete and accurate information in material respects to the financial position, performance, and cash flow of the company.

(2) The company has set up a good information disclosure system to ensure that the company discloses material information about the company accurately and completely, as well as supervising the implementation of the said system.

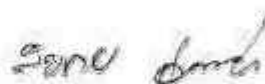
(3) The company has set up a good internal control system and supervised it to ensure compliance with such a system and the company has informed the auditor and the Audit Committee of the latest date of its assessment of the internal control system, which covers deficiencies and significant changes in the internal control system, including misconduct that may affect the preparation of financial reports of the company.

In this regard, as evidence that all documents are the same set of documents that the company has certified their authenticity, the company has assigned Miss Nattaya Nanthawanid to sign every page of this document. If any document does not have the signature of Miss Nattaya Nanthawanid, the company shall consider that it is not the information for which the company has certified the accuracy of the information mentioned above.



(Mr. Woodtipong Moleechad)

Chairman of the Board



(Mr. Somchai Oumkratum)

Chief Executive Officer/Director

ATTACHMENT



Attachment 1

Details of Directors, Executives, Controlling Persons and Company Secretary

1. Details of Directors, Executives, and Company Secretary of International Network System Public Company Limited

No.	Name – Surname Position	Age (year)	Educational qualifications /training history	Proportion of shareholding in the Company (%)	The family relationship between the board of directors and executives	Work experience			
						Period	Position	Name of organization /company	Business type
1.	Mr. Woodtipong Moleechad • Chairman • Chairman of the Audit Committee • Independent Director * Has been appointed on July 21 st , 2021	75	Bachelor of Economics, Thammasat University Director Certification Program (DCP), Class 130/2010 Anti-Corruption for Executive Program (ACEP), Batch 15/2015 Director Certification Program Update (DCPU), Batch 3/2015	–	–	2021 – present	Chairman / Chairman of the Audit Committee /Independent Director	International Network System Public Company Limited	System Integrator
						2022 – present	Chairman /Chairman of the Audit Committee /Independent Director	Supreme Distribution Public Company Limited	Computers wholesale and computer peripherals
						2017 – present	Vice Chairman / Chairman of the Audit Committee / Independent Director /Chairman of the Investment Committee	Triple i Logistics Public Company Limited	Logistics services provider
						2015 – present	Chairman / Independent Director	Business Alignment Public Company Limited	Selling tools and medical equipment.
						2009 – present	Chairman / Chairman of the Nomination and Remuneration Committee / Member of Audit Committee / Independent Director	Symphony Communication Public Company Limited	Providing comprehensive telecommunication services

No.	Name – Surname Position	Age (year)	Educational qualifications /training history	Proportion of shareholding in the Company (%)	The family relationship between the board of directors and executives	Work experience			
						Period	Position	Name of organization /company	Business type
2.	Mr. Adisorn Thavornthanasarn • Member of Audit Committee • Independent Director • Chairman of the Nomination and Remuneration Committee • Member of Risk Management Committee * Has been appointed on July 21 st , 2021	45	Master of Business Administration University of Texas at Dallas United States of America	0.75	-	2021 – Present	Member of Audit Committee / Independent Director / Chairman of the Nomination and Remuneration Committee / Member of risk management committee	International Network System Public Company Limited	System Integrator
			Bachelor of Business Administration Assumption University			2023 – Present	Director	The key Advisory Company Limited	Financial Advisor
			Director Accreditation Program (DAP), Batch 191/2022			2023 – Present	Member of Audit Committee / Director / Chairman of the Nomination and Remuneration Committee	Wellness Product Development Center Company Limited	Wellness products manufacturer and distributor
			Risk Management Course, Batch 25/2019			2023 – Present	Member of Audit Committee / Director	Rajathani Hospital Public Company Limited	Medical facility
			Advanced Audit Committee Program (AACP), Batch 47/2023			2021 – 2024	Member of Audit Committee / Independent Director	Ratchaphruek Hospital Public Company Limited	Medical facility
						2017 – 2021	Chief Executive Officer of Accounting and Finance / Member of risk management committee	Sabai Technology Public Company Limited	Providing financial transaction services through top-up kiosks, selling products through vending machines, setting up a food court system, and providing payment services
						2015 – 2017	First Vice President	Krung Thai Bank Public Company Limited	Commercial bank

No.	Name – Surname Position	Age (year)	Educational qualifications /training history	Proportion of shareholding in the Company (%)	The family relationship between the board of directors and executives	Work experience			
						Period	Position	Name of organization /company	Business type
3.	Mr. Udom Thanuratpong • Member of Audit Committee • Independent Director • Member of the Nomination and Remuneration Committee (Audit Committee with expertise in accounting and finance) * Has been appointed on July 21 st , 2021	46	Master of Accounting Chulalongkorn University Bachelor of Accounting Assumption University Director Accreditation Program (DAP) Batch 191/2022	0.05	-	2021 – Present	Member of Audit Committee / Independent Director / Member of the Nomination and Remuneration Committee	International Network System Public Company Limited	System Integrator
						2023 – Present	Member of Audit Committee	Wellness Product Development Center Company Limited	Wellness products manufacturer and distributor
						2016 – Present	Director	UT Advisory Company Limited	Accounting service
						2023 – Present	Audit Partner	PKF Audit (Thailand) Company Limited	Auditing firm
						2014 – Present	Academic Department Manager	Federation of Accounting Professions under the Royal Patronage of His Majesty the King	An organization that fosters and develops professional accountants under the supervision of the same professional council.
						2015 – 2022	Audit Partner	PV Audit Company Limited	Auditing firm
4.	Mr. Saran Supaksaran • Director • Member of the Nomination and Remuneration Committee • Member of the Risk Management Committee * Has been appointed on July 21 st , 2021	50	Master of Science in Finance Chulalongkorn University Bachelor of Accounting Thammasat University Certified public accountant (2003-Present)	4.75	-	2021 – Present	Director / Member of the Nomination and Remuneration Committee / Member of the Risk Management Committee	International Network System Public Company Limited	System Integrator

No.	Name – Surname Position	Age (year)	Educational qualifications /training history	Proportion of shareholding in the Company (%)	The family relationship between the board of directors and executives	Work experience			
						Period	Position	Name of organization /company	Business type
	Mr. Saran Supaksaran (cont.)		Director Accreditation Program (DAP), Batch 114/2015 Advanced Audit Committee Program (AACP), Batch 25/2017 Board Nomination and Compensation Program (BNCP), Batch 8/2019			2021 – Present	Chairman of the Risk Management Committee / Member of the Audit Committee	Nirvana Daii Public Company Limited	Real estate developer
						2021- Present	Chairman of the Audit Committee Member of Audit Committee	Ratchaphruek Hospital Public Company Limited	Medical facility
						2018 – Present	Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee	Infrasat Public Company Limited	Providing telecommunication and information technology services
						2018- Present	Chairman of the Nomination and Remuneration Committee/ Member of the Audit Committee	Sabai Technology Public Company Limited	Providing financial transaction services through top-up kiosks, selling products through vending machines, setting up a food court system, and providing payment services
						2018- Present	Director	SSIPO Consolidation Company Limited	Accounting firm

No.	Name - Surname Position	Age (year)	Educational qualifications /training history	Proportion of shareholding in the Company (%)	The family relationship between the board of directors and executives	Work experience			
						Period	Position	Name of organization /company	Business type
	Mr. Saran Supaksaran (cont.)					2014- Present	Member of Audit Committee / Member of the Nomination and Remuneration Committee	Rajthanee Hospital Public Company Limited	Medical facility
						2020 - Present	Advisor to the Accounting Profession Committee on tax accounting	Federation of Accounting Professions under the Royal Patronage of His Majesty the King	An organization that fosters and develops professional accountants under the supervision of the same professional council.
						2017 - 2020	Chairman of the Auditing Standards Sub-Committee/ Member of the Auditing Profession Committee Director Academician		
5.	Mr. Somchai Oumkratum • Director • Chairman of the Executive Committee • Chairman of the Risk Management Committee • Chief Executive Officer (Authorized directors who can sign to bind the Company as specified in the Affidavit) *Has been appointed since January 2 nd , 2012	53	Bachelor of Science and Technology Nakhon Pathom Rajabhat University Director Accreditation Program (DAP), Batch178/2020	43.41		2011 - Present	Director / Executive Chairman / Chairman of the Risk Management Committee / Chief Executive Officer	International Network System Public Company Limited	System Integrator

No.	Name – Surname Position	Age (year)	Educational qualifications /training history	Proportion of shareholding in the Company (%)	The family relationship between the board of directors and executives	Work experience			
						Period	Position	Name of organization /company	Business type
6.	Miss Nattaya Nanthawanid • director • Executive Director • Chief Financial Officer and Human Resources (Authorized directors who can sign to bind the Company as specified in the Affidavit) * Has been appointed since April 22 nd , 2002 (Person assigned to the highest responsibility in accounting and finance) * Has been appointed since July 1 st , 2021	46	Bachelor of Business Administration, Sukhothai Thammathirat Open University Director Certification Program (DCP), Batch 300/2020 Boardroom Success through Financing & Investment (BFI), Batch 10/2021 Financial Statements for Directors (FSD), Batch 44/2021 e-learning CFO's Orientation Course 2022 Senior Executive Program "Thammasat for Society" Batch 19 Senior Executive Program "Thammasat for In-Depth Social" Batch 3 " The Art of CFO Leadership" CFO & Tax Forum "Leading through the change" TLCA CFO CPD "Green Assets: Opportunities for Sustainable Development"	2.73	-	2002 – Present	Director / Executive Director / Chief Financial Officer and Human Resources	International Network System Public Company Limited	System Integrator

No.	Name – Surname Position	Age (year)	Educational qualifications /training history	Proportion of shareholding in the Company (%)	The family relationship between the board of directors and executives	Work experience			
						Period	Position	Name of organization /company	Business type
	Miss Nattaya Nanthawanid (cont.)		TLCA CFO CPD " Risk Management for CFOs "						
			TLCA CFO CPD "What is the future of the CFO role? "						
			Finance for Executives Course						
			CFO's Refresher Course 2023						
7.	Mr. Natthawut Jindapon • Chief Marketing Officer * Has been appointed since May 11 st , 2023	45	Bachelor of Engineering in Electrical Engineering Prince of Songkhla University	1.36	-	2015 – Present	Chief Marketing Officer	International Network System Public Company Limited	System Integrator
8.	Mr. Sittha Rattanatangarn • Member of the Executive Committee • Member Risk Management Committee • Chief Installation and Service Officer * Has been appointed since January 1 st , 2022	42	Bachelor of Engineering in Computer Science Kasetsart University	1.37	-	2014 – Present 2017 – Present	Member of the Executive Committee/ Member Risk Management Committee/ Chief Installation and Service Officer Director	International Network System Public Company Limited Bester Technology Company Limited	System Integrator Computers retailer and computer peripherals

No.	Name – Surname Position	Age (year)	Educational qualifications /training history	Proportion of shareholding in the Company (%)	The family relationship between the board of directors and executives	Work experience			
						Period	Position	Name of organization /company	Business type
9.	Miss Sangmanee Taksinjarean • Member of the Executive Committee • Chief Coordinating Officer * Has been appointed since July 1 st , 2021	34	Bachelor of Food Technology Mae Fah Luang University	0.09	-	2012 – Present	Member of the Executive Committee / Chief Coordinating Officer	International Network System Public Company Limited	System Integrator
10.	Miss Patcharin Tiphayachai • Account Manager (The person assigned to be directly responsible for supervising the accounting) (an accountant according to the criteria announced by the Department of Business Development) * Has been appointed since July 1 st , 2017	55	Bachelor of Accounting Ramkhamhaeng University 2023 1. Advance Technology for Accountants Course 2. Pivot Table Excel for Create Accounting Reports (Workshop) 3. Statement of Cash Flows & Cash Budget (Workshop)	0.05	-	2017 – Present 2014 – 2017	Account Manager Account Manager	International Network System Public Company Limited Preparation and Solution System Company Limited	System Integrator Data Center Provider

No.	Name – Surname Position	Age (year)	Educational qualifications /training history	Proportion of shareholding in the Company (%)	The family relationship between the board of directors and executives	Work experience			
						Period	Position	Name of organization /company	Business type
11.	Miss Karvara Tatham • Company Secretary * Has been appointed since January 1 st , 2022	33	Master of Science in Life Insurance /Risk Management Chulalongkorn University	0.15	-	2021 – Present	Company Secretary	International Network System Public Company Limited	System Integrator
			Bachelor of Science in Mathematics Chiang Mai University			2023 – Present	Director	Forever Young Medical Company Limited	Beauty Clinic
			Company Secretary Program (CSP), Batch 125/2022			2018 – 2023	Managing Partner	Hair Tech Plus Limited Partnership	Beauty salon
			IR in Action for C-Suite 2023 MAI Listed Companies Association Company Secretary Professional Project Curriculum 2023 Thai Listed Companies Association (TLCA)			2017	Actuarial	Actuarial Business Solution Co., Ltd.	Advising on insurance business and calculating employee benefits

Scope of powers, duties, and responsibilities of the Company Secretary

1. Prepare and keep the following documents.
 - (A) Director registration
 - (B) Notice of Board of Director Meeting, Minute of Board of Director Meeting and Annual Report
 - (C) Notice of Shareholders Meeting and Minutes of Shareholders Meeting
2. Keep reports of interest reported by company directors or executives.
3. Submit a copy of the report on interest under Section 89/14 to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 business days from the date the company received that report.
4. Give advice on rules and regulations that the Board of Directors and executives should be aware of.
5. Contact and communicate with general shareholders to acknowledge their rights, of shareholders and news of the Company.
6. Support the management of the company in accordance with the principles of good corporate governance.
7. Perform other actions as specified in the notification of the Capital Market Supervisory Board.
8. The Company secretary must perform duties responsibly with caution and honesty, including complying with the law, objectives, and regulations of the Company board resolution as well as the resolutions of the shareholders' meeting by using the consideration criteria regarding company directors according to Section 89/23 of the Securities and Exchange Act (No. 4) B.E. 2551

However, the Board of Directors also has a duty to supervise and review to improve and develop appropriate practices in line with the ever-changing environmental situation in order to ensure an efficient, transparent, and auditable management system as well as to respond to shareholders and all stakeholders for sustainable benefits in the future.

2. Information on holding positions of directors and executives in related companies

Related companies	Mr. Woodtipong Moleschad	Mr. Adisorn Thavornthanasarn	Mr. Udom Thanuratpong	Mr. Saran Supaksaran	Mr. Somchal Oumkratum	Miss Nattaya Nanthawanid	Mr. Natthawut Jindapon	Mr. Sitttha Rattanalangkarn	Miss Sangmanee Taksinjarean	Miss Patcharin Tipphayachal
International Network System Public Company Limited	I,IV,V	IV,VI	IV,VI	III	III,VII,C	III,VIII,M	M	VIII,M	VIII,M	M
Supreme Distribution (Thailand) Co., Ltd.	III									
Triple I Logistics Public Company Limited	II,IV,V									
Business Alignment Public Company Limited	I,IV									
Symphony Communication Public Company Limited	I,IV,VI									
Ratchapitruak Hospital Public Company Limited		IV,VI		IV,V						
UT Advisory Company Limited			III							
Nirvana Daii Public Company Limited				IV,VI						
SS IPO Consolidation Company Limited				III						
Salai Technology Public Company Limited				IV,VI						
Infrasat Public Company Limited				IV,V						
Rajthanoee Hospital Public Company Limited		IV,VI		IV,VI						
Bester Technology Company Limited								III		
The Key Advisory Company Limited		III								
Wellness Product Development Center Company Limited		IV, VI, IX	IV, VI							

Note:

I = Chairman II = Vice Chairman III = Director IV = Independent Director V = Chairman of the Audit Committee VI = Member of the Audit Committee
 VII = Chairman of the Executive Committee VIII = Member of the Executive Committee IX = Chairman of the Nomination and Remuneration Committee
 C = Chief Executive Officer M = Executive

Attachment 2

Details about the head of the internal audit department

1.Details about the head of the internal audit department

The Company has outsourced its internal audit function to Resourceful Company Limited, which has assigned the following person as the internal audit manager of the Company:

No.	Name - Surname Position	Age (years)	Educational qualifications / Training History	Proportion of shareholding in the Company (%)	The family relationship between the board of directors and executives	Work experience in the past 5 years	
						Period	Position and company/organization
1.	Miss Pasuwadee Bubpha -Head of Internal Audit Department	34	Educational qualifications Bachelor's degree in Accountancy Burapha University Certificates - Internal Auditing Certificate Program: IACP - Professional Accountant Certificate: PAC	-	-	2019 - Present	Internal Audit Manager, Resourceful Company Limited
						2015 - 2019	Assistant Internal Auditor, Bunchikij P&S Consolidation Company Limited
						2013 - 2015	Assistant Certified Public Accountant, PV Audit Company Limited
						2012 - 2013	Assistant Certified Public Accountant, ANS Audit Company Limited

Attachment 3 Corporate Governance and Ethical Policies and Practices

1. Corporate Governance Policy

International Network System Public Company Limited ("the Company") has adopted a policy of adhering to the Code of Best Practice to ensure the Company's credibility for all shareholders and stakeholders and for the purpose of creating sustainable business value in order to meet the expectations of the business sector, investors, the capital market, and society as a whole. The Company has developed a good corporate governance policy based on good corporate governance principles for Listed Companies in 2017 prepared by the Securities and Exchange Commission's and stock exchange. This policy serves as a framework for the Company's corporate governance, as follows:

Governance Principles and Policies

The Board of Directors has emphasized the importance of adhering to good corporate governance principles and policies, which cover the 8 principles of corporate governance as follows:

Practice 1	Roles and responsibilities of the board of directors
Practice 2	Determination of sustainable objectives and main goals of the Company
Practice 3	Strengthen effective committees
Practice 4	Recruitment and development of senior executives and personnel management
Practice 5	Promote innovation and responsible business practices
Practice 6	Ensure that there is an appropriate risk management and internal control system.
Practice 7	Maintain financial credibility and disclosure.
Practice 8	Encourage participation and communication with shareholders.

Practice 1: Roles and Responsibilities of the Board of Directors

Practice 1.1

The Board of Directors understands its role and recognizes its responsibility as a leader to ensure good governance of the organization, which covers the following:

- 1) Setting objectives and goals.
- 2) Setting strategies, operating policies, as well as allocating key resources to achieve objectives and goals.
- 3) Monitoring, evaluating, and supervising performance reporting.

Practice 1.2

The Board of Directors shall supervise the Company to lead to good Governance Outcome, at least as follows:

- 1) Be competitive and have a good performance, considering the long-term effects.
- 2) Conduct business with ethics, respect rights, and have responsibility to shareholders and stakeholders.
- 3) Beneficial to society and develops or reduces negative impacts on the environment.
- 4) Be adaptable to changing factors.

In this regard, the Board of Directors will adhere to the following principles in supervising the Company to achieve good corporate governance results:

- 1.2.1 The Board of Directors considers ethics, social, and environmental impact in addition to financial performance.
- 1.2.2 The Board of Directors will be a good example of how to govern the Company in an ethical way.
- 1.2.3 The Board of Directors will provide policies for directors, executives, and employees that demonstrate principles and guidelines in writing, such as business ethics, etc.
- 1.2.4 The Board shall supervise communication to ensure that all directors, executives, and employees understand, have sufficient mechanisms to facilitate the implementation of the above policies, monitor the implementation, and regularly review the policy and practice.

Practice 1.3

The Board of Directors shall supervise all directors and executives to ensure that they perform their duties with accountability (Duty of Care) and honesty to the organization (Duty of Loyalty) and ensure that the operation is in accordance with the law, regulations, and resolutions of the shareholders' meeting as well as the policies or guidelines that have been established, including having a process for approving important operations such as investments and transactions that affect the Company significantly, related transactions, acquisition or disposition of assets, dividend payment, etc.

Practice 1.4

The Board of Directors shall understand the scope of duties and responsibilities of the Board of Directors and clearly define the scope of assignment of duties and responsibilities to the Chief Executive Officer and the Management, as well as monitor and supervise the Chief Executive Officer and the Management in performing their duties as assigned.

1.4.1 The Board of Directors shall prepare a charter or corporate governance policy that specifies the duties and responsibilities of the Board of Directors for use as a reference in the performance of all directors and will arrange to review such a charter on a regular basis, at least once a year, including reviewing the division of roles and responsibilities of the Board of Directors, Chief Executive Officer, and management regularly in order to be consistent with the direction of the organization.

1.4.2 The Board of Directors will understand the scope of their duties and delegate the Company's management authority to the management by making a written record. However, such assignment does not relieve the Board of Directors of their duties and responsibilities. The Board of Directors must supervise the management in performing duties as assigned. In this regard, the scope of duties of the Board of Directors, the Chief Executive Officer and the Management may be divided into the following:

Matters that should be taken care of

Refers to matters for which the Board of Directors is primarily responsible for taking appropriate action. The Board of Directors may assign the management to propose matters for consideration, which are the following:

- A. Determination of objectives and main goals in business operations.
- B. Creating an organizational culture that adheres to ethics and behaves as a role model.
- C. Supervision of the board of directors' composition and behavior to ensure that they are appropriate for achieving the main aims and objectives of effective business operations.
- D. Recruitment, development, remuneration determination and evaluation of the performance of the Chief Executive Officer.
- E. Determining a compensation structure that is an incentive for personnel to perform tasks in line with the main objectives of the organization.

Matters to be carried out with the management

Refers to matters that the Board of Directors, Chief Executive Officer, and Management will consider together. The management will propose the matter to the Board of Directors for approval, whereby the Board of Directors will supervise and ensure that the overall policy is in line with the main objectives and goals of the business and assign the implementation to the management. The Board of Directors will follow up and have the management report to the Board of Directors periodically as appropriate, which includes the following matters:

- A. Determination and reviewing strategies, goals, and annual plans
- B. Supervision for the adequacy of risk management and internal control systems
- C. Determination of authority to be suitable for the responsibilities of the management.
- D. Setting a framework for resource allocation, development, and budgeting, such as policies and plans for personnel management and information technology policies.
- E. Monitoring and evaluating work performance
- F. Monitoring to make sure that financial and non-financial data is clearly disclosed

Matters that the Board of Directors should not carried out

Refers to matters that the Board of Directors will supervise at the policy level by assigning the Chief Executive Officer and the management to be the main responsible for the implementation, which are the following matters:

- A. Execution in accordance with strategies, policies, and plans approved by the Board of Directors. The board should let management make decisions about what to buy, how to hire people based on the policies in place, and how to keep an eye on how things are going without getting in the way there is a necessity.
- B. Prohibited matters, such as approval of transactions in which directors have interests, etc.

Practice 2: Determination of sustainable objectives and main goals of the Company

Practice 2.1

The Board of Directors will set or supervise the Company's main objectives and goals to be sustainable as long as the objectives and goals are in line with creating value for the Company, customers, stakeholders, and society as a whole.

2.1.1 The Board of Directors is responsible for overseeing that the Company has objectives or main goals that are clear, appropriate, can be used as the main concept in determining the business model and communicate to everyone in the organization to drive in the same direction by Formulated as vision and values of the organization or principles and purposes or others similar.

2.1.2 In achieving the objectives or main goals, the Board of Directors will determine a business model that can create value for both the Company and its shareholders, as well as for society as a whole, taking into account the following matters:

- 1) Environment and changing factors, and the appropriate use of technology
- 2) Requirement of customers and stakeholders
- 3) The readiness, expertise, and competitiveness of the Company
- 4) Objectives of establishing the Company
- 5) The main customer groups of the Company
- 6) Ability to profit or compete by creating value for the Company and customers (Value Proposition)
- 7) Long-term viability of the Company in the face of opportunities and risks that affect it and its stakeholders

2.1.3 The Board of Directors will promote the organization's values of good corporate governance, such as Accountability, Integrity, Transparency, Due Consideration of Social and Environmental Responsibilities, etc.

2.1.4 As part of the corporate culture, the Board of Directors will foster communication and strengthen how the organization's objectives and goals are reflected in the actions and decisions of staff members at all levels.

Practice 2.2

The Board of Directors shall supervise the objectives and goals as well as the medium-term and/or annual strategy of the Company to be in line with the achievement of the objectives and main goals of the Company with appropriate and safe use of innovation and technology.

2.2.1 The Board of Directors shall supervise the formulation of annual strategies and plans that are consistent the Company's main objectives and goals, taking into account the Company's environment at that time as well as opportunities and risk appetite, including supporting or reviewing the objectives, targets, and strategies for the medium term of 3-5 years to ensure that annual strategies and plans take into account the impact over longer periods of time and are reasonably predictable.

2.2.2 In formulating annual strategies and plans, the Board of Directors ensures that the environment, factors, and risks that may have an impact on stakeholders involved along the value chain are analyzed, including various factors that may affect the achievement of the Company's main goals with a mechanism to understand the needs of the stakeholders.

- 1) Ensure that methods, processes, and channels of participation or communication between stakeholders and the Company are clearly stated so that the Company able to access and obtain information on the issues or needs of each group of stakeholders as accurately as possible.
- 2) Identify the relevant stakeholders of the Company, both internal and external, both individuals and groups of people, organizational units such as employees, investors, customers, partners, communities, society, the environment, government agencies, and regulators, etc.
- 3) Identify issues and expectations of stakeholders in order to analyze and rank those issues according to their importance and impact on both the Company and the stakeholders in order to select the important issues that will create value together with stakeholders to achieve satisfactory results.

2.2.3 The Board of Directors is in charge of making sure that innovation is encouraged and that innovation and technology are used to make the Company more competitive and meet the needs of stakeholders while staying on a competitive basis and responding to stakeholder requirements based on social and environmental responsibility.

2.2.4 The Board of Directors will set goals that are suitable for the business environment and potential of the Company. The committee will consider both monetary and non-monetary goals. The Board of Directors also knows that targeting has risks that could lead to unethical or illegal behavior.

2.2.5 The Board of Directors is in charge of making sure that the organization's strategies and plans carry out its goals and objectives.

2.2.6 The Board of Directors must make sure that the right resources are being used and that operations are being controlled. They must also make sure that the annual strategy and plan are being carried out by assigning people to oversee and track performance.

Practice 3: Strengthen effective committees

Practice 3.1

The Board of Directors is in charge of setting and reviewing the Board's structure in terms of the size, composition, and proportion of independent directors that are appropriate and necessary to lead the organization towards its stated objectives and goals.

3.1.1 The Board of Directors is responsible for ensuring that the Board of Directors is comprised of members with diverse qualifications in terms of skills, experience, abilities, and specific characteristics to ensure that the Board of Directors as a whole is qualified and able to understand and meet the needs of the Board of Directors including at least one non-executive director who has experience in the main business or industry in which the Company operates.

3.1.2 The Board of Directors will consider the number of directors who are able to perform their duties effectively as at least 5 directors and not less than half of the total number of directors must reside in Thailand.

3.1.3 The right balance of power will be shown by the number of executive directors and non-executive directors on the Board of Directors as follows:

A. Most of the directors aren't in charge of running the Company, but they can still say what they think about the work of the management.

B. Independent directors have the number and qualifications of independent directors in accordance with the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, including ensuring that independent directors can work effectively with all the Board of Directors and can express their opinions freely.

3.1.4 The Board of Directors will disclose the policy for defining the composition of the Board of Directors with diversity and director information such as age, gender, educational background, experience, shareholding percentage, number of years holding directorship, and directorship in other listed companies in Form 56-1 One Report and on the Company's website.

Practice 3.2

The Board of Directors will choose an appropriate individual to serve as chairman of the board to ensure that independent decision-making is supported by the composition and operation of the Board of Directors.

3.2.1 The Chairman of the Board is an independent director.

3.2.2 The Chairman of the Board and the Chief Executive Officer have different responsibilities. The Board of Directors shall clearly define the powers and duties of the Chairman of the Board and the Chief Executive Officer so that no one has unlimited power. The Company will separate the person holding the position of Chairman of the Board from the person holding the position of Chief Executive Officer.

3.2.3 The Chairman of the Board exercises leadership on the Board. The duties of the Chairman of the Board will cover the following matters:

- 1) Supervision, monitoring, and oversight to guarantee that the Board's performance of its responsibilities is efficient and accomplishes the organization's main objectives.
- 2) Ensuring that all directors participate in fostering a corporate culture of ethics and good corporate governance.
- 3) Determining the agenda of the Board of Directors meetings in consultation with the Chief Executive Officer and having measures to ensure that important matters are included in the meeting agenda.
- 4) Sufficient time is allocated for the management to present matters and enough for directors to carefully discuss important issues and encourages directors to exercise prudent discretion and freely express opinions.
- 5) Fostering good relationships between executive and non-executive directors and between the Board of Directors and the management

3.2.4 The Board of Directors will promote a balance of power between the board and the management in cases where the chairman and the chief executive officer are not clearly separated based on the following:

- 1) The composition of the Board of Directors consists of more than half of independent directors or
- 2) Appoint an independent director to participate in determining the agenda of the Board of Directors' meeting.

3.2.5 To ensure that crucial issues are carefully and thoroughly considered. The Board of Directors will think about creating subcommittees to investigate particular issues, screen information, and come up with guidelines before bringing them up for approval.

3.2.6 The Board of Directors shall ensure that the roles and responsibilities of the Board and subcommittees are disclosed, along with the total number of meetings held and the total number of meetings attended by each director during the immediately preceding year, and reports on the effectiveness of all subcommittees.

Practice 3.3

The Board of Directors shall supervise the recruitment and selection of directors with a transparent and clear process in order to obtain a Board of Directors with qualifications consistent with the specified composition.

3.3.1 The Board of Directors shall establish a Nomination and Remuneration Committee in which the majority of members and the chairman are independent directors.

3.3.2 The Nomination and Remuneration Committee will hold a meeting to talk about criteria and ways to find candidates in order to get qualified directors who will bring the Board of Directors the right knowledge and skills. They will also look at the profiles of the people mentioned above and submit their opinions to the Board of Directors before proposing at the shareholders' meeting the appointment of directors. In addition, the Company will inform the shareholders of sufficient information about the nominated persons for decision-making.

3.3.3 The Nomination and Remuneration Committee will review the criteria and methods for the nomination of directors and make recommendations to the Board of Directors prior to the nomination of directors who retire by rotation. In the case of the nomination of a former director, the performance of the said director should also be considered.

3.3.4 In the event that the Board of Directors has appointed any person to be an advisor to the Nomination and Remuneration Committee, information of that advisor must be disclosed in Form 56-1 One Report, including independence or no conflict of interest.

Practice 3.4

When proposing remuneration for the Board of Directors for approval by the shareholders, the Board of Directors will make sure that the structure and rate of pay are in line with their responsibilities and will encourage the Board to lead the organization to reach both short-term and long-term goals.

3.4.1 The Board of Directors will set up a Nomination and Remuneration Committee where most members and the chairman are independent directors, to consider policies and criteria for determining remuneration.

3.4.2 Remuneration of directors must be consistent with the Company's strategy and long-term goals, experience, responsibilities, and accountability and responsibility, including benefits expected from each director in a manner comparable to the level practiced in the industry.

3.4.3 Shareholders must approve the structure and rate of directors' remuneration, encompassing monetary compensation as well as other forms of compensation or benefits. The Board of Directors will consider each form of remuneration to be appropriate, both at a fixed rate (for example, fixed remuneration, meeting allowance) and performance remuneration of the Company in connection with the value the Company generates for shareholders, but not at a level that is too high to cause a focus on short-term performance.

3.4.4 The Board of Directors will disclose policies and criteria for determining directors' remuneration that reflect the duties and responsibilities of each director. In this regard, the amount of compensation disclosed shall include the compensation each director receives from serving as a director of the subsidiary (if any).

3.4.5 In the event that the Board of Directors has appointed any person to be an advisor to the Nomination and Remuneration Committee, information about that advisor must be disclosed in Form 56-1 One Report, including independence or no conflict of interest.

Practice 3.5

The Board of Directors has the responsibility to ensure that every director has the responsibility to perform their duties and allocate sufficient time for their responsibilities.

3.5.1 The Board of Directors ensures that there is a mechanism to help directors understand their roles

3.5.2 The Board of Directors shall establish criteria for directors' tenure in other companies by considering the performance of directors serving in multiple companies and to ensure that directors are able to devote sufficient time to perform their duties in the Company. The Board of Directors will determine the number of listed companies in which each director will hold positions in accordance with the nature or business conditions of the Company.

3.5.3 The Board of Directors will establish a reporting system for directors holding other positions and disclose it for acknowledgement.

3.5.4 In the event that a director holds the position of director or executive, has direct or indirect interest in other businesses that have conflicts, or is able to use the opportunity or information of the Company for his or her own benefit, the Board of Directors must ensure that the Company has adequate preventative measures, and that appropriate notification is made to the shareholders.

3.5.5 Each director shall attend at least half of the total number of Board of Directors meetings held during the year, except in cases of necessity.

Practice 3.6

The Board of Directors is responsible for ensuring that there is a framework and mechanism for supervising policies and operations of subsidiaries (if any) and other businesses that the Company makes significant investments in at an appropriate level for each business, including its subsidiaries and other businesses in which the Company has invested, in order to have the same understanding as well.

3.6.1 The Board of Directors will consider setting up a policy for the supervision of subsidiaries (if any), which includes the following:

- 1) The level of appointment of persons to be directors, executives, or controlling persons in subsidiaries. Appointments shall be made by the Board of Directors unless such company is a small company that is the Company's Operating Arms. The Board of Directors may assign the Chief Executive Officer to consider the appointment.
- 2) Determine the scope of duties and responsibilities of the person representing the Company as stated in Clause 1, and let the Company's representative supervise the operation in accordance with the policy of the subsidiary and in the event that the subsidiary has other joint ventures. The Board of Directors will set a policy for agents to do their best for the interests of the subsidiaries and in accordance with the policies of the parent company.
- 3) The internal control system of the subsidiaries is appropriate and concise enough, and all transactions are in accordance with the law and related regulations.
- 4) Disclosure of financial status and results of transactions with connected persons, acquisition or disposition of assets, other significant transactions, capital increase, or reduction, dissolution of subsidiaries, etc.

3.6.2 If the investment in another business represents a significant stake, such as a shareholding proportion with voting rights of more than 20% but not exceeding 50%, and if the investment or additional investment required is substantial for the company, The board of directors will ensure that contracts, such as shareholders' agreements, are prepared among shareholders to achieve clarity regarding management authority and participation in decision-making on important matters. Additionally, the board will oversee the follow-up on results and conduct work in a manner that allows it to be utilized as information in preparing the company's financial statements, ensuring compliance with standards and deadlines.

Practice 3.7

The Board of Directors will arrange an annual performance evaluation of the entire Board of Directors, including evaluating the performance of sub-committees and individual members, to review performance, problems, and obstacles each year so that the evaluation results can be used to develop and improve performance in various areas.

3.7.1 The Board of Directors will assess the performance at least once a year for the Board of Directors to jointly consider the performance and problems for further improvement by setting a standard to be used in comparison with the performance.

3.7.2 In evaluating performance, both collective and individual assessments will be provided, at least by self-assessment, or the Board of Directors will consider using a cross-assessment method as well, including disclosure of criteria, procedure, and overall evaluation results in Form 56-1 One Report.

3.7.3 The Board of Directors may consider appointing outside consultants to assist in setting guide lines and recommending issues for the Board's performance evaluation at least every three years and disclose such actions in Form 56-1 One Report.

3.7.4 The evaluation results of the Board of Directors must be used in determining the suitability of its composition.

Practice 3.8

The Board of Directors shall supervise the Board and each director to ensure they have knowledge and understanding of their roles and responsibilities, the nature of business operations, and laws related to business operations, as well as encourage all directors to acquire skills and knowledge enhancements for regularly performing their duties as directors.

3.8.1 The Board of Directors shall ensure that new Board members are advised and have information that is useful in carrying out their duties, including understanding their objectives, main goals, visions, missions, and corporate values, as well as the business characteristics and practices of the Company.

3.8.2 The Board of Directors shall ensure that directors receive training and develop the necessary knowledge on a continuous basis.

3.8.3 The Board of Directors shall understand the laws, regulations, standards, risks, and environments involved in doing business and is always informed of the latest information.

3.8.4 The Board of Directors will disclose information on training and the continuous knowledge development of the Board in Form 56-1 One Report.

Practice 3.9

The Board of Directors shall ensure that the Board operates smoothly, has access to necessary information, and that the Company Secretary has the knowledge and experience necessary and appropriate to support the Board's operations.

3.9.1 The Board of Directors shall arrange meeting schedules and agendas in advance so that directors can manage their time and attend the meetings.

3.9.2 The number of meetings of the Board of Directors will be considered to suit the duties and responsibilities of the Board of Directors and the nature of the business operations of the Company but not less than four (4) times per year. In the event that the Board of Directors does not have a monthly meeting, the Board of Directors will require the management to report the operating results to the Board of Directors in the month that the meeting is not held so that the Board of Directors can supervise and monitor the operations of the management department in a timely manner.

3.9.3 The Board of Directors shall ensure that there is a mechanism for each director, including the management, to be free to propose matters that are beneficial to the Company on the meeting agenda.

3.9.4 The meeting documents shall be sent to the directors at least seven (7) days in advance of the meeting date, except in an urgent case to preserve the rights or benefits of the Company, the meeting can be called by other methods and the date of the meeting will be notified sooner than that.

3.9.5 The Board of Directors will encourage the Chief Executive Officer to invite senior executives to board meetings to provide more detailed information directly relevant to the issue and to provide an opportunity to get to know senior executives for consideration of the position succession plan.

3.9.6 The Board of Directors will have access to additional necessary information from the Chief Executive Officer, Company Secretary or other designated executive within the scope of the established policy, and, where necessary, the Board may seek independent opinions from consultants or practitioners, outside at the Company's expense.

3.9.7 The Board of Directors may think about making a rule that allows non-executive directors to meet among themselves as needed to talk about management-related issues of interest without the management's involvement. The result of the meeting would be reported to the Chief Executive Officer.

3.9.8 The Board of Directors will determine the qualifications and experience of the Company Secretary appropriate to perform duties in providing advice on legal and regulatory matters that the Board must be aware of, handling board meeting documents, important documents, and activities of the Board of Directors, including coordinating the implementation of the Board's resolutions. In addition, the Board of Directors will disclose the qualifications and experience of the Company Secretary in Form 56-1 One Report and on the Company's website.

3.9.9 The Company Secretary will keep training and learning things that will help them do their jobs better, and in the event that there is a certified program, the company secretary will attend the training course as well.

Practice 4: Recruitment and development of senior executives and personnel management

Practice 4.1

The Board of Directors shall ensure that the Chief Executive Officer and senior management are recruited and developed with the knowledge, skills, experience, and characteristics necessary to drive the organization towards its goals.

4.1.1 The Board of Directors will consider or assign the Nomination and Remuneration Committee to consider criteria and methods for recruiting qualified persons for the position of Chief Executive Officer.

4.1.2 The Board of Directors shall monitor and ensure that the Chief Executive Officer ensures that there are appropriate senior executives, whereby at least the Board of Directors or the Nomination and Remuneration Committee will work with the Chief Executive Officer in considering criteria and methods for nomination and appoint a person to approve a person nominated by the Chief Executive Officer as a senior executive.

4.1.3 In order to ensure business continuity, the Board of Directors shall supervise the establishment of a succession plan to prepare for the succession of the Chief Executive Officer and senior executives, and the Chief Executive Officer shall report the results of the succession plan to the Board of Directors for acknowledgement periodically, at least once a year.

4.1.4 The Board of Directors will encourage and help the CEO and other top executives to get training and development so they can learn more and gain experience that will help the business.

4.1.5 The Board of Directors will set clear policies and procedures for the Chief Executive Officer and other senior executives to follow when taking directorships in other companies, both in terms of the type of directorship and the number of companies that can be occupied.

Practice 4.2

The Board of Directors, with the recommendation of the Nomination and Remuneration Committee, shall supervise the establishment of an appropriate remuneration structure and evaluation.

4.2.1 The Board of Directors will determine a remuneration structure that will motivate senior executives to perform their duties in accordance with the objectives and main goals of the organization and in line with the long-term benefits of the Company.

4.2.2 The Board of Directors will consider approving the criteria and factors for performance evaluation as well as the remuneration structure of senior executives and monitoring the Chief Executive Officer to assess senior executives in accordance with such evaluation principles.

Practice 4.3

The Board of Directors will understand the structure and relationships among shareholders that may affect the management and operations of the Company.

4.3.1 The Board of Directors shall understand the structure and relationship of shareholders, which may be in the form of a shareholder agreement or the policy of the parent group, which affects the power to control the Company's management.

4.3.2 The Board of Directors shall ensure that clause 4.3.1 of this agreement will not impede the performance of the Board of Directors, such as by having a suitable person succeed in the position.

4.3.3 The Board of Directors shall ensure that information is disclosed in accordance with agreements that affect the control of the Company.

Practice 4.4

The Board of Directors shall monitor the management and develop personnel to have knowledge, skills, experience, and appropriate motivation.

4.4.1 The Board of Directors shall ensure that human resource management is in line with the direction and strategy of the organization, and that employees at all levels are knowledgeable, competent, properly motivated, and treated fairly to retain talented personnel in the organization.

4.4.2 The Board of Directors shall supervise the establishment of a provident fund or other mechanisms to ensure that employees have sufficient savings for retirement, as well as encourage employees to have knowledge and understanding of money management and the selection of retirement policies, invest according to their age range and risk level, or maintain a Life Path investment policy.

Practice 5: Promote innovation and responsible business practices

Practice 5.1

The Board of Directors values and supports the creation of innovations that create value for the business, create benefits for customers or related parties and are socially and environmentally responsible.

5.1.1 The Board of Directors will focus on building an organizational culture that fosters innovation and ensures management incorporates it into strategic reviews, operational improvement planning, and performance monitoring.

5.1.2 The Board of Directors will promote operations to add value to the company according to the constantly changing environment, which may cover business model determination, perspectives on designing and developing products and services, research, improving work processes, and cooperation with partners.

In this regard, the above actions should be for the mutual benefit of the Company, customers, business partners, society, and environment, and shall not encourage inappropriate behavior, illegal or unethical activities.

Practice 5.2

The Board of Directors will monitor the management's efforts to operate the business with social and environmental responsibility, as reflected in the Operational Plan, to ensure that all departments of the organization operate in accordance with the objectives, main goals, and strategic plans of the Company.

5.2.1 The Board of Directors shall ensure that mechanisms are in place to ensure that the Company operates in an ethical, socially, and environmentally responsible manner. Do not violate the rights of stakeholders as a guideline for all parts of the organization, and be able to achieve the objectives and main goals that are sustainable by creating a business ethics policy to cover the following matters:

- 1) Responsibility to employees and workers by complying with relevant laws and standards and treating employees and workers fairly and respecting human rights, including fair compensation and other benefits, welfare arrangements that are not less than what is required by law or more as appropriate, health care and safety at work, training to educate, develop potential, and promote advancement, and giving employees the opportunity to develop work skills in other areas.
- 2) Responsibility to customers by complying with relevant laws and standards and taking into account health, safety, fairness, customer data retention, after-sales service throughout the lifetime of products and services and monitoring of customer satisfaction, customer satisfaction for the improvement of products and services including advertising and promotions must be done responsibly, not by misleading or taking advantage of misleading customers.
- 3) Responsibility to partners by using fair procurement processes and contract terms or agreements; providing knowledge, developing potential, and upgrading the ability to provide standardized services; clarifying and supervising suppliers to respect human rights and treat their labor fairly in a socially and environmentally responsible manner; and monitoring and evaluating business partners to develop sustainable business operations between each other.
- 4) Responsibility to community by applying knowledge and business experience to develop projects that can benefit the community in a tangible way, with tracking and measuring progress and long-term success.
- 5) Responsibility to the environment by preventing, minimizing, managing, and ensuring that the Company does not create or cause negative impacts on the environment, including energy consumption (for work processes, transportation, or offices), water use, renewable resource use, greenhouse gas emissions (for transportation or in the office), and handling waste generated from business operations, etc.
- 6) Fair competition by conducting business openly and transparently without creating unfair competitive advantages.
- 7) Anti-corruption by complying with relevant laws and standards and requiring the Company to have and announce its anti-corruption policy to the public. The Company may consider joining the anti-fraud and corruption network, including supporting other companies and business partners to have and announce the anti-fraud and corruption policy, including joining as a network partner.

Practice 5.3

The Board of Directors will monitor the management's efforts to allocate and manage resources efficiently and effectively, taking into account the impact and development of resources along the value chain in order to achieve the objectives and main goals sustainably.

5.3.1 The Board of Directors will be aware of the necessity of the resources to be used and recognize that the use of each type of resource affects the others.

5.3.2 The Board of Directors will understand that different business models affect resources in different ways. Therefore, when deciding on a business model, consider the impact and value on resources while remaining true to ethics, being responsible, and creating value for the Company in a sustainable way.

5.3.3 The Board of Directors will ensure that the business achieves its main objectives and goals. The management will review, develop, and supervise the use of resources to be efficient and effective, always considering changes in internal and external factors.

In this regard, there are at least 6 types of resources that the Company considers, including Financial Capital, Manufactured Capital, Intellectual Capital, Human Capital, Social and Relationship Capital, and Natural Capital.

Practice 5.4

The Board of Directors shall provide a framework for governance and management of information technology at the enterprise level that is in line with the needs of the Company as well as ensure that information technology is used to increase business opportunities, develop operations, and manage risk so that the Company can achieve the objectives and main goals of the Company.

5.4.1 The Board of Directors shall set up a policy on the allocation and management of information technology resources that covers the allocation of sufficient resources for business operations and sets guidelines to accommodate if the allocation of resources is not as specified.

5.4.2 The Board of Directors shall ensure that the organization's risk management includes information technology risk management and management.

5.4.3 The Board of Directors shall provide policies and measures to maintain the security of information technology systems. In this regard, the governance and management framework for information technology at the corporate level is as follows:

- 1) The Company has complied with laws, rules, regulations and standards related to the use of information technology.
- 2) The Company has a data security system to maintain confidentiality, integrity and availability of information, as well as preventing the misuse of information or unauthorized alteration of information.

3)The Company has considered information technology risks and has measures to manage such risks in various areas such as business continuity management, incident management, asset management, etc.

4)The Company has considered the allocation and management of information technology resources. There are criteria and factors for determining the priorities of the information technology work plan, such as suitability in accordance with the strategic plan, the impact on business operations, the urgency of use, budget and human resources in information technology, and accordance with the business model, etc.

Practice 6: Ensure that there is an appropriate risk management and internal control system

Practice 6.1

The Board of Directors shall ensure that the Company has risk management and internal control systems in place to effectively achieve its objectives and that it complies with relevant laws and standards.

6.1.1 The Board of Directors will understand the Company's significant risks and approve its Risk Appetite.

6.1.2 The Board of Directors will consider and approve the risk management policy that is consistent with the objectives, main goal, strategy, and acceptable tolerance of the Company to be used as a framework for the risk management process of everyone in the organization to be moving in the same direction. In this case, the Board of Directors will focus on early warning signs and make sure that the risk management policy is reviewed regularly, such as once a year.

6.1.3 The Board of Directors shall ensure that the Company has identified risks by considering both internal and external factors that may affect the Company's ability to achieve the specified objectives. The main risks that the Board of Directors will focus on can be divided into strategic risks, operational risks, financial risks, compliance risks, etc.

6.1.4 The Board of Directors shall ensure that the Company assesses the impact and likelihood of identified risks in order to prioritize them and have appropriate risk management measures in place.

6.1.5 The Board of Directors may assign the audit committee to it, or the Risk Management Committee will review Clause 6.1.1 – 6.1.4 before proposing to the Board of Directors for consideration.

6.1.6 The Board of Directors shall regularly monitor and evaluate the effectiveness of risk management.

6.1.7 The Board of Directors is responsible for ensuring that the Company conducts business in accordance with the law and related standards, both domestically and internationally.

6.1.8 In the event that the Company has subsidiaries or other businesses in which the Company invests significantly (for example, holding shares with voting rights of 20% but not more than 50%). The Board of Directors will also take the assessment results of the internal control system and risk management into consideration, according to Clause 6.1.1 – 6.1.7.

Practice 6.2

The Board of Directors will establish an audit committee that is capable of fulfilling its responsibilities effectively and independently.

6.2.1 The Board of Directors will arrange for an audit committee consisting of at least 3 directors, all of whom must be independent directors and have qualifications and duties in accordance with the rules of the Securities and Exchange Commission and the Stock Exchange of Thailand.

6.2.2 The Board of Directors shall prescribe the duties of the Audit Committee in writing, with duties at least as specified in the Audit Committee Charter.

6.2.3 The Board of Directors shall ensure that the Company provides mechanisms or tools that enable the audit committee to access information necessary to perform assigned duties, such as facilitating the audit committee's ability to summon relevant persons to provide information, discuss with the auditor, or seek independent opinions from any other professional advisors to support its consideration.

6.2.4 The Board of Directors shall assign an independent person or internal audit unit to be responsible for developing and reviewing the efficiency of the risk management and internal control systems and reporting to the Audit Committee to examine and disclose the review report in Form 56-1 One Report.

6.2.5 The Audit Committee shall comment on the sufficiency of the risk management and internal control systems and disclose them in Form 56-1 One Report.

Practice 6.3

The Board of Directors shall monitor and manage conflicts of interest that may arise between the Company and the Management, Board of Directors or shareholders, including the prevention of inappropriate use of assets, information, and opportunities of the Company and conducting transactions with persons connected with the Company in an inappropriate manner.

6.3.1 The Board shall supervise the establishment of a data security system, which includes the formulation of policies and procedures for confidentiality, integrity, and availability, including the management of information that may affect Market Sensitive Information. In addition, the Board of Directors will ensure that directors, senior executives, and employees, as well as relevant third parties such as legal and financial advisors, comply with the information security system.

6.3.2 The Board of Directors shall supervise the management and monitoring of transactions that may have conflicts of interest, including ensuring that there are guidelines and procedures for conducting such transactions in accordance with the procedures and disclosures prescribed by the Board of Directors as stipulated by law and mainly for the benefit of the Company and the shareholders as a whole without stakeholders should not be involved in decision-making.

6.3.3 The Board of Directors should make it a rule that directors have to report their interests at least before the meeting agenda is discussed. This information should be written down in the meeting minutes. In addition, the Board of Directors will ensure that directors with significant interests refrain from participating in the consideration of the meeting agenda.

Practice 6.4

6.4.1 The Board of Directors shall ensure that a clear Anti-Corruption Policy and Guidelines are established and communicated at all levels of the organization and to outsiders in order to achieve practicality and support. It is an activity that encourages and instils in all employees the need to comply with relevant laws and regulations.

6.4.2 The Board of Directors will provide programs or guidelines against corruption, corruption, including supporting activities that encourage and instill all employees to comply with relevant laws and regulations.

Practice 6.5

The Board of Directors will supervise the Company to have a mechanism for receiving complaints and acting in case of whistle-blowing.

6.5.1 The Board of Directors shall supervise the establishment of a mechanism and process for handling complaints from stakeholders and ensure that more than one convenient grievance channel is established, including disclosure of the grievance channels to file a complaint on the website or form 56-1 One Report.

6.5.2 The Board of Directors will ensure that there are clear policies and guidelines in case of a clue by setting up a channel for reporting clues via the Company's email or through the Company's independent directors or audit committee, including a process for reviewing operational data and reporting to the Board of Directors.

6.5.3 The Board of Directors will ensure that appropriate protection measures are in place for whistleblowers who report clues with good faith intentions.

Practice 7: Maintain financial credibility and disclosure

Practice 7.1

The Board of Directors is responsible for ensuring that the financial reporting system and the disclosure of important information are correct, sufficient, timely, and in accordance with relevant rules, standards, and guidelines.

7.1.1 The Board of Directors must make sure that the people who help prepare and share information have the right knowledge, skills, and experience for their jobs and are available enough to do so. The said personnel must include the Chief Financial Officer, Accountant, Internal Auditor, Company Secretary, and Investor Relations.

7.1.2 In approving the disclosure of information, the Board of Directors shall take into account the relevant factors, and in the case of financial reports, at least the following factors shall be taken into account:

- 1) The findings of the assessment of the internal control system's suitability
- 2) The auditor's assessment of the financial report and observations of the internal control system, including those made through other channels of communication by the auditor (if any).
- 3) Opinion of the Audit Committee
- 4) Consistency with the Company's objectives, main goals, strategies, and policies.

7.1.3 The Board of Directors shall ensure that the disclosure of information, including the financial statements and Form 56-1 One Report, adequately reflects the financial position and operating results, as well as encourage the Company to prepare Management Discussion and Analysis (MD&A) to support the disclosure of quarterly financial statements. This is for investors to be informed of and understand the changes that occur to the financial position and operating results of the Company each quarter better than the numbers in the financial statements alone.

7.1.4 In the event that disclosure of information about any specific director is required, that director will ensure that the disclosures on his part are complete and accurate as well, such as information on the group's shareholders and disclosures related to the Shareholders' Agreement of their group.

Practice 7.2

The Board of Directors will monitor the adequacy of financial liquidity and debt serviceability.

7.2.1 The Board of Directors shall supervise the management to monitor and assess the Company's financial status and regularly report to the Board of Directors. The Board of Directors and the management must work together to find a solution as soon as there are signs indicating problems with financial liquidity and the ability to pay debts.

7.2.2 In approving any transaction or proposing an opinion to the shareholders' meeting for approval, the Board of Directors will ensure that such transactions will not affect the continuity of business operations, financial liquidity or ability to pay debts.

Practice 7.3

In the event that the Company faces financial problems or is likely to encounter problems, the Board of Directors will ensure that the Company has a plan to solve the problem or other mechanisms to solve the financial problem, taking into account the rights of stakeholders.

7.3.1 In the event that the Company tends to be unable to pay debts or has financial problems, the Board of Directors will closely monitor and ensure that the Company Conduct business with caution and complying with disclosure requirements.

7.3.2 The Board of Directors will ensure that the Company formulates a plan to resolve financial problems by taking into account fairness to stakeholders, including creditors, and following up on solving problems by having the management regularly report the status.

7.3.3 The Board of Directors will ensure that any decisions made to solve the Company's financial problems by any means must be done reasonably.

Samples of indicators

- 1) Continual loss
- 2) Low cash flow
- 3) Incomplete financial information
- 4) Lack of a proper accounting system
- 5) Lack of cash flow assessments and budgets.
- 6) No business plan
- 7) Liabilities have increased more than assets have.
- 8) Difficulty in selling inventory and debt collection

Practice 7.4

The Board of Directors will consider making a sustainability report as appropriate.

7.4.1 The Board of Directors will consider the appropriateness of disclosing information on compliance with laws, compliance with ethics, anti-corruption policies, and the treatment of employees and stakeholders, including fair treatment and respect for human rights, including social and environmental responsibility, taking into account nationally or internationally accepted reporting frameworks. The said information may be disclosed in Form 56-1 One Report or may be prepared in a separate book as appropriate for the Company.

7.4.2 The Board of Directors will ensure that the information that has been disclosed is important and reflects actions that will lead to sustainable value creation for the Company.

Practice 7.5

The Board of Directors shall supervise the management to establish a unit or person responsible for investor relations responsible for communicating with shareholders and other stakeholders, such as investors and analysts, in an appropriate, equitable, and timely manner.

7.5.1 The Board of Directors formulates Communication Policy and Disclosure Policy to ensure that the communication and disclosure of information to third parties is appropriate, equitable, timely, using appropriate channels, protecting confidential information, and information that affects the price of securities, as well as communicating the same understanding throughout the organization in complying with the said policies.

7.5.2 The Board of Directors shall appoint a person who is qualified for the job to be in charge of providing information to third parties who understand the business of the Company including its objectives, main goals, and values, and who can communicate well with the capital market.

7.5.3 The Board of Directors will oversee the management team in setting direction and supporting the investor relations function, such as establishing best practices for information disclosure, insider information policy, and policies that affect security prices, as well as defining clear roles and responsibilities for investor relations to ensure effective communication and disclosure of information.

Practice 7.6

The Board of Directors shall promote the use of information technology in the dissemination of information.

7.6.1 In addition to the dissemination of information according to the specified criteria and through the channels of the Stock Exchange of Thailand, the Board will consider the disclosure of information in both Thai and English, through other channels, such as the Company's website, regularly along with presenting current information. In this regard, the Company will disclose at least the following information on the Company's website.

- 1) The Company's vision and value
- 2) The Company's mature of business
- 3) List of Board of Directors and Executives
- 4) Financial statements and reports on the financial position and operating results, both current and previous years
- 5) Form 56-1 One Report that can be downloaded
- 6) Any other information or documents that the Company presents to analysts, fund managers or the media.
- 7) Direct and indirect shareholding structure
- 8) The Company's group structure
- 9) Notice of the Annual General and Extraordinary General Meeting of Shareholders
- 10) Articles of Association of the Company and Memorandum of Association
- 11) The Company's Corporate Governance Policy Anti-Corruption Policy, Information Technology Security Policy and risk management policy

- 12) Charter or responsibilities, qualifications, and terms of office of the Board of Directors, including matters subject to Board approval, charter, or responsibilities, and qualifications
- 13) Business Ethics
- 14) Contact information of the unit or complaint handling unit or person responsible for investor relations, company secretary, such as name, telephone number, and email address of the person who can provide information

Practice 8: Encourage participation and communication with shareholders

Practice 8.1

The Board of Directors shall ensure that shareholders are involved in decision-making on important matters of the Company.

8.1.1 The Board of Directors will ensure that important matters, both those required by law and issues that may affect the direction of the Company's operations, have been considered and/or approved by the shareholders. The aforementioned important matters shall be included in the agenda of the shareholders' meeting.

8.1.2 The Board of Directors will support the participation of shareholders such as

- 1) Establishing requirements so that minority shareholders may submit additional agenda suggestions in advance of the meeting date, with the Board of Directors then taking such suggestions into consideration for the meeting agenda. If the Board of Directors decides not to adopt the shareholders' suggested agenda, they must explain why before the shareholders' meeting.
- 2) Criteria for Minority Shareholders to Nominate Persons for Directorship. The Board of Directors will make sure that shareholders know about these criteria ahead of time.

8.1.3 The Board of Directors must make sure that the notice of the shareholders' meeting has correct, complete, and enough information for shareholders to exercise their rights.

8.1.4 The Board of Directors shall ensure that the notice of the shareholders' meeting, together with relevant documents, is sent and published on the Company's website at least fourteen (14) days prior to the meeting date.

8.1.5 The Board of Directors will allow shareholders to submit questions in advance of the meeting date by setting the criteria for submitting questions in advance and disseminating the criteria on the Company's website as well.

8.1.6 The notice of the shareholders' meeting and related documents will be prepared in English and distributed together with the Thai version.

In this regard, the notice of the shareholders' meeting must contain the following statements:

- 1) Date, time and venue of the shareholders' meeting
- 2) Agenda of the meeting, specifying whether it is an agenda for acknowledgement or for approval, and clearly dividing the matters, for example, in the agenda related to directors, the election of directors, and the approval of directors' remuneration for each agenda.

3) Objectives and reasons and opinions of the Board of Directors on each proposed agenda, including the followings:

- A. Agenda for dividend payment approval - dividend payment policy, proposed dividend rate, together with reasons and supporting information. In the event that no dividend payment is proposed, the reasons and supporting information must be presented.
- B. Agenda for Director Appointment – specify name, age, education, and work history, number of listed companies and general companies holding director positions criteria, nomination methods, and type of director proposed. In the case of nominating the former director to be re-elected, please specify the meeting attendance of the previous year and the date of appointment as the Company's director.
- C. Agenda for approval of director's remuneration - policy and criteria for determining the remuneration of each position of director and all forms of remuneration for directors, both in cash and other benefits.
- D. Agenda for the appointment of the auditor – name of the auditor, company affiliation, work experience, independent auditor, audit fee, and other service fees

4) Proxy form as prescribed by the Ministry of Commerce

5) Other supporting information such as voting procedures, counting and notifying the vote results, the rights of each type of share to vote, information about independent directors that the Company proposed to be a proxy from shareholders, documents that shareholders must present before attending the meeting, supporting documents for a proxy, a map of the meeting venue, etc.

Practice 8.2

The Board of Directors will supervise the conduct of the meeting on the day of the shareholders' meeting to ensure that it is orderly, transparent, and efficient, and facilitates shareholders exercising their rights.

8.2.1 The Board of Directors will determine the date, time, and venue of the meeting by considering the convenience of shareholders attending the meeting, such as an appropriate and sufficient meeting time for discussion, a convenient meeting venue, etc.

8.2.2 The Board of Directors must make sure that nothing is done to make it harder for shareholders to attend the meeting or to put too much stress on them. For example, shareholders or proxies shouldn't have to bring more documents or proof of identity than is required by the rules of the relevant regulatory bodies.

8.2.3 The Board of Directors will promote the use of technology in the shareholders' meeting, including shareholder registration, vote counting, and display results so that the meeting can be conducted quickly, accurately, and precisely.

8.2.4 The Chairman of the Board of Directors acts as the chairman of the shareholders' meeting and is responsible for ensuring that the meeting proceeds in accordance with the related law and regulations and the Articles of Association of the Company appropriately allocating time for each agenda specified in the meeting notice, and allowing shareholders to express their opinions and raise questions at the meeting on matters related to the Company.

8.2.5 The directors do not support superfluous additions to the meeting agenda without prior notification for the shareholders to be able to participate in decision-making on significant issues. This is especially true for the significant agenda that the shareholders have requested. It takes time to study the information before making a decision.

8.2.6 In order to allow shareholders to ask questions about various linked topics, all directors and pertinent executives are encouraged to attend the meeting.

8.2.7 Before starting the meeting, the Company shall inform the shareholders of the number and proportion of shareholders attending the meeting in person and by proxy, the meeting methods, and voting and vote counting.

8.2.8 In the event that there are many items on an agenda, the chairman of the meeting must have a separate vote for each item. For example, shareholders may exercise their rights to appoint directors individually on the agenda of appointing directors.

8.2.9 The Board of Directors encourages the use of ballot papers for important agenda items and encourages independent persons to count or check the votes in the meeting and disclose the results of agreeing, disagreeing, and abstaining votes. Vote on each item on the agenda for the meeting's acknowledgement, which is recorded in the minutes of the meeting.

Practice 8.3

The Board of Directors will ensure that the minutes of meetings and reports of shareholder meetings are accurate and complete.

8.3.1 The Board of Directors shall ensure that the Company discloses the resolutions of the shareholders' meeting along with the voting results within the next business day through the news system of the Stock Exchange of Thailand and on the Company's website.

8.3.2 The Board of Directors must send the Stock Exchange of Thailand a copy of the minutes from the shareholders' meeting within fourteen (14) days of the shareholders' meeting.

8.3.3 The Board of Directors must make sure that at least the following information is in the minutes of the shareholders' meeting:

- 1) List of the directors and executives who attended the meeting, as well as the number of directors who did not attend.
- 2) Voting and vote counting methods, meeting resolutions, and voting results of agreeing, disapproving, or abstaining for each agenda
- 3) Questions and answers at the meeting, including the name and surname of the questioner and the respondent.

2. Ethics in Business Operations

International Network System Public Company Limited ("the Company") is committed to conducting its business with integrity, morality, honesty, transparency, and under the principles of good corporate governance to ensure sustainable business growth and to maintain the benefits of stakeholders, as well as fulfilling its social and collective responsibility towards the community. The Company aims to become a truly responsible corporate citizen, and therefore, it has announced the following code of ethics as its fundamental standards and practices in conducting its business:

Reasons and Necessity for Ethical Practices in Business Operations

Business ethics are therefore very important to all activities that the Company has engaged, as it guarantee customers and society that the Company will treat them with respect, correctness, and fairness. In addition, the Company has policies to promote the prevention of corruption and misconduct in all forms, both in government and private sectors, to ensure that the Company operates within the boundaries of the law, regulations, and generally accepted business practices. Therefore, the Company has established ethical standards for its business operations, which serve as guidelines for employees to carry out their work properly and appropriately, in line with the following reasons.

Definitions

"Customers" refer to individuals who use the products or services sold by the company.

"State officials" refer to individuals who work in an organization or agency of the government, state enterprise, or in an organization where the government has ownership and control.

"Bribe" means money or things or anything that has value, tangible or intangible, and has been offered or promised to be given to an individual or a juristic person to perform or refrain from any actions that are not legal or appropriate, for their own benefit, or for the benefit of relatives, friends, or accomplices.

(1) The ethical principles of the board of directors, executives, and employees.

Personnel of the Company, including the board of directors, executives, employees, consultants, agents, or individuals appointed to act on behalf of the Company, or to represent the aforementioned persons, must adhere to the code of conduct and business ethics as follows:

Behavior and Conduct

- 1) Perform duties in accordance with relevant laws and regulations, the Company's objectives, regulations, principles of corporate governance, and resolutions of shareholders' meetings.
- 2) Seek knowledge and experience to enhance one's own capabilities in order to perform work more efficiently and effectively.
- 3) Uphold ethics and do not seek positions, favors, or other benefits that are not approved by superiors or other individuals.
- 4) Refrain from using drugs and from engaging in any behavior that may damage one's own or the Company's reputation, such as not engaging in activities that could result in debts, not engaging in any type of gambling, and not being involved with any type of substance abuse.
- 5) Do not engage in occupation or profession or activity that may affect the performance of duties or the reputation of oneself and the Company.

- 6) Avoid having financial obligations with individuals who conduct business with the Company or among colleagues, including borrowing or lending money and making demands and claims, except for charitable and public activities.
- 7) Do not seek illegitimate benefits, either directly or indirectly.
- 8) Do not engage in any activities that involve managing or operating in other companies that may undermine the interests of the Company or give benefits to any person or juristic person whether for personal benefit or for others' benefit.
- 9) Maintain and participate in creating unity among colleagues.

Treatment of colleagues

- 1) Strengthening teamwork by promoting collaboration and mutual assistance for the benefit of the Company's overall operations.
- 2) Treat colleagues with respect, kindness, and good interpersonal skills, adapt to working with others, and do not conceal necessary information for colleagues to carry out their work.
- 3) Respect others by not covertly claiming the work of others as their own.
- 4) Superiors should conduct themselves in a manner deserving of respect and be a good example for subordinates. This includes showing respect to employees under their command and to all coworkers at every level.
- 5) Subordinates should conduct themselves towards their superiors with respect and esteem.
- 6) Subordinates should listen to the advice of their superiors and not disobey their orders unless the said order is rendered by the superiors at higher level. Additionally, subordinates should show respect and professionalism towards all employees and coworkers at every level.
- 7) Avoid sharing other employees' information or stories regarding work-related or personal matters or criticizing in the manner that will harm employees or the Company's reputation.
- 8) Do not engage in any behavior that violates ethics or sexually harasses other coworkers, such as behavior that is offensive, harassing, or creates an uncomfortable, depressing, hostile, or aggressive work environment, or that disrupts the work of other employees in an unreasonable manner. This includes molestation, verbal or physical sexual harassment, and sexual assault.

Treatment of the Company

- 1) Perform duties with responsibility, honesty, integrity, commitment, and a mental and physical effort, and adhere to the company's rules and policies, its values, and good traditions, and prioritize the Company's interests.
- 2) Carry out duties in compliance with occupational health, safety, and environmental policies in the workplace.
- 3) Maintain the confidentiality of customers, business partners, and the Company strictly by taking precautions to prevent any leakage of documents or confidential information of the Company to unauthorized individuals who may cause damage to the Company.

- 4) Refrain from making any statements or engaging in any actions that may lead to division, internal conflicts, or harm to the Company or individuals associated with the Company.
- 5) Maintain personal dignity that is accepted within the Company.
- 6) Build a good relationship by collaborating with society, communities, government agencies, and related organizations in providing information. Employees at all levels should perform their duties with caution and prudence for the benefit of the Company and the community as a whole.
- 7) Pay attention and help carry out any activities that maintain a safe and healthy work environment, as well as contribute to the development of the organization towards excellence.
- 8) Avoid giving and/or receiving gifts, entertainment, or benefits from business partners or individuals associated with the Company unless it is for the benefit of the Company and is in line with the Company's ethical standards, or during festivals or customary events at an appropriate value. If a gift is received in the form of cash or an item worth more than three thousand baht, it should be refused and returned.
- 9) Do not participate in or cover up any actions that may conflict with the interests of the Company or engage in any activities that are illegal.

Treatment of customers, partners or competitors

- 1) Treat customers, business partners, or competitors with understanding and good cooperation.
- 2) Provide quality service to customers with a warm and supportive attitude.
- 3) Use reasonable caution when providing advice or making decisions on behalf of customers, considering the appropriateness of the situation for the customer.
- 4) Maintain and protect the benefits of shareholders.
- 5) Support social missions as opportunities as appropriate and participate in activities for public service, education, and contribute to the nation's progress.

(2) Principles of Business Ethics

The Company has standards for conducting business that must comply with the law, regulations, and ethical principles of the highest standard. All employees of the Company must strictly adhere to the standards. Any violation may result in the highest penalty of termination of employment, legal action, or imprisonment as specified by law. The Company expects business partners, subcontractors, and the authorized person of the Company to also comply with these standards.

"Totally Free from Bribery" : The Company has a policy of conducting business that is free from bribery, corruption, extortion or fraud of any kind and will not tolerate any compromise on this matter. All employees of the Company must not offer, promise, or authorize directly or indirectly, to pay bribes or anything that can be valued (whether tangible or intangible) to customers, potential customers, government officials, including relatives or agents of the aforementioned persons or entities, in order to undertake or refrain from actions that may result in inappropriate benefits to the Company, or its subsidiaries or partners.

All employees of the Company must not accept any bribes or promise to persuade anyone to engage in illegal activities, corrupt practices, or actions causing unfairness to the Company.

“Refrain from taking advantage of business operations” : The Company operates on the basis of fairness and will not take advantage of competitors or customers by inciting, misrepresenting information or improper use of confidential information, personal privileges, or similar actions for the benefit of the Company.

All activities of the company must be adhered to the principles of free trade and fair competition as well as various laws pertaining to public procurement. In general, exploitative activities may include, but are not limited to, the following:

- Controlling or directing in pricing
- Colluding on bid prices
- Assisting customers in drafting tender terms and conditions for their own benefit
- Restricting competition
- Sharing information such as prices, profits, or profit rates with competitors
- Dividing markets or areas, or customer groups with competitors
- Sharing confidential pricing information that has not been released to the public or competition-related information with competitors

“Must not have conflict of interest” : Employees or family members of the Company must protect the Company's highest interests, including those of its business partners, and should not have any conflicts of interest with the Company. Conflicts of interest refer to situations in which employees or family members have a business or activity that competes with the Company's business or may use their relationship with the company for their own benefit or the benefit of their associates or related companies.

Employees of the Company must use their judgment to consider whether their actions or activities will have any conflict of interest with the Company. If unsure, they should consult with their supervisor or relevant personnel.

(3) Principles of accurate accounting records

The Company's accounting transactions are recorded in accordance with accounting standards that are accurate, transparent, and verifiable, which will truly reflect the actual payment activities. The Company's accounting transaction must be a legitimate expense, including meals provided to customers or government officials during the meeting, travel expenses for education, training, marketing, or site visits. These expenses must be supported by sufficient, clear, and verifiable documentation.

(4) Customer relationship

Employees of the Company must have a positive and honest relationship with customers and prospective customers, which is essential for them to professionally present products and services when contacting customers and prospects at every stage. The Company's employees must ensure that their actions adhere to the highest ethical standards in conducting business and comply with relevant laws and regulations. Meetings for business contacts, networking, or discussions with customers or prospective customers must (a) be aligned with the business goals, (b) comply with the laws, regulations, and ethical practices in conducting business, and (c) not have inappropriate influence on the decision-making process of customers or prospective customers.

Attachment 4 Report of the Audit Committee

Report of the Audit Committee

International Network Systems Public Company Limited (the "Company") places importance on the internal control system as it plays a significant role in risk management in order to achieve the Company's business objectives. Therefore, the Board of Directors has established an internal control system within the organization to strengthen confidence among shareholders and stakeholders of the Company.

The Board of Directors has assigned the audit committee to evaluate and examine the effectiveness of the internal control system established by the management. The audit committee reviewed the results of the internal auditor's assessment and the opinions of the external auditor regarding the Company's internal control system. There were several meetings held between the audit committee, management, internal auditor, and external auditor to gather information, exchange opinions, and determine appropriate measures. In 2023, the audit committee had a total of four meetings, and the significant issues discussed were summarized as follows.

- 1.The audit committee reviewed and examined the financial statements of the Company, which had been audited and verified by the certified public accountant. They reviewed significant financial information, important issues, and special items. They also received explanations and confirmations from the auditor and the relevant management regarding the information used in preparing the financial statements. In addition, the audit committee reviewed the disclosures and notes to the financial statements to ensure compliance with legal requirements and financial reporting standards. The audit committee approved the financial statements that had been reviewed and audited by the certified public accountant.
- 2.The audit committee has reviewed the internal control system every quarter to ensure that the company has a sufficient, suitable, and effective internal control system. This assessment is based on the results of the Company's internal auditor's review. In addition, the audit committee has instructed the internal auditor to monitor all corrective action plans to ensure that management has implemented improvements according to the internal auditor's recommendations within the specified time frame. Therefore, the audit committee believes that the Company's internal control system is adequate, and no significant deficiencies have been identified that could have a material impact on the Company's financial position.
- 3.The audit committee has considered and reviewed the scope of work, responsibilities, and annual audit plan of the internal auditor to maintain the quality and standards of the internal audit work. The audit committee believes that the internal auditor's work has achieved its objectives and is effective. Furthermore, the audit committee has approved the internal auditor's audit plan for the year 2024 as proposed by the internal auditor at the audit committee meeting no. 1/2024, held on February 22nd, 2024.

4. The audit committee has reviewed the Company's operations to ensure compliance with relevant laws and regulations related to the Company's business activities. This is to ensure that the Company operates in a correct, transparent, and effective manner, which can create confidence among shareholders. The audit committee believes that the Company has effectively overseen and reviewed the operations of various departments to ensure compliance with relevant rules and regulations.

The audit committee has fulfilled its duties as specified in the audit committee charter with caution, prudence, and independence. The committee has received good cooperation and information from the Company's management. The audit committee believes that the Company 1) has accurate financial reporting that conforms to generally accepted accounting standards and has sufficient and adequate disclosure of important information; 2) has an appropriate and effective internal control and internal audit system, without any significant deficiencies that could have a material impact on the Company's financial position and operations; 3) has an adequate and effective organizational risk management system, and 4) has complied with relevant laws, regulations, and rules appropriately.



(Mr. Woodtipong Moleechad)
Chairman of the Audit Committee



International Network System Public Company Limited

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